

EPPING FOREST DISTRICT COUNCIL CABINET MINUTES

Committee: Cabinet **Date:** 11 October 2021

Place: Council Chamber, Civic Offices, High Street, Epping **Time:** 7.00 - 8.05 pm

Members Present: C Whitbread (Chairman), N Bedford, A Patel, J Philip, S Kane and H Whitbread

Other Councillors: R Brookes, J Lea, C McCredie, R Morgan, S Murray, M Sartin and D Stocker

Apologies: N Avey, L Burrows and D Sunger

Officers Present: G Blakemore (Chief Executive), T Carne (Corporate Communications Team Manager), N Dawe (Chief Operating Officer), C Hartgrove (Interim Chief Financial Officer), A Hendry (Democratic Services Officer), S Jevans (Qualis Group Managing Director), S Lewis (Customer Services Manager), L Miles (Policy & Strategy Analyst), S Mitchell (PR Website Editor), R Perrin (Democratic and Electoral Services Officer) and A Small (Strategic Director Corporate and 151 Officer)

46. 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.

47. DECLARATIONS OF INTEREST

Pursuant to the Council's Member Code of Conduct, Councillor C Whitbread declared a non-pecuniary interest in agenda item 9 – 'Branding for the Civic Offices-Ground Floor', by virtue of knowing the person who carried out the branding exercise. The Councillor had determined that his interest was non-prejudicial and that he would stay in the meeting for the consideration of the item.

48. MINUTES

Decision:

That the minutes of the Cabinet meetings held on 13th September 2021 be taken as read and would be signed by the Leader as a correct record.

49. REPORTS OF PORTFOLIO HOLDERS

(a) The Planning Services Portfolio Holder, Councillor Bedford, advised the meeting that the main modifications had finished on 23 September and they were anticipating to take two weeks to get the final work to the inspector.

Concerns had been raised about the maximum amount of words per response being limited to 300. This had been asked for by the inspector and we have been summarising the responses into 300 word bites. The inspector has been made fully

aware of all reports that had come in and these would be forwarded to her for her consideration. Comments had been redacted into small bite sized 300 word pieces at the request of the inspector.

(b) The Housing Services Portfolio Holder, Councillor H Whitbread, noted that last week she had attended the ECC Housing Refugee Task Force on behalf of EFDC presenting an opportunity to meet with leaders across different groups to discuss the current situation on the Afghan refugees. Our Council have offered up two homes, but they are yet to be used. The consensus was that we provided the support for those coming in from Afghanistan and to encourage other councils to do what we have done here and provide housing if they are able to and also look to the private sector for any opportunities available there.

As for donations, when this was initially announced they were overwhelmed within 24 hours and she was now working with Voluntary Action Epping Forest to make sure we can get this working smoothly.

Councillor Murray asked for a report from the relevant Portfolio Holder on the announcement from the LGA that because of the competition for drivers there was the possibility of having difficulties of recruiting them for the bin lorries and gritters. Could we have a report on how that was likely to effect Epping Forest. Councillor S Kane noted that he had attended a Highways briefing this morning and it was reported there had been no shortages of gritter drivers so far. Councillor Philip commented that the position of bin lorry drivers had come up, and Biffa had reported that their lorry drivers had been offered cash payments to join the private sector, but there were no problems encountered so far. He noted that the waste contract was coming up in two years' time and this may give an upward pressure on this.

50. PUBLIC QUESTIONS AND REQUESTS TO ADDRESS THE CABINET

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

51. OVERVIEW AND SCRUTINY

The Chairman of the Overview & Scrutiny Committee reported that the committee had not met since the first of July and their next meeting was scheduled for tomorrow evening when they would consider the quarter 1 corporate performance report, a climate change and sustainable transport update, a Covid 19 update, a review the Local High Street Task and Finish Panel and the Terms of Reference for the Stronger Places Select Committee.

52. EQUALITY POLICY

In the absence of the relevant Portfolio Holder, Councillor Philip introduced this report. He noted that Epping Forest District Council was committed to advancing equality and inclusion for all. The Council's new Equality & Inclusion Policy demonstrated our commitment to equality and our responsibility to our communities and our workforce. The Equality Objectives contained in the Policy set out how we would deliver this commitment, recognising the need to continuously improve and build on our past achievements to ensure excellent equality practice.

Councillor Murray wanted to highlight that the report contained ward profiles, and he also noted the two most deprived wards were Loughton Alderton and Loughton

Broadway. He hoped that the excellent initiatives to improve various areas that the council had taken elsewhere would be repeated in these wards in the near future.

Decision:

1. The Cabinet took into consideration comments arising from the Stronger Council Select Committee review of the Equality Policy and Equality Objectives; and
2. That the Cabinet agreed to adopt the Equality & Inclusion Policy and the Equality Objectives it contains.

Reasons for Proposed Decision:

To demonstrate EFDC's commitment to advancing equality under the Equality Act and Public Sector Equality Duty. Subject to approval by Cabinet, the proposed Equality Objectives will be published on the Council's website and embedded across all strategic policies and plans.

Other Options for Action:

Not applicable

53. BRANDING FOR THE CIVIC OFFICES - GROUND FLOOR

The Customer and Partnerships Portfolio Holder, Councillor S Kane introduced the report. He noted that the refurbishment of the Civic Offices building presented the opportunity to review its purpose and the opportunity to provide a facility that could offer the local community a brand new contribution. The Ground Floor now was a destination for the community where the Council works with a range of other public and voluntary sector partners where solutions could be found in one place ranging from homelessness to debt advice to welfare benefits to well-being. This really was a step-change in the use of the Ground Floor and needed to be seen not as an Epping Forest District Council asset but one where we work with a range of other organisations to provide outcomes for the members of the community. To highlight and reflect this new start a branding was proposed for the Ground Floor to help showcase this new way of delivering services and improve the welcome experience for visitors to the building. Consultation around the design has been undertaken with Community Hub partners and Members of the Stronger Place Select Committee.

The Cabinet and members present debated pros and cons of the two schemes put forward and the names attached to them. It was suggested that maybe if they had the time the Council should have asked local students to submit design for the new branding, something to note for the future. They were pleased to know that the space was acting as a place that worked for local people and was getting a lot of use.

Decision:

- (1) That approval was given to a Branding exercise for the Ground Floor of the Civic Offices;
- (2) That approval be given to Option B 'The Civic Hub' as presented; and

(3) That the Cabinet members noted the comments made by Community Hub partners and the Stronger Place Select Committee at their meeting on 23rd September 2021.

Reasons for Proposed Decision:

To provide a branding for the Ground Floor to provide an improved visitor experience and to identify and promote the new service offering for the community.

Other Options for Action:

To not proceed with a branding for the Ground Floor area.
To seek alternative branding designs.

54. QUARTER 4 BUDGET MONITORING REPORT 2020/21 (FINAL OUTTURN)

The Finance, Qualis Client and Economic Development Portfolio Holder, Councillor Philip introduced the report. He noted that this report set out the 2020/21 General Fund and Housing Revenue Account positions, for both revenue and capital, as at 31st March 2021, which represents the Quarter 4 (Final Outturn) for the full 2020/21 financial year. This report had also gone through the Stronger Council Select Committee.

In terms of General Fund revenue expenditure – at the Quarter 4 (Final Outturn) stage – a budget over spend of £0.157 million had been recorded, with net expenditure of £18.591 million against an overall budget provision of £18.434 million.

The General Fund revenue position in 2020/21 was dominated by the impact of the Covid-19 pandemic.

Councillor Murray commented that it was good to get this outcome and that it was an excellent result. Councillor C Whitbread echoed this comment and added his thanks to the officers for nursing the council through the last year.

Decision:

1. The Cabinet noted the General Fund revenue position at the end of Quarter 4 (Final Outturn) for 2020/21;
2. The Cabinet noted the General Fund capital position at the end of Quarter 4 (Final Outturn) for 2020/21;
3. The Cabinet noted the Housing Revenue Account revenue position at the end of Quarter 4 (Final Outturn); and
4. The Cabinet noted the Housing Revenue Account capital position at the end of Quarter 4 (Final Outturn) for 2020/21.

Reason for Decision:

This report facilitated the scrutiny of the Council's financial position for 2020/21. In terms of General Fund revenue, it was a very challenging year due to the financial pressures created by the Covid-19 pandemic. Whilst the HRA was not as badly affected by the pandemic, there were some other key spending pressures, which necessitated a reduction in planned revenue contributions in order to maintain the minimum balance on the HRA reserve.

Other Options:

There were no matters for decision in this report.

55. QUARTER 1 BUDGET MONITORING REPORT 2021/22

The Finance, Qualis Client and Economic Development Portfolio Holder, Councillor Philip introduced the report that set out the 2021/22 General Fund and Housing Revenue Account positions, for both revenue and capital, as at 30th June 2021 ("Quarter 1").

In terms of General Fund revenue expenditure – at the Quarter 1 stage – a budget over spend of £0.126 million was forecast, with projected net expenditure of £16.937 million against an overall budget provision of £16.811 million.

The financial pressures – especially on income – due to the impact of the Covid-19 pandemic had carried over into 2021/22. The single largest item relates to Leisure Facilities whereby an overspend of £532,161 was forecast by the year end; although greatly reduced income was assumed from the contract with Places Leisure in 2021/22, the third lockdown and social distancing requirements extended beyond expectations at the time the Budget was developed in late January/early February 2021.

A delay in asset disposals to Qualis as part of the Regeneration element of the initiative was also causing some financial pressure in areas such as Building Costs and Interest Receivable.

However, despite the pressure, a projected surplus on Financing and Recharges was expected to help avoid any major overspending.

As with 2020/21, the Housing Revenue Account position was less affected by the Covid-19 pandemic. Indeed, income from Council Dwellings was outperforming its budget, although there is some spending pressure on Housing Repairs, which was not linked to the pandemic.

Councillor Murray asked for an explanation on the spending pressures on Housing Repairs not linked to the pandemic. He was told that over the past years there had been a budget for housing and void repairs. It turned out that they had regularly failed to hit that budget and had overspent on it. That led to a gap last year on what we expected to spend and what we actually spent. This is what we were now working on to rectify.

Decision:

1. The Cabinet noted the General Fund revenue position at the end of Quarter 1 (30th June 2021) for 2021/22, including actions being or proposed to improve the position, where significant variances had been identified;
2. The Cabinet noted the General Fund capital position at the end of Quarter 1 (30th June 2021) for 2021/22;
3. The Cabinet noted the Housing Revenue Account revenue position at the end of Quarter 1 (30th June 2021) for 2021/22, including actions proposed to ameliorate the position, where significant variances had been identified; and

4. The Cabinet noted the Housing Revenue Account capital position at the end of Quarter 1 (30th June 2021) for 2021/22.

Reason for Decision:

This report facilitates the scrutiny of the Council's financial position for 2021/22.

In terms of General Fund revenue, it was again a challenging year, especially with some residual financial pressures – mainly on income – created by the Covid-19 pandemic. There was some spending pressure on the HRA revenue budget. Capital spending has been relatively limited in Quarter 1.

Other Options:

There were no matters for decision in this report.

56. UPDATED MEDIUM TERM FINANCIAL PLAN 2022/23 TO 2026/27

The Finance, Qualis Client and Economic Development Portfolio Holder, Councillor Philip introduced the report. He noted that the Cabinet approved an updated Financial Planning Framework (2022/23 to 2026/27) at its meeting on 13th September 2021 and committed to receiving and considering and updated Medium-Term Financial Plan (MTFP) for 2022/23 to 2026/27.

The preparation of an MTFP provides the cornerstone on which the Council can build and deliver services in accordance with its aims and objectives. It also provides an early warning sign of potential budget pressures that lie ahead.

This was the first iteration of the MTFP within the 2022/23 budget cycle. It was a forward-looking document which provided a tentative look at the Council's financial picture over the next five years (2022/23 through to 2025/26) and set the scene by providing a framework for developing both the General Fund and Housing Revenue Account (HRA) budgets for 2022/23.

The General Fund element of the MTFP could be found at Appendix A of the report. It revealed a projected deficit of £1.504 million for 2022/23. This primarily reflects the impact of losing Government Support for Covid-19 (£1.263 million) and the contribution from the General Reserve (£1.350) compared to 2021/22. Estimated net expenditure in 2022/23 is £16.022 million, compared to available funding of £14.518 million.

Looking further ahead, a further budget gap was expected to open-up again from 2023/24, with a peak annual budget pressure of £1.139 million occurring in 2025/26, following the letting of the new Waste Management contract.

Councillor Patel noted that the report had highlighted some key points particularly on how difficult things would be going forward and showed the greater reliance on the success of Qualis in order to sustain our front line services; also key in moving forward was the ability of maximising our assets such as renting out the space on the upper floor. He was looking at his portfolio with his lead officers to see where they could make some savings.

Councillor S Kane agreed it would be a very difficult year but looking at a suggested deficit of £1.5m and talking about a maximum £5 increase on council rates, how

much of the £1.5m would be affected by this raise and how much more will we still have to do. Councillor Philip said that this would generate about £400k; the £1.5m was on top of this and this could go up as there were a number of things that were not yet definite such as the staff salary rise.

Councillor Murray asked how concerned did we have to be about the stalling of the discussions with the potential tenants, and were we certain to receive any money for 2022/23? Councillor Philip said that this was uncertain, as there was a delay in contracting with potential leaser of the top floor due to delays in the fit out, but all indications were that we would sign with a delay of the start of the payments of three months, we are also extending the contract by an extra three months to get us the ten years of revenue as originally expected.

Councillor Murray noted that we would have some really difficult decisions as a council as a minimum we will have to find £1.5m. When would you as a group make a decision on this. What will be your timeline? Councillor Philip replied that he would be taking a similar approach to the budget this year as last year. He would aim to get to a point where we did not have to make big decisions. Unfortunately, there were still a lot of unknowns facing us. He had asked each Portfolio Holder to look at their service areas and see what they could do but still keep their services going. He was not looking for large scale cuts as that was not an effective way of doing things.

Councillor Patel asked about utility costs and could we be doing something about this. Mr Hartgrove replied that we had bought some energy on the forward market and officers were looking further into this at present. Fortunately, our premises costs as a whole had reduced considerably as a result of new use of the civic offices.

Councillor Lea noted that this council had always done well with its finances she thought that with getting rid of the Conder building this would bring in extra revenue; is this not bringing in what we thought. We must think of our residents who will face higher utility bills this winter. Councillor Philip said that we also had higher utility costs along with the cost of staff, which was one of our biggest costs. The Conder building was now available for development which would give us a capital receipt and not a general fund receipt, but this was dependent of the timing of building the new building and renting it out. We are always looking at how we could generate more income which was one of the reasons we had seconded out our asset management team to Qualis for a year to look to see if we could get more revenue from the assets, but it was still to early to see results as yet.

Councillor Murray said he did not know that we had seconded out our asset team to Qualis and he would like to know where it was reported. He was told that it went to full council with the Qualis four year business case. It was a decision of full council.

Decision:

- 1) The Cabinet noted the contents of the report, including:
 - The General Fund element of the updated Medium-Term Financial Plan (2022/23 to 2026/27);
 - The Housing Revenue Account element of the updated Medium-Term Financial Plan (2022/23 to 2026/27), including the anticipated impact on the 2021/22 budget outturn; and

2) The Cabinet discussed and agreed actions required, including the assumptions contained in the MTFP and the potential options for addressing the underlying budget deficit in order to set a balanced budget for 2022/23.

Reasons for Proposed Decision:

To provide an updated financial position for the Council based on latest available information, allowing Cabinet to consider the implications and potential options available, and provide strategic direction to senior officers in preparing a (balanced) draft budget for 2022/23.

Other Options:

There are no matters for decision in this report.

57. CAPITAL PROGRAMME UPDATE 2022/23 TO 2026/27

The Finance, Qualis Client and Economic Development Portfolio Holder, Councillor Philip introduced the report. He noted that the Cabinet approved an updated Financial Planning Framework (2022/23 to 2026/27) at its meeting on 13th September 2021 and committed to receiving and considering an updated Capital Programme for 2022/23 to 2026/27. This provided essential context and was a key part of early budget preparations for 2022/23.

The updated (indicative) Capital Programme was in two parts and comprised total investment of £277.834 million (General Fund £107.537 million, Housing Revenue Account £170.297 million) over the five-year period 2022/23 to 2026/27.

The purpose of this report was to present and provide context for consideration by Members – alongside the Medium-Term Financial Plans (for both the General Fund and Housing Revenue Account) – an indicative draft Capital Programme for 2022/23 to 2026/27.

Councillor H Whitbread noted that she was currently in discussion with the HRA Project Director on the HRA business plan.

Decision:

- 1) The Cabinet noted the report, including both the updated General Fund and Housing Revenue Account Capital Programmes (2022/23 to 2026/27); and
- 2) The Cabinet discussed and agreed actions required (in the context of the updated Medium-Term Financial Plan) for the further refinement of the Capital Programme as part of developing integrated draft budget proposals for further consideration by Cabinet in December 2021.

Reasons for Proposed Decision:

To provide an updated (initial) draft Capital Programme for the Cabinet's consideration, to allow discussion and direction in the further development of the Programme in order to balance the need to deliver on the Council's corporate priorities, whilst maintaining a balanced budget and achieving long-term financial sustainability.

Other Options:

There are no matters for decision in this report.

58. ANY OTHER BUSINESS

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

CHAIRMAN

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