

## EPPING FOREST DISTRICT COUNCIL CABINET MINUTES

**Committee:** Cabinet **Date:** 4 February 2013

**Place:** Council Chamber, Civic Offices, High Street, Epping **Time:** 7.00 - 8.55 pm

**Members Present:** C Whitbread (Chairman), Ms S Stavrou (Vice-Chairman), R Bassett, W Breare-Hall, Mrs A Grigg, D Stallan, H Uikun, G Waller and Mrs E Webster

**Other Councillors:** K Angold-Stephens, K Avey, K Chana, L Girling, Ms J Hart, A Lion, Mrs M McEwen, Mrs C Pond, B Sandler, Mrs L Wagland, Ms S Watson, Mrs J H Whitehouse and J M Whitehouse

**Apologies:** -

**Officers Present:** G Chipp (Chief Executive), D Macnab (Deputy 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), I Willett (Assistant to the Chief Executive), P Maddock (Assistant Director (Accountancy)), R Pavey (Assistant Director (Revenues)), P Pledger (Assistant Director (Property and Resources)), T Carne (Public Relations and Marketing Officer), S G Hill (Senior Democratic Services Officer) and G J Woodhall (Democratic Services Officer)

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### 101. 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.

### 102. DECLARATIONS OF INTEREST

(a) Pursuant to the Council's Code of Member Conduct, Councillor S Stavrou declared a personal interest in agenda item 17a, Finance & Performance Management Cabinet Committee – 21 January 2013, and agenda item 18, Council Budgets 2013/14, by virtue of being:

- A member of Waltham Abbey Town Council, which could apply for Section 106 monies from the LIDL supermarket planning application;
- A trustee of the Epping Forest Community Transport Scheme, which would be a recipient of Council funding in 2013/14; and
- A trustee designate of the Epping Forest Furniture Exchange Scheme, which would also be a recipient of Council funding in 2013/14.

The Councillor had determined that her interest was non-pecuniary and would remain in the meeting for the consideration of the issue, unless the Cabinet wished to discuss those particular items of expenditure in which case the Councillor would leave the meeting.

(b) Pursuant to the Council's Code of Member Conduct, Councillors K Avey, W Breare-Hall and J M Whitehouse declared a personal interest in agenda item 17b, Proposed Refurbishment of Bakers Lane Toilets in Epping, by virtue of being a member of Epping Town Council. The Councillors had determined that their interest

was non-pecuniary and would remain in the meeting for the consideration of the issue.

### 103. MINUTES

#### Resolved:

- (1) That the minutes of the meeting held on 3 December 2012 be taken as read and signed by the Leader as a correct record; and
- (2) That the minutes of the meeting held on 10 January 2013 be taken as read and signed by the Leader as a correct record.

### 104. REPORTS OF PORTFOLIO HOLDERS

#### Environment Portfolio Holder

The Cabinet recalled the tragic death of a young girl at Eton Manor Nursery in Chigwell. The Council had investigated the incident as the Health & Safety enforcing authority and concluded that offences had been committed under health & safety legislation by the Nursery as a corporate body and two of the employees as individuals.

The Portfolio Holder reported that the trials for the two individuals had recently concluded and verdicts had been returned; one individual was found not guilty, whilst the other was found guilty. Sentencing was due to take place later in the Spring.

### 105. PUBLIC QUESTIONS

The Cabinet noted that no public questions had been received for consideration at the meeting.

### 106. OVERVIEW AND SCRUTINY

The Vice-Chairman of the Overview & Scrutiny Committee reported that the following items of business had been considered at its meeting held on 29 January 2013:

- (a) a presentation from British Telecom regarding the provision of broadband internet access within the District;
- (b) four reports from the Constitution & Member Services Scrutiny Panel:
  - the role of Portfolio Assistants on the Audit & Governance Committee;
  - the revision of the Access to Information rules;
  - the period of notice or questions to the Cabinet, Council and other related meetings; and
  - a review of the Appointments Panel;
- (c) the Terms of Reference for the newly established Overview & Scrutiny Review Task & Finish Panel;
- (d) a possible review of the protocol for planning site visits, to be considered by the current Chairmen and Vice-Chairmen of the Council's Planning committees and Sub-Committees;

(e) a report to expand the current pre-application charging regime to encompass advice for minor applications, which will be considered by the Cabinet at its next meeting; and

(f) a report on the running of the recent Police & Crime Commissioner election and any problems that arose.

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

#### **107. NORTH WEALD AIRFIELD AND ASSET MANAGEMENT CABINET COMMITTEE - 29 OCTOBER 2013**

The Portfolio Holder for Asset Management & Economic Development presented the minutes from the recent meeting of the North Weald Airfield and Asset Management Cabinet Committee, held on 29 October 2012.

The Cabinet Committee had considered the Strategic Review of North Weald Airfield and had made a number of decisions concerning the Brief and the process to be followed for appointing the consultants. The Cabinet would consider a report later in the meeting regarding the appointment of the consultants following the interview process on 22 January 2013 at the Airfield.

##### **Decision:**

(1) That the minutes of the meeting of the North Weald Airfield & Asset Management Cabinet Committee, held on 29 October 2012, 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.

#### **108. LOCAL PLAN CABINET COMMITTEE - 26 NOVEMBER 2012**

The Planning Portfolio Holder presented the minutes from the meeting of the Local Plan Cabinet Committee, held on 26 November 2012.

The Cabinet Committee had considered an update report on the Local Plan Issues and Options following the conclusion of the consultation period, and had noted the continuing work for the Local Plan Evidence Base.

A local member for Chigwell Village was concerned that the Council's current projected growth rates were half the national average. The Planning Portfolio Holder stated that the current projected figures and their impacts were being examined, but that the Council had disputed a number of the figures. It was highlighted that the District had a number of restrictions to growth. The Council had to establish some sound figures for population growth and these would be reported to members in due course. The local member for Chigwell Village highlighted that the 2011 census

figures were now available, which provided the Council with the correct figures for population growth from which to work from. The planning Portfolio Holder agreed with the Member but cautioned that these figures needed to be analysed very carefully before projected growth figures for the District was forecast. This process would take some time. The local member for Chigwell Village advised that the Council had to use the new data available from the Office for National Statistics.

The Leader reassured the meeting that the Council would use the most up-to-date figures available for population growth, and that the data from the census would form part of the next round of public consultation.

**Decision:**

(1) That the minutes of the meeting of the Local Plan Cabinet Committee, held on 26 November 2012, 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.

**109. DISCRETIONARY DISCOUNT POLICY FOR COUNCIL TAX AND BUSINESS RATES**

The Portfolio Holder for Finance & Technology introduced a report concerning the Discretionary Discount Policy for Council Tax and Business Rates.

The Portfolio Holder informed the Cabinet that new legislation had introduced additional discretionary powers for local authorities to award discretionary discounts in respect of Council Tax and Business Rates. To date no applications had been received, but it was necessary for the Council to formalise its process and policy when dealing with such applications in the future. The policy attached at Appendix 1 of the report provided guidelines for such applications, both Council Tax and Business Rates. It was highlighted that the full cost of any discount granted for Council Tax would be borne by the Council, whilst any discount granted for Business Rates would be deducted from the level of Business Rate income generated and in the new regime this would equate to 40% of the cost being borne by the Council. The Cabinet was requested to agree the proposed policy for approval.

It was queried why the Council would have to bear 40% of the cost of any Business Rate discount when it only received approximately 10% of any increase in Business Rate income. The Portfolio Holder stated that this was the Council's nominal share of income before the tariff was applied, i.e. before the Government took its share of the extra income for redistribution. In response to other queries raised by Members, the Portfolio Holder stated that the Council would also expect there to be exceptional circumstances before any consideration of a discount for Business Rates, and any such discount granted would only be a temporary measure. Each case would be considered on its own merits and help would be available to all residents and businesses within the District. It was highlighted that there was no mention of special

circumstances to apply before an application for Business Rates discount could be made. The Portfolio Holder agreed that this was a drafting error and that the special circumstances criteria would be added for Business Rates discounts if the Cabinet was in agreement.

**Decision:**

(1) That the Discretionary Discount Policy for Council Tax and Business Rates be approved, subject to the addition of the exceptional circumstances criteria for any potential Business Rates discount.

**Reasons for Decision:**

To agree a policy for considering applications for discretionary discounts for Council Tax and Business Rates, as required by the Local Government Act 2003 and Localism Act 2011.

**Other Options Considered and Rejected:**

To amend or not agree the policy. However, the Council was required to have a policy to determine how it would deal with applications for discretionary discounts for Council Tax and Business Rates.

**110. MARDEN CLOSE AND FAVERSHAM HALL, CHIGWELL ROW - FUTURE USE**

The Housing Portfolio Holder presented a report on the future use of the vacant bedsits in Marden Close and the building at Faversham Hall, both in Chigwell Row.

The Portfolio Holder reminded the Cabinet that it had previously agreed, in 2009, to work with a housing association to convert the 20 vacant bedsits at Marden Close, Chigwell Row into 10 self contained flats. However, due to the freeholder of the land, Trust for London not being prepared to agree an extension of the lease beyond the 45 years currently remaining, and other changed circumstances in the intervening period, it was now proposed, in principle, that the Council undertook the conversion scheme itself, with East Thames Group undertaking the design and project management under the terms of its Development Agent contract with the Council. The Portfolio Holder offered an additional recommendation for the Council to meet the Trust for London's reasonable legal and other costs for considering and approving the Council's request for consent under the terms of the lease.

The Portfolio Holder added that it was also proposed that the delivery of the conversion scheme be overseen by the new Council Housebuilding Cabinet Committee, and that, following a request from the Housing Scrutiny Panel, the capital costs be funded from the Housing Revenue Account's Housing Improvements and Service Enhancements Budget. In addition, it was also proposed that Chigwell Parish Council be offered a lease for the ground floor of Faversham Hall, in Chigwell Row as well(which was currently hardly used), at a peppercorn rent for an initial period of 10 years, to let to the local community.

The Planning Portfolio Holder stated that the Council should require a formal response from Chigwell Parish Council regarding the proposed provision of a lease for Faversham Hall as soon as possible after the conclusion of the survey, and felt that some conditions should be made within the Cabinet's decision to accommodate this. The Portfolio Holder also suggested that the Council needed to have a plan for the use of the building if the Parish Council did not agree to the terms of the lease.

The Housing Portfolio Holder therefore offered a further three recommendations to address these concerns, namely:

- Chigwell Parish Council to confirm their agreement in principle to the proposed lease within two months of this meeting;
- the lease to be completed within a further two months of the Parish Council confirming its agreement of the lease; and
- East Thames Group be requested to formulate a proposal as a contingency plan to convert the ground floor of Faversham Hall into two self-contained flats should the Parish Council decline the Council's offer of a lease.

The Director of Housing confirmed that the costs of the survey and any subsequent works should be shared between the two Councils. Any costs identified through the survey that were likely to arise during the lease period would to be agreed through discussion between the two Councils, but the intention would still be to share the costs provided the Parish Council intended to enter into the proposed lease for Faversham Hall.

The local ward member for Chigwell Row thanked the District Council for proposing a lease for Faversham Hall and informed the Cabinet that he thought the proposed conditions would be acceptable and that Faversham Hall could become a valuable community facility in Chigwell once again. The Cabinet welcomed the proposals and additional recommendations, and felt that recent site visit undertaken by the Cabinet before the meeting had been very useful. It was anticipated that work would begin on site at Marden Close within the next six to eight months.

**Decision:**

- (1) That, in principle and subject to the consent of the freeholder (Trust for London) under the terms of the existing lease, the conversion of the 20 vacant bedsits at Marden Close, Chigwell Row into 10 one-bedroomed flats be undertaken by the Council;
- (2) That the Trust for London's reasonable legal and other costs be met by the Council for considering and approving its request for consent under the terms of the lease;
- (3) That the development be designed and project-managed by East Thames Housing Group, through its Development Agency Agreement with the Council, using East Thames' competitively tendered rates;
- (4) That the resultant receipt of a New Homes Bonus by the General Fund of around £67,000 over a six-year period be noted;
- (5) That the new Council Housebuilding Cabinet Committee be authorised to oversee the delivery of the scheme, in accordance with its Terms of Reference, and in particular to:
  - (a) consider the Development and Financial Appraisals;
  - (b) approve the submission of a detailed planning application and approve the scheme being undertaken, subject to the estimated works costs being acceptable to the Cabinet Committee;
  - (c) approve the proposed procurement methodology of the works contractor;

- (d) award the works contract for the conversion scheme, following the receipt of competitive tenders; and
  - (e) agree the capital budget requirement for the Housing Capital Programme;
- (6) That, if considered appropriate by the Cabinet Committee, Contract Standing Orders be waived to allow the use of East Thames Group's Framework Agreement for Works, to reduce the cost and time involved with the process of procuring the works contractor;
- (7) That social rents continue to be charged for the converted properties after completion of the works;
- (8) That, subject to the final estimated costs and the views of the Housing Scrutiny Panel, appropriate capital budget be made within the Housing Capital Programme for 2013/14 and 2014/15, funded from the Housing Revenue Account's Housing Improvements and Service Enhancements Budget (supplemented if necessary from the Housing Revenue Account's Major Repairs Reserve), with authority for some or all of the 2014/15 budget provision to be brought forward to 2013/14 if necessary, to avoid any unnecessary delay in the commencement of the conversion scheme;
- (9) That Chigwell Parish Council be offered a lease for the ground floor of Faversham Hall, Chigwell Row, at a peppercorn rent for an initial period of 10 years, to let to the local community, on the following key terms (in addition to the District Council's standard lease conditions):
- (a) The inclusion of a break clause after 5 years, exercisable by either party;
  - (b) The existing fixtures, fittings and furniture in the Hall to be included as part of the lease, with fixtures, fittings and furniture of a similar standard and condition returned to the District Council at the end of the lease;
  - (c) The Parish Council to be responsible for all the running costs related solely to the hall and for undertaking all internal repairs to the hall;
  - (d) External repairs, improvements and decorations, together with the arrangement of buildings insurance, to be undertaken by the District Council;
  - (e) The costs of buildings insurance, external repairs to (and decoration of) the building (subject to survey), and any running costs attributable to both the Hall and the flat above be shared between the District Council and Parish Council, based on the floor area of the ground and first floors, with the District Council reimbursed by the Parish Council through a service charge;
  - (f) Each party to meet their own legal costs and the cost of a pre-lease building survey to be shared equally between the parties; and
  - (g) The playing of music in the hall after 9.00pm to be prohibited;
- (10) That Chigwell Parish Council be requested to confirm that it wished to obtain a lease for Faversham Hall, on the Council's key terms having regard to the outcome of the survey, within two months from the date of this meeting;

(11) That completion of the lease by Officers and Chigwell Parish Council be sought within two months of the Parish Council confirming its request for a lease;

(12) That, if necessary, the Housing Portfolio Holder be authorised to determine the District Council's approach to any key issues relating to the lease, including timescales;

(13) That, in case the Parish Council declined the District Council's offer of a lease or terms could not be agreed, East Thames be requested to progress Development and Financial Appraisals now for the option of converting the ground floor of Faversham Hall into two self-contained flats for inclusion within the Marden Close conversion scheme, and that in such circumstances the Council Housebuilding Cabinet Committee be delegated the same authority to approve and deliver a conversion scheme for Faversham Hall as set out in Decision (5) above for Marden Close.

#### **Reason for Decision:**

Since the 20 bedsits were currently vacant and Faversham Hall was hardly used, a decision was required on the future use of these two sites. The recommended course of action appeared to be the best approach, under all the circumstances.

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

To not convert the bedsits in Marden Close and to let them to single (non elderly) people. However, such a high concentration of, mainly young, single people in this semi-rural location was not considered appropriate and, in any event, the properties would still need to be improved to bring them up to a reasonable standard.

To offer to surrender the lease to Trust for London, perhaps for a premium. However, Trust for London would not be prepared to pay a premium even close to the net present value of the remaining lease, and no affordable rented housing would be provided to accommodate applicants on the Council's Housing Register.

To seek to assign the lease to a third party, perhaps for a premium. However, the Council's Preferred Housing Association Partners had all confirmed that they would not be prepared to take on the lease for its remaining length, so it is unlikely that any affordable rented housing would be provided by a third party.

To seek to purchase the freehold of the site from the Trust. However, the Trust was not willing to seek the freehold, since it wished to safeguard the development potential and a potential access to its adjacent land.

To not offer a lease of the ground floor of Faversham Hall to Chigwell Parish Council, and either continue to manage hall bookings by the District Council (perhaps with an associated marketing exercise) or consider further the possibility of converting the ground floor into two self contained flats.

To lease the ground floor of Faversham Hall to Chigwell Parish Council either on different terms and/or for a different period.

To leave the properties vacant, and board them up, until the expiry of the lease. However, this would not make the best use of the land/properties and would forego the potential rental income from a conversion scheme.



**111. REVIEW OF NORTH WEALD AIRFIELD - APPOINTMENT OF CONSULTANTS**

The Portfolio Holder for Asset Management & Economic Development presented a report regarding the appointment of consultants to undertake a review of North Weald Airfield.

The Portfolio Holder reminded the Cabinet that, at its meeting in September 2012, it had agreed to appoint consultants to undertake a review of North Weald Airfield, and had recommended to Council a supplementary District Development Fund estimate of £150,000. Subsequently, a procurement exercise was undertaken through the Essex Procurement Hub, and two tenders had been received by the deadline of 14 December 2012. An interview panel was held at North Weald Airfield on 22 January 2013 with the two bidders, these being Ernst & Young and Drivers Jones Deloitte. Drivers Jones Deloitte emerged as the highest scoring consultant with a score of 66.1% and it was therefore recommended that they be appointed to undertake the review at a tendered sum of £145,000 plus meeting disbursements.

The Portfolio Holder stated that, given the time frame available to complete the commission, the Chairman of the Council had been requested to waive the call-in requirements for this decision, and this had been agreed to. In order to ensure that adequate financial provision existed to complete the review, the Finance & Technology Portfolio Holder had made specific financial provision for any additional budget that might be required, and this was outlined in the budget report to be considered later in the meeting.

The Portfolio Holder commented that the result of the appointment process had been extremely close, with a difference of less than 0.5% between the two bidders.

**Decision:**

(1) That the recommendation of the North Weald Airfield and Asset Management Cabinet Committee for the appointment of Drivers Jonas Deloitte to deliver the review of North Weald Airfield at a cost of £145,000 plus meetings disbursements be agreed; and

(2) That the Chairman of Council be requested to waive the call-in period for this decision to enable work to begin on the review immediately.

**Reasons for Decision:**

To appoint consultants to undertake the review in accordance with the evaluation process required as part of the use of the Government Procurement Service Framework Agreement. It was critical that this review proceeded in accordance with the Local Plan timetable.

To commence the commission as soon as possible after appointment by Cabinet.

**Other Options Considered and Rejected:**

To appoint the second placed consultant. However, this could result in a legal challenge by the highest scoring consultant and would also be in breach of the Government Procurement Framework used to underpin the process.

To appoint neither consultant and recommence the procurement. However, the tenders returned were valid and bona fide. There was no reason to believe that a

repeat procurement would result in a lower tendered sum and such a delay would impact significantly on the agreed timetable for the Local Plan.

#### **112. ACCEPTANCE OF TENDER - BUILDING SUPPLIES CONTRACT FOR HOUSING REPAIRS SERVICE**

The Housing Portfolio Holder introduced a report on the acceptance of the tender for a Building Supplies Contract for the Housing Repairs Service.

The Portfolio Holder reported that the Council currently operated its own materials stores within the Housing Repairs Service, based on ad-hoc procurement arrangements with a range of different suppliers. However, to take advantage of economies of scale and obtain better value for money in terms of efficiencies, costs and quality, an EU compliant procurement exercise had been undertaken to appoint one sole supplier of building materials for use by the Housing Repairs Service (and other Directorates within the Council if required) over an initial five-year period with an option to extend for a further three years. The most economically advantageous tender was submitted by Grafton Merchanting GB Ltd (Trading as Buildbase) in the sum of £220,178.18 per annum.

The Portfolio Holder added that the Council was also taking the opportunity to revise its method of operation. Previously, the materials had been held in a store at the depot, but a number of audit reports had highlighted control problems identified through the stock takes. Under this new system, all the stores would be held in the Operatives' vans and would be regularly restocked. The Council did not currently have any insurance cover for the contents of the vans, which would now be of a higher value under the new system. Therefore, it had been proposed to explore options to cover the risk of financial loss through theft from the vans with the Council's insurance provider, Zurich Municipal.

In response to questions from the members present, the Assistant Director of Housing (Property) stated that the Council's existing stock would be given to Buildbase, who would then issue it back to the Council for free until it was used up. Even though there would no longer be a materials store, the Council would still be using the depot facilities in Epping for the holding of a small amount of stock, so no change in its status was currently planned.

The Leader of the Council highlighted the major improvements that had already been undertaken within the Housing Repairs Service to dramatically improve performance, and that this was the next step. The Housing Portfolio Holder reiterated that this should resolve the ongoing issues with the materials stores previously considered by the Audit & Governance Committee on a number of occasions..

#### **Decision:**

- (1) That Grafton Merchanting GB Ltd (Trading as Buildbase) be awarded the contract for the supply of materials for the Housing Repairs Service in the total adjusted tendered sum of £220,178.18 per annum, being the lowest tender received; and
- (2) That insurance cover for the materials stored in the Council's vehicles be explored with the Council's insurance provider.

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

As part of the "Repairs Refresh Programme" it had already been determined that a

materials supply-chain contract should be let in order to comply with Contract Standing Orders and EU Procurement Directives. This was agreed by the Cabinet at its meeting in April 2011 as part of the appointment of the Repairs Management Contractor.

**Other Options Considered and Rejected:**

To continue operating a local materials stores at the Epping Depot. However, this would not achieve the potential efficiency savings in terms of quality and value and would also expose the Council to a potential EU procurement challenge.

To appoint any of the other bidders. However, this would expose the Council to a legal challenge from other suppliers as this would not comply with the Council's initial intention to appoint the best overall bidder in terms of cost and quality as set out in the OJEU Notice.

**113. WASTE MANAGEMENT CONTRACT 2014 - ESTABLISHMENT OF A PORTFOLIO HOLDER ADVISORY GROUP**

The Environment Portfolio Holder presented a report on the establishment of a Portfolio Holder Advisory Group in respect of the development and procurement of the next waste management contract.

The Portfolio Holder explained that the current waste management contract with Sita would end on 4 November 2014. Given the importance of this service to residents, the net cost of around £5million per annum and the wide range of possibilities for future service delivery, it was suggested that, as with the development of the existing contract, the Environment Portfolio Holder establish an Advisory Group to assist him in reviewing the existing arrangements and considering future service delivery and contractual options. At the same time it was proposed that there would be merit in including the Grounds Maintenance Service in the same review. Given the complex nature of the required procurement process, it would be necessary to appoint specialist consultants and budgetary provision in 2013/14 was sought for this purpose.

One of the members present highlighted that the Grounds Maintenance service had recently been externally assessed and was found to be operating very effectively and provided excellent value for money. The Portfolio Holder responded that the forthcoming move of the Grounds Maintenance service to the new depot at Oakwood Hill and the associated changes in operation provided an opportunity to review the service alongside the waste management operation. The Portfolio Holder also undertook to include the collection of large, bulky waste items as part of the review of the waste management service.

**Decision:**

(1) That a Portfolio Holder Advisory Group to consider the letting of the Waste Management Contract in 2014 be established by the Environment Portfolio Holder; and

(2) That a bid be made for District Development Funding in the sum of £100,000 for 2013/14 in order to appoint specialist consultants to support the procurement process.

**Reason for Decision:**

To advise the Portfolio Holder on service delivery and contractual options and provide budgetary provision for the forthcoming procurement process.

**Other Options Considered and Rejected:**

To not establish an Advisory Group and for the Portfolio Holder to bring forward options to the Council in due course. However, given these were important, high value, District wide services, the input from other Members would make a valuable contribution to the contract procurement process.

The provision of funding could be delayed, but since consultancy assistance would be required at some time in the future, it was prudent to make that provision as part of the 2013/14 budget making process.

**114. EPPING FOREST CITIZENS ADVICE BUREAU - PROVISION OF FUNDING FOR TWO TEMPORARY FULL-TIME DEBT ADVISORS**

The Housing Portfolio Holder put forward a report on the provision of funding for two temporary full-time Debt Advisors for the Epping Forest Citizens Advice Bureau.

The Portfolio Holder reminded the Cabinet that, under the Welfare Reform Mitigation Action Plan, it had previously agreed in principle to provide funding to the Epping Forest Citizens Advice Bureau to appoint two full-time temporary Debt Advisors for a period of 18 months from 1 April 2013. This would be in addition to the annual funding already provided by the Council to the Citizens Advice Bureau. The Citizens Advice Bureau had agreed that, as a condition of the funding, one of the Advisors would be based at the Limes Farm Centre in Chigwell for one half-day each week. A maximum budget of £75,000 had been made available by the Cabinet under the Housing Improvements and Service Enhancement Fund. Following negotiations, the Citizens Advice Bureau had now submitted a proposal on the required funding to meet its costs for the posts, this being £67,900 inclusive. It was noted that no expenditure would be incurred by the General Fund, as its contribution of 10% would be met from the Government Grant for preventing homelessness, as previously agreed by the Cabinet.

The Cabinet welcomed the proposals and hoped that the proposed measures would reduce the level of arrears incurred by residents in respect of rents and Council Tax.

**Decision:**

(1) That, in accordance with the Welfare Reform Mitigation Action Plan previously adopted by the Cabinet, a grant of £67,900 funded from the Housing Improvements and Service Enhancement Fund be provided to the Epping Forest Citizens Advice Bureau (CAB) to fund the appointment of 2 temporary full-time Debt Advisors for 18 months from 1 April 2013;

(2) That, in accordance with the (2) previous decision of the Cabinet, a reduced amount of £4,527 in 2013/14 and £2,264 in 2014/15 from the grant received as part of the Council's Local Government Grant settlement specifically for homeless prevention measures for the next two years, be used to meet the non-Housing Revenue Account contribution for the two temporary Citizens Advice Bureau Debt Advisors; and

(3) That, as a result of the saving agreed in decision (2) above, £710 be added to the budget for Rental Loans which would assist homeless applicants to secure accommodation in the private rented sector.

**Reasons for Decision:**

The provision of funding to the Citizens Advice Bureau would enable them to appoint two full-time temporary Debt Advisors for 18 months from 1 April 2013, in order to contribute to the mitigation of the effects of the Government's Welfare Reforms in accordance with the Council's Welfare Reform Mitigation Action Plan already adopted by the Cabinet.

**Other Options Considered and Rejected:**

To not provide funding to the Citizens Advice Bureau for the appointment of two temporary Debt Advisors for a period of 18 months from 1 April 2013, or to vary the number and/or the period of appointment. However, this had already been agreed in principle by the Cabinet when it had considered the Welfare Reform Mitigation Action Plan.

**115. TREASURY MANAGEMENT STRATEGY STATEMENT AND INVESTMENT STRATEGY 2013/14 - 2015/16**

The Portfolio Holder for Finance & Technology presented a report on the Treasury Management Strategy Statement and Investment Strategy for the period 2013/14 to 2015/16.

The Portfolio Holder reminded the Cabinet that the Council was required to approve the Treasury Management Strategy and Prudential Indicators and a statement on the Minimum Revenue Provision (MRP) before the start of each financial year. The Strategies, as amended if necessary, would be scrutinised by the Audit and Governance Committee on 7 February 2013 prior to final approval by the Council on 19 February 2013.

The Portfolio Holder reported that the Strategies had been produced following advice from the Council's Treasury Advisors, Arlingclose. There had been no major changes to the Strategies since its previous approval in March 2012, but a number of issues was drawn to the Cabinet's attention. The first of these was Minimum Revenue Provision. Following the borrowing of £185.456million to pay for the Housing Revenue Account self-financing initiative, the Council would normally be required to charge Minimum Revenue Provision to the General Fund. However, the Department of Communities & Local Government had produced regulations whereby the Council could ignore this borrowing, and therefore, for Minimum Revenue Provision purposes, the Council was still classed as debt-free.

The Portfolio Holder stated that the Council had inter-fund borrowed between the General Fund and Housing Revenue Account for many years, and the interest rate charged had been based upon the average investment interest earned for the year. Draft regulations issued by the Chartered Institute for Public Finance & Accountancy had proposed that this interest rate should now be approved by the Council before the start of the financial year, and it was suggested that the average investment interest continue to be used as the rate for any inter-fund borrowing.

The Portfolio Holder advised that, in respect of the council's current investments, all were denominated in Sterling and the Council received regular advice from Arlingclose regarding the use of counterparties. The Council currently had an

investment portfolio of approximately £55million, of which £50million was invested in the UK and £5million in Money Market Funds that were based in Ireland for tax purposes. The maturity profile ranged from £15million available for instant access to £10million with a maturity date exceeding one year. The continued low interest rates, the use of fewer counterparties and the shorter durations of the Council's investments had reduced the estimated income for 2013/14 to £446,000.

The Portfolio Holder added that the Council was not required to borrow further monies for the self-financing of the Housing Revenue Account, and the Council was due to receive a further dividend of £68,000 in respect of its investment with the Heritable Bank in 2013/14.

**Decision:**

- (1) That the following be recommended to the Council for approval:
  - (a) Treasury Management Strategy Statement and Annual Investment Strategy 2013/14 to 2015/16;
  - (b) Minimum Revenue Provision (MRP) Strategy;
  - (c) Treasury Management Prudential Indicators for 2013/14 to 2015/16;
  - (d) the rate of interest to be applied to any inter-fund balances; and
  - (e) Treasury Management Policy Statement.

**Reason for Decision:**

To ensure that the Council complied with the Chartered Institute of Public Finance & Accountancy Code of Practice on Treasury Management.

**Other Options Considered and Rejected:**

To request additional information about the Treasury Management Strategy, or decide that alternative indicators were required.

**116. ANY OTHER BUSINESS**

**Decision:**

- (1) That, as agreed by the Leader of the Council and 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 following items of urgent business be considered following the publication of the agenda:
  - (a) Finance & Performance Management Cabinet Committee – 21 January 2013; and
  - (b) Proposed Refurbishment of Bakers Lane Toilets, Epping.

**117. FINANCE AND PERFORMANCE MANAGEMENT CABINET COMMITTEE - 21 JANUARY 2013**

The Portfolio Holder for Finance & Technology presented the minutes from the recent meeting of the Finance & Performance Management Cabinet Committee held on 21 January 2013.

The Cabinet Committee had made recommendations to the Cabinet regarding the Detailed Directorate Budgets for 2013/14, the quarterly update of the Corporate Risk Register and guidelines for setting the Council Budgets for 2013/14. The Cabinet agreed that the guidelines for setting the Council Budgets for 2013/14 should be noted as a further report on this issue would be considered later in the meeting.

**Decision:**Detailed Directorate Budgets 2013/14

- (1) That the detailed Directorate budget for the Office of the Chief Executive be approved;
- (2) That the detailed Directorate budget for Corporate Support services be approved;
- (3) That the detailed Directorate budget for the Office of the Deputy Chief Executive be approved;
- (4) That the detailed Directorate budget for Environment & Street Scene be approved;
- (5) That the detailed Directorate budget for Finance & ICT be approved;
- (6) That the detailed Directorate budget for the Housing General Fund be approved;
- (7) That the detailed Directorate budget for Planning & Economic Development be approved;
- (8) That the detailed Directorate budget for the Housing Revenue Account be approved; and
- (9) That the Finance & Performance Management Scrutiny Panel be requested to investigate the issue of recharging within the Council's budgets and make any recommendations accordingly;

Risk Management – Corporate Risk Register

- (10) That Risk 8, Business Continuity Planning, be reviewed following the completion of the Council's Corporate Business Continuity Review;
- (11) That the rating for risk 18, Loss or Theft of Data, be reduced to a score of D2 (Low Likelihood, Critical Impact);
- (12) That the Vulnerability and Trigger for Risk 30, Reduction in Government Funding, be amended to reflect the results of the Comprehensive Spending Review;

(13) That the current Tolerance Line on the Risk Matrix be considered satisfactory and not be amended; and

(14) That, incorporating the agreed changes above, the revised Corporate Risk Register be approved; and

#### Council Budgets 2013/14

(15) That the recommendations of the Cabinet Committee be noted for consideration during the discussion on the Council Budgets for 2013/14 later in the meeting.

#### **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.

### **118. PROPOSED REFURBISHMENT OF BAKERS LANE TOILETS, EPPING**

The Portfolio Holder for Asset Management & Economic Development presented a report on the proposed refurbishment of the toilet block in Bakers Lane, Epping.

The Portfolio Holder stated that the Council had been considering the provision of public toilet facilities for some time since taking the opportunity to serve a notice to terminate the automatic toilet leased from JC Decaux in Buckhurst Hill. This facility did not have full disabled access and cost £18,000 per annum to lease. By replacing this automatic toilet with the 'Superloo' from Bakers Lane in Epping, the Council would save £18,000 per annum and would have a toilet with full disabled access. The cost of moving the 'Superloo' to Buckhurst Hill had been estimated at £21,000. The net cost of £35,000 would be met from capital resources and the £21,000 from the District Development Fund to the move the 'Superloo' would give a total expenditure of £56,000 to carry out this work. This money would be recouped in just over three years by the saving of the automatic toilet rental of £18,000 per annum. The Portfolio Holder requested an amendment to the second recommendation, whereby the £21,000 to move the 'Superloo' would be included in the budget for 2013/14 rather than requesting the Council to approve a supplementary estimate for 2012/13.

In response to questions from the members present, the Portfolio Holder advised that the report had been added to the agenda as a late item in order to obtain a contribution of £50,000 from Essex County Council to the costs while this was still available during the current financial year. It was intended to provide full disabled facilities in the new refurbished block, and the 'Superloo' would remain in situ in Bakers Lane until the new block was open and in use. The Portfolio Holder agreed to consider the issue of snagging costs incurred after the refurbishment had been completed.

#### **Decision:**

(1) That additional capital expenditure of up to £85,000 be agreed for the



refurbishment of the Bakers Lane public toilet block in Epping subject to a contribution of £50,000 from Essex County Council towards the provision of disabled and changing places facilities; and

(2) That a bid for District Development Funding in the sum of £21,000 be included in the budget for 2013/14 to relocate the Superloo in Bakers Lane, Epping to Buckhurst Hill.

**Reasons for Decision:**

To provide high quality public toilet provision within the District with full disabled access.

**Other Options Considered and Rejected:**

To keep the 'Superloo' at Bakers Lane in Epping and provide a new 'Superloo' in Buckhurst Hill at a further estimated cost of £18,000 per annum.

**119. COUNCIL BUDGETS 2013/14**

The Portfolio Holder for Finance & Technology presented a report upon the proposed Council Budget for 2013/14.

The Portfolio Holder set out the detailed recommendations for the Council's budget for 2013/14. The proposed budget would use £44,000 of reserves but the Council's policy on the level of reserves could be maintained throughout the period of the Medium Term Financial Strategy (MTFS). Over the course of the strategy period, the use of reserves to support spending would peak at £646,000 in 2014/15 and reduce to £255,000 in 2016/17. The budget was based on the assumption that Council Tax would be frozen and that average Housing Revenue Account rents would increase by 4.36% in 2013/14. Included also within the budget report was the Chief Financial Officer's report on the robustness of the estimates for the purposes of the Council's 2013/14 budgets and the adequacy of the reserves. It stated that the estimates as presented were sufficiently robust for the purposes of the Council's overall budget for 2013/14. In addition, the Council's reserves were adequate to cope with the financial risks facing the Council in 2013/14, but that further savings would be required in future years to bring the budget back into balance in the medium term.

The Portfolio Holder added that, with various reforms proposed for Council Tax and Local Government spending, it would be prudent for the Council to maintain substantial reserves. Two items of expenditure in particular was highlighted: £35,000 in support of the town centres within the District; and £150,000 for the review of North Weald Airfield. The Cabinet was informed that the recommendation in respect of the District Development Fund spending for 2013/14 should now read £984,000 after the approval of the late bids already considered at the meeting. The target was for the Council to remain a low Council Tax authority over the long-term, and the current level of resources available to the Council would help it to achieve this aim.

Concerns were raised by the members present about the proposed cuts to the budget for the Local Plan in 2013/14. The Planning Portfolio Holder responded that the Council had performed a lot of work to produce the Evidence Base in 2012/13, which had been expensive due to the use of consultants. Lower costs had been estimated for next year, but additional resources would be made available if required. The Leader of the Council added that the budget for the Local Plan was kept under close scrutiny by the Local Plan Cabinet Committee, and the estimated figures had been provided by the professional Officers within the Planning & Economic

Development Directorate.

The Cabinet was informed that experience suggested the Local Plan process became more expensive as the project continued, and therefore the Council should budget for more resources to be made available each year for the Local Plan until it was complete. The Cabinet was asked if any comparative analysis regarding costs incurred by the Local Plan process had been performed with other Councils? The Portfolio Holder for Finance & Technology responded that the proposed budget had been prepared on the basis of the best possible advice, and there was £1.6million available in the District Development Fund as a contingency for the Local Plan. The budget for the Local Plan was very closely monitored.

The proposed Economic Development Strategy was welcomed by the members present. The Leader of the Council added that the Council had lacked such a strategy for many years, and the vision to accompany the strategy would be developed in the near future.

The Leader of the Council concluded that the proposed budget had much to commend it. The District Council Tax had not been increased, there had been savings generated from back office functions, there had been no redundancies of staff, front line services had been protected, and the charges for the Council-owned car parks had been maintained at their current level. However, it was acknowledged that there were a number of challenges for the Council to meet in the future, including the continuation of the Local Plan process.

**Decision:**

(1) That the following guidelines in respect of the Council's General Fund Budgets for 2013/14 be adopted and recommended to the Council for approval:

- (a) the revised revenue estimates for 2012/13, with an anticipated increase in the General Fund balance by £29,000;
- (b) a reduction in the target for the 2013/14 Continuing Services Budget (CSB) from £14.91million to £14.37million (including growth items);
- (c) an increase in the target for the 2013/14 District Development Fund (DDF) net spend from £763,000 to £984,000;
- (d) no change in the District Council Tax for a Band 'D' property to retain the charge at £148.77;
- (e) the estimated reduction in General Fund balances in 2013/14 of £44,000;
- (f) the four year capital programme 2013/14 – 2016/17;
- (g) the Medium Term Financial Strategy 2012/13 – 2016/17; and
- (h) the Council's policy on General Fund Revenue Balances to remain that they be allowed to fall no lower than 25% of the Net Budget Requirement;

(2) That, including the revised revenue estimates for 2012/13, the 2013/14 Housing Revenue Account (HRA) budget be agreed and recommended to the Council for approval;

(3) That the rent increases and decreases proposed for 2012/13, resulting in an average overall increase of 4.36%, be recommended to the Council for approval; and

(4) That the Chief Financial Officer's report to the Council on the robustness of the estimates for the purposes of the Council's 2013/14 budgets and the adequacy of the reserves be noted.

**Reason for Decision:**

To determine the budget that would be placed before the Council for final approval on 19 February 2013.

**Other Options Considered and Rejected:**

To decide not to approve the recommended figures and instead specify which growth items to be removed from the lists, or ask for further items to be added.

**CHAIRMAN**