

EPPING FOREST DISTRICT COUNCIL CABINET MINUTES

Committee: Cabinet **Date:** 21 October 2013

Place: Council Chamber, Civic Offices, High Street, Epping **Time:** 7.00 - 9.35 pm

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

Other Councillors: K Angold-Stephens, K Avey, T Church, Mrs T Cochrane, Ms J Hart, D Jacobs, Ms H Kane, R Morgan, J Philip, Mrs C Pond, Mrs M Sartin, Ms G Shiell, Mrs J H Whitehouse and J M Whitehouse

Apologies: -

Officers Present: G Chipp (Chief Executive), D Macnab (Deputy Chief Executive), I Willett (Assistant to the Chief Executive), J Gilbert (Director of Environment and Street Scene), A Hall (Director of Housing), C O'Boyle (Director of Corporate Support Services), R Palmer (Director of Finance and ICT), K Durrani (Assistant Director (Technical)), D Newton (Assistant Director (ICT)), M Tipping (Assistant Director (Facilities Management & Emergency Planning)), T Carne (Public Relations and Marketing Officer), S G Hill (Senior Democratic Services Officer) and G J Woodhall (Democratic Services Officer)

Also in attendance L Attrill (WYG Environmental)

69. 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.

70. DECLARATIONS OF INTEREST

(a) Pursuant to the Council's Code of Member Conduct, Councillor R Bassett declared a personal interest in agenda items 11, ICT Strategy, and 12, ICT Capital Requirements, by virtue of the nature of his employment with Hewlett Packard. The Councillor had determined that his interest was not pecuniary and would remain in the meeting for the consideration of the issues.

71. MINUTES

Resolved:

(1) That the minutes of the meeting held on 9 September 2013 be taken as read and signed by the Chairman as a correct record.

72. REPORTS OF PORTFOLIO HOLDERS

Planning Portfolio Holder

The Portfolio Holder reported that the report concerning the Population Forecasting

work and the update of the Strategic Housing Market Assessment had not been submitted for consideration at this meeting of the Cabinet, as more time was required to consider the implications of the issues on the District's Objectively Assessed Housing Need. It was expected that this report would now be considered at the next meeting of the Cabinet on 2 December 2013, and a report on the District's Objectively Assessed Housing Need would be considered by a future Cabinet in 2014.

The Portfolio Holder advised that a meeting of the Food Task Force had taken place on 4 October 2013, which considered food security and the future of food production in this area. The minutes of this meeting would be available in due course.

73. PUBLIC QUESTIONS

There were no questions from the public for the Cabinet to consider.

74. OVERVIEW AND SCRUTINY

The Chairman of the Overview & Scrutiny Committee reported that a presentation had been received at its meeting held on 15 October 2013 from the District Manager and Chairman of the Epping Forest Citizens Advice Bureau. The topics under discussion included:

- (a) their search for new premises;
- (b) their current funding problems;
- (c) the effect of the new Welfare Reforms; and
- (d) the North/South divide within the District.

A Question-and-Answer session with the Committee followed.

The Cabinet's agenda was reviewed and one Member queried the proposed expenditure of £10,000 for new tables in the Committee Rooms given the present financial climate for Local Government.

75. TRANSFER OF FLOOD RISK ASSETS FROM THE ENVIRONMENT AGENCY TO THE COUNCIL

The Environment Portfolio Holder presented a report on the proposed transfer of flood alleviation schemes and associated flood warning systems to the Council from the Environment Agency.

The Portfolio Holder reminded that Cabinet that until November 2011 the Council was responsible for the management and operation of the flood alleviation schemes it had built within the District. The Flood and Water Management Act 2010 transferred this responsibility to the Environment Agency when reservoirs were designated according to the volume of flood water they could store. This change affected the smaller reservoirs, such as Thornhill in North Weald and Thornwood Common, and as a result these schemes were transferred from the Council to the Environment Agency.

The Portfolio Holder reported that the Environment Agency had now concluded that, based on the assessment of risk, the responsibility to monitor and maintain these smaller sites should pass to the Council. The Environment Agency had upgraded and

enhanced the flood warning telemetry systems at these sites and the Council would now take ownership of them. In addition, the Environment Agency had also requested the Council to consider taking over the responsibility for a number of storm grilles located on main rivers at various locations within the District. A further report on this would be submitted to a future meeting.

The Cabinet welcomed the proposals as it would provide the ability for the Council to respond to problems in a more timely manner than the Environment Agency had been able to.

Decision:

(1) That the transfer of the responsibility for management and monitoring of Thornhill (North Weald) and Thornwood Common flood alleviation schemes from the Environment Agency back to the Council be noted;

(2) That ownership by the Council of the recently upgraded and enhanced flood warning telemetry systems installed by the Environment Agency at these sites be accepted; and

(3) That a report be submitted to a future meeting of the Cabinet regarding the possible transfer of responsibility for additional storm grilles located on main rivers at various locations across the District.

Reasons for Decision:

The Environment Agency had concluded that, in light of new Defra guidance, responsibility for the two flood alleviations schemes should now revert back to the Council. The Environment Agency could not guarantee regular monitoring of these Council assets or a rapid response in times of flooding emergencies, so it had been proposed that the Council took back responsibility.

Other Options Considered and Rejected:

To not agree to accept the transfer of the flood warning telemetry systems, associated maintenance and monitoring activities at Thornhill and Thornwood Common flood alleviation schemes and leave total control of these assets with the Environment Agency.

76. PLANNED MAINTENANCE PROGRAMME 2014/15 TO 2017/18 - CIVIC OFFICES, COMMERCIAL PROPERTY AND OTHER OPERATIONAL BUILDINGS

The Portfolio Holder for Asset Management & 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 2014 to 2018.

The Portfolio Holder informed the Cabinet of the progress made with the works that had been approved for 2013/14, which was detailed in Appendix 1 of the report. The capital expenditure for the year was anticipated to be £511,180, with £402,500 carried forward to 2014/15. The revenue expenditure for the year was estimated to be £305,330, with £78,360 carried forward to 2014/15. In addition to the approved programme, a number of additional projects had been undertaken during 2013/14:

- recovery from the internal flooding incident in June 2013;
- some office alterations subsequently requested by Directorates;
- cable installation for the Wi-Fi network within the Civic Offices;
- redesign of the interview booths in the Cashiers area of the Civic Offices; and

- refurbishment of Homefield House to improve its energy efficiency.

The Portfolio Holder highlighted Appendix 2 of the report, which detailed the proposed levels of funding for 2014/15: capital expenditure of £962,000 which would represent an increase of £5,000 to the level previously approved; District Development Fund expenditure of £160,000, which represented an increase of £111,000; Continuing Services Budget expenditure of £118,000 and Housing Revenue Account expenditure of £6,500 – both of which had been previously agreed. It was intended to commence the phased replacement of the original 'tilt & turn' windows installed when the new Civic Offices was built 25 years ago. Spare parts were becoming increasingly difficult to obtain and the windows required increasing maintenance with age. The estimated capital cost of this was £135,000 in 2014/15 and £160,000 in 2015/16; however, this work would generate a revenue saving of £49,000 as the planned resealing work would not now be required.

The Portfolio Holder drew the Cabinet's attention to Appendix 3 of the report, which detailed the current projected levels of expenditure for the period 2015/16 to 2017/18; and Appendices 4 and 5 of the report, which listed the capital and revenue budget spending profiles for the full five-year period. Each of the proposed projects within the Programme had been assigned to one or more of seven categories, to indicate the reason(s) for undertaking the works, as previously requested by Members. A number of the projects would see a return for the Council on its investment, through savings on energy consumption or reduced maintenance costs.

The Portfolio Holder highlighted the issue of un-appropriated land, as there had been a requirement to carry out urgent works on land owned by the Council but which was not clearly assigned to a particular Directorate over the previous 18 months. Examples included Cholera Brook in Waltham Abbey and Central Parade in Loughton High Road. To overcome this problem, a District Development Fund growth bid of £20,000 was proposed to be used as a contingency fund to deal with incidents on un-appropriated land in the future.

The Portfolio Holder reminded the Cabinet that the installation of solar panels to the roof of the Civic Offices had been previously considered, but high installation costs and a long pay-back period had prevented the project from being progressed. However, a recent proposal had indicated that for an investment of approximately £110,000, a return of between 11% and 14% could be achieved with a pay-back period of around eight years. Thus, it was proposed that a feasibility study should be carried out in the current financial year culminating in a report to the Cabinet on the findings, with a view to the project commencing in 2014/15.

The Portfolio Holder advised the Cabinet that Stace LLP had been commissioned to carry out a detailed survey of the Oakwood Hill Estate Industrial Units, as there was £313,000 allocated in the capital budget for roof replacement works in 2014/15. The estimate for the works to maintain the external fabric of the Units was £206,251, of which the repairs to the roofs and gutters amounted to £181,200. Stace LLP had identified four possible options, ranging from localised roof repairs to complete roof replacement, and on reflection Officers were recommending complete roof replacement as it would: remove all liability for maintaining the asbestos material in the existing roof; provide a future life expectancy of 30 years; assist the Council to meet its requirements under the Energy Act 2011, due to come into force from 2018; and improve the marketability and appearance of the units. The Council had the right to pass on the costs of the roof replacement to the Tenants via an annual service charge, however this would increase the current charge per unit from between £500 and £1000 to £11,458. The Tenants could argue that the proposed solution was betterment and that they were only liable for the costs of a like-for-like replacement,

therefore the Cabinet was requested to consider this issue and determine the proportion of the capital costs of the works that the Tenants should be expected to meet.

The Portfolio Holder added that the situation at Oakwood Hill had demonstrated the Council did not have a policy of maintaining a 'sinking fund' to absorb the cost of major repairs to its commercial properties, funded by the Annual Service Charges paid by Tenants. It was therefore considered prudent to request the Asset Management & Economic Development Cabinet Committee to consider the establishment of such a fund.

There was general agreement from the Cabinet, and the other Members present, that a permanent solution for the Industrial Units at Oakwood Hill needed to be sought. It was acknowledged that the current roofs could only be 'patched up' for so long before complete replacement was required. In light of the requirements of the Energy Act 2011, due to come into force in 2018, it was felt that the time had come for the roofs to be completely replaced, as recommended by Officers.

It was accepted that the Tenants at Oakwood Hill could not be charged the full cost of the roof renewals in the current economic climate, which would lead to their annual Service Charges being increased by more than £10,000 per annum per unit, but they should be expected to pay a reasonable amount towards the Council's costs. A number of suggestions were made by Members, including: charging the Tenants for the like-for-like replacement roof with the Council funding the difference for the proposed replacement roof; applying a modest year-on-year increase to the Service Charges to recoup the Council's outlay; and the cost of the new roof being spread across the terms of the leases of the Tenants at Oakwood Hill. As a result of the discussion, it was proposed and agreed that the costs for the alternative options for the roofing be investigated and authority delegated to the Portfolio Holder, in consultation with the Leader, to determine the contribution to be made by the Tenants to the costs incurred by the Council for the complete renewal of the roofs at Oakwood Hill.

Members were surprised that a 'Sinking Fund' for commercial properties had not already been established by the Council. The Cabinet and other Members present felt that the issue needed investigation by the Cabinet Committee and supported the principle to establish a 'Sinking Fund'. One suggestion was for a minimum Service Charge to be levied to all Tenants in the future to allow such a fund to be built up. The Housing Portfolio Holder added that a 'Sinking Fund' was maintained for the flats owned by the Housing Revenue Account.

In relation to un-appropriated land, a local Member for Loughton Roding reported that the issue at Central Parade in Loughton High Road concerned a dead tree in the middle of some land that nobody was claiming ownership of. The Portfolio Holder was requested to encourage Officers to establish ownership of the piece of land and then deal with the dead tree. The Portfolio Holder undertook to investigate the issue and report back to the Member. In relation to the possible installation of solar panels, the Portfolio Holder confirmed that the feasibility study was scheduled for this financial year and a decision would be made before any potential changes to the feed-in tariff.

Members welcomed the inclusion of the replacement of the lighting system in the Condor Building but expressed concern that the main Civic Offices had not been included. The Assistant Director of Corporate Support Services (Facilities Management & Emergency Planning) reassured the Cabinet that the lighting systems in all the Offices were being examined on a phased basis, and this included the

introduction of movement and natural light sensors. The current focus was on the Condor Building as it was older and had more problems, however LED tubes were now being used in the light fittings in the main Civic Offices to reduce energy consumption. The re-scheduling of the refurbishment of the first floor north toilets (by the Members' Room) from 2014/15 to 2015/16 was also welcomed.

Decision:

- (1) That the five-year Planned Maintenance Programme 2014-2018 for operational and Commercial Properties be approved;
- (2) That, as outlined in Appendix 1 of the report, progress with the capital and revenue works approved for 2013/14 be noted;
- (3) That, as outlined in appendix 2 of the report, the following levels of expenditure be approved for 2014/15:
 - (a) Capital expenditure in the sum of £962,000, which represented an increase of £5,000;
 - (b) District Development Fund expenditure in the sum of £160,000, which represented an increase of £111,000;
 - (c) Continuing Services Budget expenditure in the sum of £118,000, as previously agreed; and
 - (d) Housing Revenue Account expenditure in the sum of £6,500, as previously agreed;
- (4) That, as outlined in Appendix 3 of the report, the current projected levels of expenditure during the period 2015/16 to 2017/18 be noted;
- (5) That, as outlined in Appendices 4 and 5 of the report, the Capital and Revenue spending profiles during the five-year period 2013/14 to 2017/18 be noted;
- (6) That a bid for District Development Funding in the sum of £20,000 be made for 2014/15 to use as a contingency for emergency works on un-appropriated land;
- (7) That, in relation to the capital costs of works to the Industrial Units at Oakwood Hill, authority be delegated to the Asset Management & Economic Development Portfolio Holder to investigate alternative costs for the roofing and determine, in consultation with the Leader of the Council, the contribution the tenants should make to the cost incurred by the Council for complete roof renewal;
- (8) That the Asset Management & Economic Development Cabinet Committee be requested to investigate the establishment of a 'Sinking Fund' for commercial properties, to be funded via the Annual Service Charge to commercial tenants, and report back to the Cabinet on their findings; and
- (9) That a detailed feasibility study into the installation of Solar Panels at the Civic Offices be conducted during 2013/14, with a detailed report on the outcome submitted to a future meeting of the Cabinet to determine whether the project should be implemented during 2014/15.

Reasons for Decision:

A proactive approach to Facilities Management for all operational buildings and commercial property would ensure that the buildings and their infrastructure were maintained to an appropriate level meeting all relevant statutory regulations and contractual obligations. The risk of unreliability and failure of critical systems, services and building fabric would be reduced and good financial management through forecasting maintained. In addition, services to the public would be maintained and the maximum revenue generated from commercial assets.

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 the public, loss of service and income, increase future management liability, reduced property asset value, breach of legal obligations in respect of commercial leases and contract requirements. There was also a risk that the buildings and infrastructure might not meet the future needs of the Council.

To defer action until the fabric, systems or equipment failed; however, this would cause varying degrees of disruption depending on the extent of the failure and/or system involved and the time scale for the procurement and rectification of the defect. The performance of the Council's operations and functions could also be compromised.

77. 94/94A LAWTON LANE, LOUGHTON

The Portfolio Holder for Asset Management & Economic Development presented a report on the potential release of restrictive covenants and the right of pre-emption for the property at 94/94a Lawton Road in Loughton.

The Portfolio Holder reported that 94/94a Lawton Road was an Essex County Council owned Family Centre now surplus to requirements. The County Council wished to sell the property for conversion into residential accommodation for the nearby E15 University of Essex Acting School. The land was subject to covenants restricting the use to education and health and required this Council's consent to future development on the land. There was also a right of pre-emption (first refusal) in favour of the District Council in the event of the Purchaser wishing to sell the land in the future. Consent for the release of the covenants and right of pre-emption was requested for which the County Council had agreed to pay £127,500.

It was highlighted that that the E15 Acting School had had some concerns about the availability of student accommodation in the vicinity some years back, so this proposed course of action would resolve that problem and was to be welcomed.

Decision:

(1) That the release of the restrictive covenants and right of pre-emption in Paragraphs (a), (b) and (c) of the Third Schedule of a Conveyance dated 6 January 1955 in respect of 94/94a Lawton Road, Loughton for the consideration of £127,500 be recommended to the Council for approval.

Reasons for Decision:

To enable the Council to receive a valuable capital receipt.

Other Options Considered and Rejected:

To not agree to release the covenants and right of pre-emption. However, this would hamper the provision of student accommodation for the E15 Acting School.

78. ICT STRATEGY

The Portfolio Holder for Finance & Technology presented a report regarding the proposed Information & Communications Technology (ICT) Strategy for 2013 to 2018.

The Portfolio Holder reported that development of the Strategy had begun in early 2013, and was structured around ten key themes. The Strategy consisted of three key documents:

- (i) ICT Strategy – the over-arching five-year Strategy;
- (ii) ICT Projects – a list of all the constituent projects and would be updated annually; and
- (iii) ICT Update – an annual update of the progress made.

The Portfolio Holder stated that the Strategy had been approved internally by the Leadership Team and Management Board. It had subsequently been presented to the Finance and Performance Management Scrutiny Panel on 17 September, but no amendments were requested.

Decision:

- (1) That the proposed ICT Strategy for the period 2013 – 2018 be approved.

Reasons for Decision:

ICT was intrinsic to every part of the Council's operations and an ICT Strategy was therefore essential for managing change, to ensure effective planning for both infrastructure and resources, and supporting the delivery of the Council's long-term aspirations.

Other Options Considered and Rejected:

To not adopt the proposed Strategy. However, all Members had received a copy of the proposed Strategy and no negative responses had been received.

79. ICT CAPITAL REQUIREMENTS

The Portfolio Holder for Finance & Technology introduced a report on the capital requirements for ICT projects in 2014/15.

The Portfolio Holder reminded the Cabinet that, historically, ICT were allocated £300,000 per annum in the Capital programme for the updating and maintenance of the core technical infrastructure. Following the revision of the Capital programme, this allocation had been removed and now all proposed ICT projects were considered on an annual basis.

The Portfolio Holder reported that three major projects had been identified for the coming year. Firstly, the replacement of the host servers. The existing servers were

five years old, and required replacement to receive continued support for the server virtualisation software that ran on them. The estimated cost was £120,000 and the replaced servers would be used for both Disaster Recovery and daily back-ups. Secondly, the replacement of core switches. The existing core switches had been in place since 1999 and warranty support had ceased. The new switches would improve performance and prevent a potential major loss of service; the estimated cost was for this project was £90,000. Thirdly, the provision of air conditioning for critical network riser cabinets. During the summer, network connectivity was lost to some areas of the Council due to network switches overheating and malfunctioning in two riser cupboards. Temporary air conditioning units were installed, but a permanent solution had to be implemented. The estimated cost of this project was £8,300.

The Portfolio Holder added that a number of smaller projects had been identified for implementation during 2014/15 from the ICT Strategy, and the total cost had been estimated at £155,000. These were: phase 1 of the Mobile Working project; improved functionality for users of Good for Enterprise; a replacement cheque printing system; 64 bit server licences for Citrix; a new system for online payments via the Payment Portal; the continued corporate implementation of information@work throughout the Council; e-forms back office integration; and the provision of wireless connectivity for remote sites.

The Portfolio Holder informed the Cabinet that the total cost of these projects amounted to £373,000 and provision for this amount in the Capital Programme for 2014/15 was requested.

The Assistant Director of Finance & ICT (ICT) reassured the Cabinet that the Council's network employed a robust security regime to prevent cyber crime, which was regularly audited as part of the Council's membership of the GCSX initiative. There was no encryption of the data held on the Council's servers, but any data on a Council laptop or tablet computer would be encrypted. The Planning Portfolio Holder expressed a fear that any air conditioning in the network cabinets and server ducts would blow a potential fire through the ducts. The Assistant Director of Corporate Support Services (Facilities Management & Emergency Planning) assuaged the Cabinet that fire dampers had been fitted on the doors of the server cabinets and there were fire stops in the server ducts to prevent flames from spreading. The Assistant Director of Finance & ICT (ICT) accepted that the current servers were being replaced after only five years, but re-iterated that they could still be used as back-up servers and for disaster recovery purposes. Unfortunately, the current servers were the wrong generation and were no longer supported. The option to have the Council's servers externally hosted had not been discounted, and the current estimated cost of this was £120,000 per annum. In respect of the core switch replacement project, the proposal was the recommendation from the Network Support team but other solutions could be considered. The Council would not be able to obtain replacement parts for the current switches.

Decision:

(1) That the following ICT projects be scheduled for progress in 2014/15 and a sum of £373,000 be included in the Capital Programme for 2014/15:

- (a) replacement of Host Servers;
- (b) Core Switch replacement;
- (c) air conditioning provision for critical network riser cabinets; and

- (d) other projects identified from the ICT Strategy to improve productivity, efficiency or maintain service.

Reasons for Decision:

The projects outlined were necessary to maintain the current ICT infrastructure, improve business continuity within the Council and allow staff to fully utilise the benefits available from ICT systems.

Other Options Considered and Rejected:

To not implement the three critical projects identified above would impact on the reliability of the ICT infrastructure and could result in damage to expensive network switches along with sustained periods of system unavailability.

To not approve the further projects identified from the ICT Strategy would impact on the implementation of the Strategy and delay the longer term vision of flexible working and improved processes.

80. CIVIC OFFICES - COMMITTEE ROOM TABLES

The Portfolio Holder for Asset Management & Economic Development presented a report regarding the replacement of the tables in the Committee Rooms.

The Portfolio Holder stated that the current 24 tables in the Committee Rooms were more than 20 years old and showing signs of serious deterioration with the leg joints becoming increasingly weak. The tables themselves were heavy, with a modular construction of four legs, a top panel and a full length modesty board. The layouts in the Committee Rooms were constantly changing and the constant moving of the tables into different seating configurations had caused them to weaken. The leg joints had been continually tightened but this could not be performed anymore. One table had already broken beyond repair and was being used as a source of spare parts for the other tables.

The Portfolio Holder declared that it was felt the current tables were no longer useful and should be replaced. The proposed replacement tables would have a different design that included castors for easy movement, a half length modesty board and would be hinged to allow for more compact storage. The number of tables required could be reduced to 22 and the estimated cost of replacement was £9,5000 as opposed to an estimate of approximately £11,500 to renovate the existing tables. There might be some disposal costs for the old tables, although every effort would be made to find some future use for them, and a District Development Fund growth bid of £10,000 for 2014/15 was requested.

The Cabinet accepted that the current tables were in a poor condition, very heavy and difficult to move when the seating layout had to be rearranged. Consequently, it was important for the replacement tables to be easy to move and the lighter design of the new tables with castors was welcomed. The concerns expressed from some members of the Overview & Scrutiny Committee over the cost of the replacement tables were acknowledged, but the Leader of the Council highlighted that the proposed purchase was a saving in comparison to renovating the current tables. The Portfolio Holder emphasised that there was a potential health & safety issue with the current tables and they needed replacing. However, it was agreed that a full inspection of the current tables would be undertaken before the procurement process for new tables was started.

Decision:

- (1) That a District Development Fund bid of £10,000 be made for 2014/15 to replace the meeting tables in Committee Rooms 1 and 2; and
- (2) That an inspection of the tables currently in the Committee Rooms be undertaken prior to the procurement process being commenced.

Reasons for Decision:

To enable the current ageing and weakening tables to be replaced before they became a potential health and safety issue.

Other Options Considered and Rejected:

To do nothing until such time as replacement became an absolute necessity for health and safety reasons.

To consider renovation of the existing tables. However, this would not overcome the wear and tear issues or the requirement for increased flexibility of movement and storage, and was more expensive than replacement.

81. ADDITIONAL STAFFING RESOURCE FOR ESTATES AND VALUATION SECTION

The Portfolio Holder for Asset Management & Economic Development presented a report proposing additional staffing resource for the Estates & Valuation section.

The Portfolio Holder reported that the workload of the Estates & Valuation Section in recent years had increased due to the proactive asset management of the Council's property portfolio and third party land holdings. There were currently a number of projects being developed which, if not properly resourced, would not be progressed in an efficient manner to the detriment of the Council's interests. The existing Estates & Valuation establishment of three Valuers already had a full workload managing the Council's portfolio consisting of more than 300 properties and a rent roll in excess of £4million per annum. Therefore, it was proposed to appoint a Valuation and Development Surveyor to assist the Chief Estates Officer in progressing existing and future development opportunities within the District. A revenue supplementary estimate had been proposed to enable the appointment to be made during 2013/14.

Decision:

- (1) That a Valuation and Development Surveyor be appointed to assist the Chief Estates Officer in progressing existing and future development opportunities in the District; and
- (2) That a revenue supplementary estimate in the sum of £12,681 plus on costs, subject to Job Evaluation, be recommended to the Council for approval to enable the appointment to be made during 2013/14.

Reasons for Decision:

To ensure the Council maximised the revenue and capital growth from its property portfolio and encouraged economic regeneration within the District.

Other Options Considered and Rejected:

To not employ additional staff resource in Estates & Valuation, however this would jeopardise the progress of future schemes.

To employ the person through an agency on a fixed term contract, however this was likely to be more expensive.

82. VARIATION OF CONTRACTS - GROVE COURT HALL, WALTHAM ABBEY

The Housing Portfolio Holder presented a report regarding the variation of contracts for the works undertaken at Grove Court Hall in Waltham Abbey.

The Portfolio Holder reminded the Cabinet that, in April 2012, he had approved a tender for the refurbishment and various alterations at Grove Court Hall, Waltham Abbey, including disabled adaptations, in the sum of £55,140.45. The final account for the works had now been agreed, and the value had exceeded the original tender sum by £9,803.41 or 18%. It was a requirement of the Council's Financial Regulations that any contract which exceeded its approved sum by more than 10% had to be reported to Cabinet, outlining the reasons for the additional expenditure. The Portfolio Holder highlighted the main causes for the additional expenditure, which was duly noted by the Cabinet.

Decision:

(1) That the contract for the conversion and refurbishment works at Grove Court Hall, Waltham Abbey exceeded the Contract Sum by £9,803.41 (18%) be noted, in accordance with Financial Regulations (Appendix B Clause 2.62).

Reasons for Decision:

It was a requirement of Financial Regulations (Appendix B, Clause 2.62) that Officers submitted reports, jointly with the Finance Director, to the Cabinet on completion of all contracts where the final expenditure exceeded the approved contract sum by more than 10%.

Other Options Considered and Rejected:

None, as the report was for information only.

83. ANY OTHER BUSINESS

The Cabinet noted that there was no other urgent business for consideration.

84. OUT OF HOURS CALL HANDLING SERVICE

The Housing Portfolio Holder presented a report on the Council's Out-of-Hours Call Handling Service.

The Portfolio Holder reported that the Council's current in-house arrangement for handling calls out-of-hours through the Council's Standby Service had been in place for many years. The Standby Team generally provided a good service, but was hampered by insufficient technology to meet current needs and, due to it being a small team, the Service was vulnerable to the effects of staff shortages. On several occasions over recent years, the Service had been non-operational at short notice due to staffing difficulties, which was considered unacceptable for such an important

emergency Council service. The Housing Directorate also wanted to improve the Repairs Service for Tenants by providing a facility for Tenants to report non-emergency repairs and make repairs appointments outside of office hours, which was not possible with the existing in-house Standby Service.

As a result, the Portfolio Holder advised that discussions had been held with Mears Ltd, the Council's Repairs Management Contractor, about the possibility of Mears providing an Out-of-Hours Call Handling Service as a "Key Deliverable" for the remaining years of the existing Repairs Management Contract from 1 April 2014, which had led to a formal proposal from Mears. Under the proposal, Mears would handle all housing repair calls (emergency and non-emergency) and all emergency calls for other Council services received out-of-hours, using the same ICT system as currently used by the Housing Repairs Service, which would obviate the need for the in-house Standby Service.

The Portfolio Holder added that, under the proposal, not only would the proposed approach provide an enhanced and more resilient service, the cost of delivering the service would result in savings of around £76,000 per annum compared to the current in-house service (excluding the costs of the associated Mitigation Action Plan). With a potential remaining contract period of six years, this could generate savings of around £456,000 (£192,000 for the General Fund and £264,000 for the Housing Revenue Account), over the potential remaining life of the Repairs Management Contract.

The Portfolio Holder acknowledged that some staff might wish to transfer to Mears under the TUPE Regulations, for which there would be an additional cost to the Council. If they did not, the proposal might result in redundancies, although efforts would be made to keep these to a minimum through redeployment. The *maximum* one-off cost of redundancies and the cost to the Council of the associated "strain on the Pension Fund" (if all staff were made redundant) would be around £50,000, which would be re-couped from the on-going savings within around eight months.

The Portfolio Holder highlighted that there were a number of issues which would need to be addressed as a result of no longer having staff at the Civic Offices outside of office hours. However, this was the subject of the following report from the Assistant Director of Corporate Support Services (Facilities Management and Emergency Planning), which detailed the options and associated costs.

The Portfolio Holder for Asset Management & Economic Development reiterated that the current small team was vulnerable to staff shortages, and the service should not be non-operational at any time.

In response to questions from the Members present, the Housing Portfolio Holder stated that he was unaware of any residents attending the Civic Offices outside of office hours, and the proposal would provide residents with a better service for reporting problems or issues when the Civic Offices were closed. It would cover all of the Council's out-of-hours services, including non-housing related services such as noise pollution.

Decision:

(1) That the provision of the Council's Out of Hours Call Handling Service, including the receipt of emergency calls for all Council services and the provision of a service for Council tenants to report any non-emergency repairs out of hours, be included as part of the current Repairs Management Contract with Mears Limited as a "Key Deliverable", with effect from 1 April 2014, and delivered through Mears Ltd's subsidiary, Mears 24/7;

- (2) That the negotiated cost of £35,729 per annum, plus any additional costs as a result of any staff transferring under the Transfer of Undertakings (Protection of Employment) (TUPE) Regulations, be noted and be increased annually by the Consumer Prices Index (CPI) for the month immediately preceding the anniversary of the introduction of service;
- (3) That Contract Standing Orders C1 and C5 be waived to allow the inclusion of the non-housing elements of the Out of Hours Service within the Repairs Management Contract, without undertaking a competitive exercise, due to the fact that only Mears Ltd could provide the required non-emergency repairs reporting facility and the monetary value of the non-housing elements did not make it cost effective to procure a separate contract solely for these elements;
- (4) That the comments received in response to the formal staff consultation exercise from three of the Council's four Standby Officers and the GMB and Unison trade unions on the proposals and recommendations within this report be noted;
- (5) That the cost of the Out of Hours Service provided by Mears Ltd be allocated to the Housing Revenue Account (HRA) and General Fund each year based on actual usage;
- (6) That, following individual consultation with the staff concerned, the Council's Standby Officers either be transferred to Mears Ltd (or Mears 24/7) under the TUPE Regulations or be placed "at risk" of redundancy, depending on their circumstances;
- (7) That any staff placed "at risk" be sought to be re-deployed through the ring fencing of vacant posts, but that if re-deployment was not successful, they be made redundant with effect from 1 April 2014;
- (8) That any redundancies and other one-off costs be funded from the District Development Fund (for General Fund costs) and HRA Balances (for HRA costs), and that appropriate provision be made within the District Development Fund accordingly;
- (9) That responsibility for the provision of the Out of Hours Call Handling Service through the contract be transferred from the Corporate Support Services Directorate to the new Directorate responsible for the Housing Service with effect from 1 April 2014.

Reasons for Decision:

To provide a more resilient out-of-hours call handling service, with an enhanced repairs reporting service for Tenants to report non-emergency repairs, all at a significantly lower cost than the current in-house service.

Other Options Considered and Rejected:

To continue with the current arrangements, however this would not realise the identified benefits of the proposed approach.

To procure a separate contract for the out of hours service from another provider. However, this would not enable the enhanced reporting service for Tenants to be provided (since it required Mears' own ICT System, which the Council used) and was unlikely to generate the same level of savings.

85. EXCLUSION OF PUBLIC AND PRESS**Resolved:**

(1) That, in accordance with Section 100(A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the items of business set out below as it would involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12(A) of the Act indicated and the exemption was considered to outweigh the potential public interest in disclosing the information:

<u>Agenda Item No</u>	<u>Subject</u>	<u>Paragraph Number</u>
19	Management of the Civic Offices – Out of Hours Mitigation Plan	7
20	Waste Management Contract – Outcome of the first stage of Competitive Dialogue	3
21	Second Floor, Bridgeman House, Waltham Abbey	3

86. MANAGEMENT OF THE CIVIC OFFICES - OUT OF HOURS MITIGATION PLAN

The Portfolio Holder for Asset Management & Economic Development presented a report concerning the mitigation plan for managing the Civic Offices outside of office hours, following the earlier decision to transfer the out-of-hours call handling service to Mears Limited.

The Portfolio Holder advised that this report followed on from the earlier report on the Out of Hours Call Handling Service and detailed the issues, options and costs for managing the Civic Offices outside of office hours. Option 1 entailed the alarm systems being linked into the Trend Energy Management system with any alarms reported to the Careline service at Parsonage Court and the Electrical Engineer on call. Option 2 entailed the fire alarm being directly linked to the Careline Service at Parsonage Court, with all other alarms linked to the Trend Energy Management system as per option 1. Option 3 was to let a contract with a private security company to provide an on-site presence at the Civic Offices outside of office hours, and would provide a faster response to fire and intruder alarms than either options 1 or 2. Option 3 was liable to be the most expensive, but all three options were predicted to provide savings for the Council in respect of the current arrangements.

In response to questions from the Members present, the Assistant Director of Corporate Support Services (Facilities Management & Emergency Planning) stated that the primary role of the Council's Standby Duty Officers was to answer telephone calls when the Civic Offices were closed and arrange the appropriate response, therefore their future position had been dealt with in the previous report regarding the Call Handling Service and the TUPE arrangements would not apply to their security role, which was secondary. This was confirmed by the Director of Corporate Support Services. If option 3 was chosen then there would have to be training arranged for the new Security Officers, and the Council would want to see some stability in the actual persons employed rather than having to train different people continuously.

The Cabinet favoured option 3. The current future of Careline was uncertain, and the recent incident at the Civic Offices with a burst water pipe had illustrated how useful it was to have a presence in the Civic Offices at all times. By choosing option 3, the

response time would be much quicker if there was a major incident at the Offices in the future.

Decision:

(1) That, following the transfer of the out-of-hours call handling service to Mears Ltd, a contract be let to maintain an on-site presence for the out-of-hours management of the Civic Offices complex (option 3) at an anticipated cost of £50,000 per annum; and

(2) That the anticipated annual savings of approximately £26,000 per annum be noted.

Reasons for Decision:

To maintain an on-site presence within the Civic Offices outside of office hours.

Other Options Considered and Rejected:

To link the alarm systems into the Trend Energy Management system, with any alerts reported to Careline, or the Fire Alarm directly linked to Careline, with Careline then contacting the relevant Officer(s). However, an on-site presence would provide a quicker response to any incidents that occurred outside of The Office's opening hours.

87. WASTE MANAGEMENT CONTRACT - OUTCOME OF THE FIRST STAGE OF COMPETITIVE DIALOGUE

The Environment Portfolio Holder presented a report on the outcome of the first stage of the competitive dialogue for the letting of the new Waste Management Contract.

The Portfolio Holder stated that the deadline for the receipt of tenders following the first phase of competitive dialogue was 17 September 2013. Seven tenders were received, all of which were found to be compliant. Following their receipt, the tenders were analysed by the Officer and Consultant project team, against the strict assessment criteria set out in the procurement descriptive document. This was based upon a model of 60% price and 40% quality, which it was proposed to retain for the next stage of the process. The assessment team was divided to assess the two criteria separately and independently.

The Portfolio Holder reminded the Cabinet that the procurement process decreed that after the first stage of competitive dialogue, the number of contractors would be reduced from the initial eight to five. It was therefore recommended that Amey/Enterprise, Biffa, Serco, Sita and Urbaser should progress onto the next stage of the Competitive Dialogue process, based on the scores they had achieved relative to the price and quality criteria. Full assessment details had been made available to the Cabinet and other Members in the report and appendices, but it was important to keep this information from being publicly available to ensure that the process remained fair for the remaining bidders.

The Portfolio Holder reported that a number of variations to the current service had been proposed during the first stage of competitive dialogue, and a decision was required on these by the Cabinet to inform the Contractors for the next stage. Following consultation with the Portfolio Holder Advisory Group and Officers, the Cabinet was requested to agree that:

- the collection of dry recyclables through the use of an additional wheeled bin was, in principle, acceptable;
- the separate collection of food and garden waste was not acceptable;
- the concept of extended hours and Saturday working was acceptable; and
- for income generated from recyclables, an income gain/loss sharing arrangement with the Council was acceptable.

The Portfolio Holder informed the Cabinet that only two of the eight bids had included the Grounds Maintenance and Fleet Operations services. As these could only be let as part of the wider Waste Management Contract, and the service provided by Grounds Maintenance was consistently rated very highly, it was recommended that these services be excluded from the bidding process. A result of this would be that the Oakwood Hill depot site would now be required by the Council for Grounds Maintenance and Fleet Operations when they moved from the Langston Road Depot, and therefore this site would not be available as a potential depot for the new contractor.

The Portfolio Holder added that the second phase of competitive dialogue, the Invitation to Submit Detailed Solutions (ISDS) with the five remaining contractors was scheduled to commence on 4 November 2013, which would result in the number of contractors being further reduced from five to three. A further report on the outcome of this stage would be submitted to the Cabinet at the meeting scheduled for 3 February 2014.

The Cabinet acknowledged that the Council currently received a first rate service, and the process to procure a new contract was following a slow but sensible progress. A number of the Members present were concerned about the possible introduction of a third wheeled bin as part of the new service. Some Members remembered how the initial introduction of wheeled bins upset many residents back in 2004. It was felt that opposition could build from residents again and a sympathetic approach should be adopted if a third wheeled bin was adopted. It was also highlighted that East Herts District Council had begun implementing a third wheeled bin for households, and their progress should be monitored as it could provide lessons for this Council. Most Members agreed with the view of the Portfolio Holder Advisory Group that an 'opt-out' approach should be adopted with the third wheeled bin, with a sympathetic view taken of those residents who felt that they could not accommodate an additional wheeled bin. Although there was a suggestion by one member that an 'opt-in' approach should be adopted. The retention of the Grounds Maintenance Service was welcomed by the Cabinet and other Members present.

The Portfolio Holder responded that a third wheeled bin was only an option at the current time, but it would encourage residents to recycle as much of their dry recyclable waste as possible as glass would then be co-mingled rather than collected separately. It was currently envisaged that the third wheeled bin would be 240 litres in size, larger than the residential waste wheeled bin currently in use, and had a greater capacity than two of the clear sacks currently used. Residents would be able to use any container for their side waste, and the possibility of issuing a smaller wheeled bin for residual waste would be investigated. The Portfolio Holder confirmed that the ability to 'opt-out' from having a third wheeled bin would be on an individual household basis, and that the progress with the implementation of the new system in East Herts would be closely monitored by the Council.

The Director of Environment & Street Scene added that the facility for households to 'opt-out' from having a third wheeled bin would form part of the competitive dialogue for the Invitation to Submit Detailed Solutions (ISDS) stage of the process. The Council was aiming to be as flexible as possible while also keeping the system as

practical and affordable as possible. The Council was always investigating ways to reduce the amount of residential waste collected, and the education of residents would be critical to increasing the amount of recyclates collected at the kerbside.

The Council's Waste Management Consultant advised the Cabinet that the top nine councils for recycling all had a third wheeled bin for collecting co-mingled dry recyclates, including glass, and all nine had a similar profile to Epping Forest. Evidence strongly indicated that residents found it simple and easy to put recyclates in a wheeled bin. The Council could earn an additional £100,000 per quarter in recycling credits and achieve a performance in excess of 75% for recycling if they adopted a third wheeled bin.

The Portfolio Holder confirmed that, using the figures released by the Department of Environment, Food and Rural Affairs for 2011/12, Brentwood Borough Council had collected 225 kilograms of dry recyclables per household in contrast to 253 kilograms per household collected by this Council. The Waste Management Consultant acknowledged that the recycling of food waste was more problematic at the moment; the County Council would soon use a Mechanical Biological Treatment Centre for residual waste rather than landfill, which would extract the mixed food waste for further recycling. The Director for Environment & Street Scene added that it was not unusual for a Waste Management Contractor to have their depot outside of the district in which they were collecting, and this would be carefully examined during the next stage of the competitive dialogue process.

Decision:

(1) That, after assessment of the received tenders, the following five contractors be approved to progress to the second stage of Competitive Dialogue (Invitation to Submit Detailed Solutions - ISDS):

- (i) Amey / Enterprise;
- (ii) Biffa;
- (iii) Serco;
- (iv) Sita; and
- (v) Urbaser;

(2) That, for the purposes of ISDS, the remaining contractors be informed that:

- (a) the collection of dry recyclables through the use of an additional wheeled bin was, in principle, an acceptable variation to the existing service;
- (b) the collection of food and garden waste as separate streams was not an acceptable variation to the existing service;
- (c) the collection of waste through extended hours and Saturday working was, in principle, an acceptable variation to the existing service; and
- (d) in respect of income generated from recyclables, exposure to financial risk be mitigated through an income gain/loss sharing arrangement, details of which to be discussed as part of the next phase of Competitive Dialogue;

- (3) That, following the assessment of contractor bids, Lot 2 (Grounds Maintenance) services be excluded from the next stage of competitive dialogue;
- (4) That Lot 3 (Fleet Operations) services also be excluded from the next stage of competitive dialogue;
- (5) That the contractor options for the provision of a depot (or depots) for the delivery of the services be noted and, as a result of decision (3) above, the remaining contractors be informed the Oakwood Hill site would no longer be available as a potential depot location for core waste services; and
- (6) That the current assessment model of 60% price and 40% quality be retained for the next stage of Competitive Dialogue.

Reasons for Decision:

To enable the completion of the ISOS stage of the procurement exercise and the selection of the five contractors for the ISDS stage of Competitive Dialogue.

To consider any changes to the price/quality ratio and enable consideration of service options to be pursued at the ISDS stage.

To confirm the retention of the in-house Grounds Maintenance service, as well as the Fleet Operations service, on the basis of the bids received at the ISOS stage and the continuing high level of service provided by the service.

Other Options Considered and Rejected:

No other options had been presented since this stage had to be undertaken in full accordance with the rules and process governing competitive dialogue and the details set out in the Council's Descriptive Document. To do otherwise presented the risk of a legal challenge from a participating contractor or contractors.

88. SECOND FLOOR, BRIDGEMAN HOUSE, WALTHAM ABBEY

The Portfolio Holder for Asset Management & Economic Development presented a report concerning the purchase of the long leasehold interest in the second floor of Bridgeman House in Waltham Abbey.

The Portfolio Holder reported that, following negotiations by the Council's agents, Bidwells, the owners of the long leasehold interest in the second floor of Bridgeman House were prepared to sell their interest to the Council. The long leasehold interest had an unexpired term of 972 years and was held by the Bridgeman Investment Partnership. The requested supplementary capital estimate included the purchase price, the stamp duty due and the estimated refurbishment costs to convert the offices into small suites if required.

The Leader of the Council added that the purchase of this leasehold would represent an excellent opportunity to assist the development of small local businesses.

Decision:

- (1) That a supplementary capital estimate in the sum of £654,000 for the purchase of the long leasehold interest in the second floor of Bridgeman House, Waltham Abbey, and any refurbishment work if required, be recommended to the Council for approval.

Reasons for Decision:

To secure the interest in the second floor of offices at Bridgeman House which would: provide an investment for the Council and earn rental income; prevent it from being converted to residential flats, which could cause problems for the Council's proposed use of the first floor as an extension to the Epping Forest Museum; assist the growth of small businesses; and retain employment opportunities within Waltham Abbey.

Other Options Considered and Rejected:

To not purchase the second floor long leasehold interest, however this would risk the loss of employment in the town centre and increase the risks relating to the operation of the Museum.

CHAIRMAN