

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

**Committee:** Cabinet **Date:** 13 September 2021  
**Place:** Council Chamber, Civic Offices, High Street, Epping **Time:** 7.00 - 8.09 pm  
**Members Present:** C Whitbread (Chairman), N Avey, N Bedford, L Burrows, A Patel, J Philip, S Kane, D Sunger and H Whitbread

**Other Councillors:** S Murray, J H Whitehouse and J M Whitehouse

### **Apologies:**

**Officers Present:** G Blakemore (Chief Executive), T Carne (Corporate Communications Team Manager), N Cole (Corporate Communications Officer), N Dawe (Chief Operating Officer), C Graham (Project Team Manager), C Hartgrove (Interim Chief Financial Officer), M Hassall (Interim Service Director (Strategy, Delivery & Performance)), A Hendry (Democratic Services Officer), A Small (Strategic Director Corporate and 151 Officer) and M Turnbull (Project Manager - Housing)

### **34. WEBCASTING INTRODUCTION**

The Leader of Council made a short address to remind everyone present that the meeting would be broadcast live to the internet, and would be capable of repeated viewing, which could infringe their human and data protection rights.

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

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

### **36. MINUTES**

#### **Decision:**

That the minutes of the Cabinet meetings held on 12<sup>th</sup> and 26<sup>th</sup> July 2021 be taken as read and would be signed by the Leader as a correct record.

### **37. REPORTS OF PORTFOLIO HOLDERS**

There were no verbal reports made by Members of the Cabinet on current issues affecting their areas of responsibility.

### **38. PUBLIC QUESTIONS AND REQUESTS TO ADDRESS THE CABINET**

#### **Public Questions**

Ms C Rose sent in the following questions for the Housing Services Portfolio Holder. Ms Rose was unable to attend the meeting so her question was read out by the Democratic Services Officer.

**Questions:**

“As a resident I very much welcome the council's commitments to support the government's ARAP and Afghan Vulnerable Person Resettlement Scheme as set out in this recent news update: <https://www.eppingforestdc.gov.uk/council-to-support-afghanistan-resettlement-programme/>

i) Has EFDC been able to find two vacant council properties to offer to Afghan Locally Employed Staff, as outlined in Recommendation 3?

ii) Will the council be seeking to engage with local private sector landlords, estate agents, and temporary accommodation platforms like Air BnB and Spare Room to see if any of them would be able to provide properties in the coming months for refugees arriving as part of the Vulnerable Person Resettlement Scheme?”

**The Portfolio Holders response was:**

(i) “Yes, two void properties have been identified as potentially suitable and the details for each have been shared with Essex County Council, who are responsible for the liaison with the Home Office regarding property supply, so that they can be considered and approved for use. We expect these properties to be ready for let at the beginning of October.

(ii) No, EFDC have chosen to offer its own Council housing which offers rents that are far more affordable than those charged in the private sector. The Epping Forest District is a high cost area and much of the private rented sector is unaffordable to those on low incomes or in receipt of welfare benefits. If we were to pay for private sector housing that would cost the Council tax payer more. EFDC has made a commitment to offer affordable and sustainable accommodation for families on the ARAP scheme so that they can start to rebuild their lives in a safe place. But Essex County Council were engaging with the private sector and she would investigate that.”

**39. OVERVIEW AND SCRUTINY**

In the absence of the Chairman of the Overview & Scrutiny Committee; the Leader reported that they had not had a meeting since the last Cabinet and therefore had nothing to report and that their next meeting had been put back to 12 October 2021.

Councillor Murray asked why the meeting had been moved and he was told that it was due to the unavailability of the Chairman.

**40. COUNCIL HOUSEBUILDING CABINET COMMITTEE - 14 JUNE 2021**

**Decision:**

That the minutes of the Council Housebuilding Cabinet Committee held on 14<sup>th</sup> June 2021 be noted.

**41. INSURANCE TENDER - JULY 2022**

The Corporate Services Portfolio Holder and the Section 151 officer introduced the report on the upcoming insurance tender.

They noted that obtaining insurance from the insurance market was part of the risk transfer mechanism in risk management. The Council had a range of insurance policies that provide financial protection against insurable risks. The classes of business include public liability, employer's liability, motor fleet, property and engineering along with a number of miscellaneous covers.

The Council's insurance programme was last tendered in July 2015 on a five-year long-term agreement (LTA) with the option to extend for a further two years. The current arrangement would expire on 30 June 2022. Owing to the value of this contract which currently stands at approximately £900,000 p.a there was a requirement to undertake a full Tender exercise on the open market to ensure the Council obtained the most comparatively advantageous terms. It was recommended that we tendered for a three-year long-term agreement (LTA) with the option of extending for a further two years.

The current insurance policies are provided by Zurich Municipal Insurance through a package arrangement. The only exception being the airside liability cover which has been placed with Global Space.

There are other providers in the market who specialise in Public Sector risks and who will find EFDC an attractive proposition, thus providing competitive challenge to the Zurich Municipal rates currently being charged.

Councillor Philip asked that the relevant calculations would be done in time to feed into the budget process for 2022 and if when covering some risks ourselves would that come from the General Fund Reserves or was Capital set aside to use. Mr Small was not sure if they would have the figures in time for the budget process, but they would put some conservative assumptions into the budget and work around that. Any self-insurance provision would provisionally be a revenue provision and any provision would have to be earmarked within revenue budgets as we could not use capital for that purpose.

Councillor Patel asked how they saw the impact of Covid impacting on our insurance premiums going forward. The reason for asking was he wondered if there was any upside in looking for a longer or shorter period for this contract. He was told that they should ask how had Covid increased claims and they were not sure that it had for any of the risks that the council had to insure for. We were working with insurance advisors to help us through this exercise and it was their opinion that this was set at a correct timescale. Councillor Patel asked if the Council balanced the cost of the excess when processing a claim; what was the thought process around processing some of the smaller claims. He was told that was something that they wanted to test through this procurement exercise looking to see how we could set excesses at different thresholds and then do a cost benefit analysis.

**Decision:**

(1) The Cabinet approved the procurement and re-tender of the Council's insurance contracts on a three-year long-term agreement (LTA) with the option of extending for a further two years to be effective from 1st July 2022; and

(2) The Cabinet approved delegation of the contract decision and final award of contract to the Strategic Director/S151 Officer.

**Reasons for Proposed Decision:**

The current insurance arrangements expire on the 30 June 2022 creating a need to re-tender the Council's insurance programme to ensure we were achieving value for money and to comply with the Procurement rules owing to the significant expenditure involved. Failure to ensure that insurable risks are insured with external providers would expose the Council to significant financial risk.

Cabinet approval was required as this is a key decision.

**Other Options for Action:**

The Council's current insurance policies cease in June 2022 and there are no other options but to re-tender the Council's insurance programme.

**42. ACCOMMODATION PROJECT - PROJECT CLOSURE**

The Leader introduced the project closure report on the Accommodation Project. He noted that the October 2019 Cabinet made the decision to proceed with the refurbishment of the Civic Offices and for the award of contract to ISG Fit Out Ltd for the construction works. The Accommodation Project set out to refurbish the Civic Building and 323 House, with the Conder building demolished and the rear of the Civic Offices site redeveloped for residential use in line with the Local Plan. The Accommodation Project commenced in July 2020 and successfully completed in April 2021.

This was a very well run project and of course things changed as it moved along; when first conceived it was prior to the Covid pandemic. We made good decisions especially on the technology for the building which is now the envy of many other councils and set us up for the future which we intended to do and at the same time addressing a lot of maintenance work to an old building.

We have had very good meetings with the leader and deputy leader of Essex CC who were very impressed by the space we have to offer in our community hub and at our modern facility we now have.

Councillor Philip congratulated the officers on being on time and on budget for this project.

Councillor Janet Whitehouse asked about the proposed café in the Community Hub and the statement that it would help the economic health of the High Street. She was not sure there was a need for another café in the area. We needed people to go to the High Street and use the existing coffee and other shops there. This should be reviewed. Another thing was that members used to have their own locker/pigeon holes. These had not been provided. She was told that we used to have a café for staff here in the building but also going forward it would be an asset to the community when we also have a library and other partners there, making it more of a community hub. As for pigeon holes for members, no one used them, and we also have to get used to the new ways of working.

Councillor Holly Whitbread noted that this was a great modern use of the building and it could provide an opportunity for a local business to run a café in a central

location. And also, the more people we have in the building the more people can use our local shops etc.

Councillor Patel noted that this would also be a model for other community hubs across the district.

Councillor Sunger noted that having a café would be an opportunity for local residents and businesses to network and meet up. And it would be supporting the businesses that would be working from our offices here. The Leader said it also depended on who we were working with. It may be that some of the larger Town and Parish councils may want to set up their own hubs.

Councillor Murray agreed with much of what had been said. He had two areas of concern; one he was not convinced that it would be an adequate space for the library and it was also difficult to judge where the money had been spent, noting that some of the money would have been spent on infrastructure works etc.; he would also like to be reminded of how many tenders we got for this work. He was 80% happy with the report and the project; but his gut reaction was that we did not have value for money on this.

The Leader noted that 80% happy was not too bad. He noted that this report would go to a Select Committee in the future. As for refurbishing, there was a lot of things that you could not see, such as air conditioning and heating. He agreed to differ about the Library the use of Libraries changes with time. We had one tender which went through a detailed tendering process. They were well organised, Covid secure and delivered on time and on budget and were good value for money.

Councillor Philip reminded that meeting that they also had to renovate a listed building where even the paint was listed. It was costly to renovate like this and that had to be factored in.

Councillor Patel noted that this was now a more energy efficient building and asked when we would see some of those cost benefits back on our expenditure. He was told that some of it was being realised now, for example the boilers had been replaced giving us around a £10,000 per year saving, other savings and benefits were still to come online.

#### **Decision:**

The Cabinet formally acknowledged and agreed to the closure of the Accommodation Project.

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

In April 2021, the Accommodation Project completed on time, in budget and delivered the outcomes agreed. The project is now ready for formal closure.

#### **Other Options for Action:**

None

**43. FINANCIAL PLANNING FRAMEWORK 2022/23 TO 2026/27**

The Finance, Qualis Client and Economic Development Portfolio Holder, Councillor Philip, introduced the Financial Planning Framework report. This was a report for the beginning of the budget setting process for next year. Like most local authorities, the Council was facing increasing financial pressures, especially in the light of the Covid-19 pandemic. Although last year was difficult from a budget setting point of view but that was offset by significant support from the Government. Next year will be much more difficult and he did not see any option to having a Council Tax rise.

Maintaining a balanced General Fund budget was becoming especially challenging in the light of a range of income, expenditure and funding pressures.

A declining balance on the General Fund Reserve reduces the available short-term options for managing budget gaps. Consequently, tackling a likely budget gap would need to be given a high priority if the Council was to set a balanced budget for 2022/23. Difficult choices would need to be made to ensure that net expenditure was brought into line with available funding.

They would like to maintain the general fund reserves to at least £4million but that would be very tight. They were already being proactive and were trying to reduce the pressure on the general account as they would need to be financially prudent in the coming year.

General Fund borrowing had been steadily growing since 2019/20, with further plans to borrow in 2021/22 and beyond; most notably to meet the capital commitments in respect of the Council's regeneration aspirations, delivered via Qualis (which drives additional revenue streams to the Council, as well as enabling the delivery of key priorities).

Given the usual pattern whereby the Local Government Finance Settlement is announced just before Christmas, definitive figures for 2022/23 may not be available until December 2021.

Councillor Murray said the report came as a shock to him. If it was going to be as difficult as stated, he would encourage the Cabinet members to really look at their budgets. And would the 6 December meeting be the one that set out more details on the budget and have more member involvement in this. Councillor Philip reiterated that it would be a very difficult budget due to a whole combination of things coming together. They would also, as an example, not have business rate retention in place. If members had suggestions on how to make savings, then he would always be available to listen.

Councillor Jon Whitehouse said it would be helpful, when a report goes to the Stronger Council Select Committee, there was a clear setting out of the variations of the budget as they happened so that members could see it was different from the situation when it was first discussed. Unless we knew how the budget had changed it would be difficult to make future decisions. The section on the capital programme states the purpose of the capital programme was to improve future revenue receipts. We need to be very clear what was to be permanent and what was just a cash flow phasing issue with money coming back to council in the medium term. Councillor Philip replied that on inspection they were expecting some deviations but there were others that we were not expecting such as the waste contract and the pressure on it. Although that was not surprising given we were collecting a lot more waste because of working from home etc. Also, investing capital for revenue was a good way of doing things such as renting the second floor of this building.

Councillor Patel asked about the General Fund balance and the pressure we were likely to have moving forward. How much of the commitments we made in previous years was likely to impinge on us now, were we likely to have ongoing costs. He was told that yes there would be.

Councillor Sunger noted that in relation to saving costs with Covid and post Covid, we must have learnt some lessons about hybrid working and working from home etc. Have we investigated job sharing with our neighbouring councils? He was told that this had been looked into and we have asked if we could offer our services to other councils. As for working from home and hybrid working, we have come down to occupying one floor of one building.

Councillor Chris Whitbread noted that the report set out the honest position of where we were today and sets out the challenges that was ahead of us in rethinking the way we did somethings. We were in a stronger position than any other council of our size and have opportunities such as the airfield and an ongoing plan for the district. We also have Qualis who will start paying dividend in the near future.

**Decision:**

(1) The Cabinet noted the backdrop to the Financial Planning process for 2022/23 to 2026/27, including the impact of the Covid-19 pandemic, declining General Fund reserves and emerging changes in local authority finance; and

(2) The Cabinet agreed to the proposed approach to Financial Planning for 2022/23 to 2026/27, including the reporting and governance timetable as summarised in Appendix A of the report.

**Reasons for Proposed Decision:**

To set a framework within which the Council can develop and set a balanced budget for 2022/23 and update its MTFP through to 2026/27, ensuring that corporate priorities continue to be delivered in a financially sustainable way.

**Other Options for Action:**

None

**44. QUALIS - QUARTER 3 MONITORING REPORT**

The Finance, Qualis Client and Economic Development Portfolio Holder introduced the Qualis, quarter 3 monitoring report for 2020/21. He noted that this report presented the third Quarter's monitoring report for the Qualis trading year 2020/21 and covered the period from 1 October 2020 to 30 June 2021. This report was to be considered by Stronger Council Select Committee, which due to the timing of meetings did not meet until the day after this Cabinet. Comments made by the Select Committee would be relayed directly to the Portfolio Holder.

Attached to the report as an appendix is the Qualis Board monitoring report for Quarter 3, as had been presented to the Qualis Board.

Two key part to note, one was the income and expenditure, flagged as red due to the fact that in the third quarter Qualis had not received planning permission from the planning authority, the relevant meeting due to be held in September will now be held in October. As for Qualis Living, marked as amber, that was for a planned purchase

in quarter 3, but had slipped just over into the quarter 4 period, and was completed then.

Councillor Jon Whitehouse noted that the report was titled finance and performance monitoring but was almost all about finance. Qualis now deals with housing repairs and he would like to see the relevant Key Performance Indicators (KPI) on these in future reports. As for slow progress through our planning system, which influences the balance sheets, was there any way to quantify these costs? Councillor Philip noted that we were in a beneficial relationship here as we did not need to act until both parties were ready. As for KPI for housing repairs etc. these would sit better in the Housing Portfolio area as they were the customer for that service. This report was more looking at Qualis' finance performance. Councillor Holly Whitbread confirmed that these performance indicators would be going to the relevant Select Committee for consideration.

Councillor Murray noted that the business plan had indicated a profit of about a third of a million but then showed a loss of about £1.1 million. Was this just because of waiting for planning permission and a delayed acquisition of a third commercial property? And, on the 3<sup>rd</sup> acquisition, can you remind me where that was. He was told that he had understood it correctly, due to the issues with planning it dictated into which pot you put the money in. As for the third acquisition, this had happened in the 4<sup>th</sup> quarter and was in Coventry.

**Decision:**

The Cabinet discussed and noted the report.

**45. ANY OTHER BUSINESS**

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

**CHAIRMAN**