

**EPPING FOREST DISTRICT COUNCIL
NOTES OF A MEETING OF STRONGER COUNCIL SELECT COMMITTEE
HELD ON TUESDAY, 16 NOVEMBER 2021
IN COUNCIL CHAMBER - CIVIC OFFICES
AT 7.00 - 8.53 PM**

Members Present: P Bolton (Chairman), T Matthews (Vice-Chairman), R Bassett, P Bhanot, H Brady, R Brookes, J Jogia, H Kane (Chairman of the Council), R Morgan and J M Whitehouse (Leader of the Liberal Democrat Group)

Co-opted Member:

Other members present: R Balcombe, S Kane, J Philip and H Whitbread

Apologies for Absence: S Neville (Leader of the Green Party Group)

Officers Present A Hendry (Democratic Services Officer), A Small (Strategic Director Corporate and 151 Officer), M Hassall (ICT Manager (Corporate Services)), J Leither (Democratic Services Officer) and S Mitchell (PR Website Editor)

23. WEBCASTING INTRODUCTION

The Chairman reminded everyone present that the meeting would be broadcast live to the Internet, and that the Council had adopted a protocol for the webcasting of its meetings.

24. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)

The Committee noted that there were no substitute members.

25. NOTES OF PREVIOUS MEETING

Resolved:

That the notes of the meeting held 14 September 2021 were agreed as a correct record subject to noting the apologies of Councillor Mathews for this meeting.

26. DECLARATIONS OF INTEREST

(a) Pursuant to the Council's Code of Member Conduct, Councillor R Bassett declared personal interests in various items on the agenda by virtue of being the Chairman of Trustees for Epping Forest Community Transport, on the Board of Trustees of Citizen Advice, Chairman of the Business Stakeholder Group New City College and a Non-Executive Director of Qualis. The Councillor had determined that his interests were non-pecuniary and he would remain in the meeting for the consideration of this item but not take part in any discussions concerning Qualis.

27. TERMS OF REFERENCE & WORK PROGRAMME

The Select Committee noted their terms of reference and work programme.

Committee members brought up the perceived unequal loading of work between the three Select Committees. They would like to see reports on complaints and on planning. They would also like to have sight of the number of agency staff as it would come under the people's strategy.

It was agreed that this should be discussed at the next joint Chairs and Vice-Chairs meeting.

28. CORPORATE PERFORMANCE REPORTING - CORPORATE PLAN ACTION PLAN

M Hassall introduced the report on Corporate Performance reviewing progress for quarterly performance measurement delivery against Quarter 2 milestones. They had now put current and previous RAG status on the report and projects marked blue (closed) would be taken off the next time this report came here. Officers were also reviewing the KPIs to see if they were still relevant. One of the KPIs though marked red did not have a comment next to it, this was in connection to sickness absences; the comment should have read that the sickness was higher than anticipated due to long term sickness related to stress from the post pandemic complications.

“Post meeting update:

The master report has been updated to reflect the commentary around sickness.”

Councillor Jon Whitehouse asked if the Committee would get reports on all projects that had finished and were being removed from the report. He would like to see the closure reports or the results of the projects as once they went into business as usual, we would not know if they had achieved their goals. He was told that if a piece of work had been completed, officers would prepare a closure report, they can then look at why they were moving to business as usual as opposed to just closure report and why it was closed.

“Post meeting update:

This has been addressed. The Project Register was incorrect and has now been updated to reflect the correct status of all the projects. Project Closure Reports have been completed where appropriate and other projects are currently going through the formal handover and closure process.

The ‘Digital Customer Journey’ Project was discussed at Steering Group and will be managed directly through Customer Services. Comms will be issued to all Members.”

Councillor Bassett asked about the underclaimed benefit campaign and the pension credit shortfall; were we telling them that it had been calculated incorrectly. He was told that the officer would get back to him on this. A Small said that this was partly the reason for bringing in the Hub so that partner organisations could advise clients and point them in the right direction.

“Post meeting update:

This has been fed back to Rob Pavey (Service Director) – RP has been asked to feed his response directly back to Democratic Services so that this can be communicated to Members.”

Councillor Bassett asked about the engagement and wellbeing project and if Members could have a mental health training course, as they would be in contact

with people with possible mental health problems. He was told that this suggestion would be taken to the relevant officers for consideration.

“Post meeting update:

This has been actioned and fed back to the Peoples Team.”

Councillor Bassett asked about the Sheltered Housing Review; who would scrutinise this if the reporting line was removed. He was told it would go to either Council Housebuilding Cabinet Committee or Stronger Place Select Committee.

On the new business support package, Councillor Bassett noted that the new city college would be having a business breakfast, which members may attend, looking at future business needs.

Councillor Bassett went on to the KPIs, customer services (overall satisfaction), this seemed to be going in the wrong direction. Could we see a recovery plan? Councillor Bolton added that perhaps this was something that should be brought back to this committee and be put into the work programme.

Under Community Health and Wellbeing, number of households in temporary accommodation, the number quoted was 101, was this number of people or number of families. Officers believed it would be households, a definitive answer would be supplied in the minutes.

“Post meeting update:

Referred to Jennifer Gould who has confirmed that a household is a person/ people who live in the same accommodation.”

Also, Councillor Bassett noted that under Housing Management, rent arrears, there was nothing in Quarter 2. Officers said they would update that.

“Post meeting update:

Q2 data has been requested. The report will be updated once received and re-issued for circulation.”

Under planning and development, percentage of applications determined within agreed timelines, Q1 was at 0% and Q2 was only at 1.43%, which was very low, although he understood that was partly due to the SAC but was that the only reason? He was told that it was due to the nature of major applications and their infrequency, there were not enough to demonstrate compliance with this target. Officers shall have another look to see if they were measuring the right things here.

“Post meeting update:

Comments have been fed back through the Service Director for Planning. This is being reviewed. There are also discussions on the current KPI's and this will be further addressed through process reviews and improvements.”

Councillor H Kane went back to homelessness, re-provision of Hostel; noting that, during Covid, we used to have a list of homeless people; what was happening now as we moved into winter. Officers noted that we had accommodation in Norway House which still had spaces so there was accommodation available. This project was about how the Council would replace that hostel with another one, looking for a better re-provision of the building and facilities.

Councillor Jon Whitehouse raised the local enforcement plan, as this was a major piece of work, should it be going to scrutiny before it was signed off. Officers would take this back to discuss with colleagues, but it was in the gift of the select committees to ask to see this if they wanted to.

Councillor Bhanot noted that under the KPIs, customer services – overall customer satisfaction and the problems with the staffing of the contact centre. Was there a uniform out of office approach with officers; he had received different out of office messages, and should we have one? Officers noted that this was another question to ask the customer services team. This did link into absences and vacancies which had been an issue over the last few months and was a challenge with the job market now, manifesting itself in vacancies in some teams. As for a uniform standard for out of office, it was a question that had been raised before and this would be taken back as an issue.

“Post meeting update:

This has been referred back to the appropriate Service Director for a response.”

Councillor Bhanot then noted that under diversity and inclusion (% of workforce by ethnicity), it was very positive to have this KPI and he welcomed it. He noted that there was a difference between Black and Asian Minority Ethnic and Black Minority Ethnic, what was the difference? And under ‘white-all’, did this include minority ethnic whites such as members of the travelling community or the gypsy community. Officers said that they would have to bring back an answer to this.

“Post meeting update:

The difference between someone who identifies as Black and Asian ME and Black ME is that they have a mixed heritage whereas someone who identifies as Black ME, does not.

If a member of the Gypsy or Traveller community identifies as White and in the absence of a specific White-Gypsy or Traveller option, then they could be captured under the “White-all” category.”

Councillor Brookes asked about the Waltham Abbey Community and Cultural Hub and asked if there was any more information on why it was paused. Councillor S Kane replied that they were having a conversation with Essex CC about the Library and there was also a question on the funding for the amalgamation which has been paused while we rethink our finances. On another topic, back to the customer services points raised earlier, he noted that our telephone system does not support, as well as it could, remote working. Things are now improving but we still had technical issues. On ‘first point resolution’ this was going up and this was where we were focusing our efforts; trying to resolve questions straight away rather than pass them on. There were the staffing and technological issues, but the emphasis was on getting things right at the first point of contact. In Waltham Abbey, the Community Hub was now operational, three afternoons a week in the Leisure Centre on Ninefields.

“Post meeting update:

This is being addressed through CPP071 – implementation of Wavenet Gateway which is a project in flight.”

Councillor Brookes commented that the new customer services team were very conscientious and were very good. She noted the figure of staff turnover of 4.24% did not seem right and also the staff that left under redundancy or other things, were they

included in this figure? She was told that, yes, they were included. This figure was for employed staff not agency or consultants. There had been a peak in staff turnover last year, but it had now settled down.

Councillor Bassett commented on staff turnover and asked if we used the furlough system. He was told that we did not as most staff worked from home or were redeployed.

He then asked about sickness absences figure of 3.95 days. What was the impact of Covid on this and did it include isolation? He was told that it included Covid numbers and these were also recorded separately; people isolating, if well, worked from home and were not counted as being off sick.

Councillor Brady commented on the enforcement plan, she said that she could no longer telephone the enforcement officers and was told she had to email in. A Small said he would take it back to the officer responsible and ask them why that was the case. Councillor Philip noted that at this time there had been no enforcement officers available due to long term sick and Covid at the same time.

“Post meeting update:

This has been fed back to Rob Pavey (Service Director) – he has been asked to feed his response directly back to Democratic Services so that this can be communicated to Members.”

Councillor Jogia asked if we received a report at the end of a project cycle and would that also include a “lessons learned” section and how we could improve processes going forwards. She was told that yes, there were closure reports for projects, and they covered the areas she was referring to. These would be reported to an appropriate steering group. The Chairman added it should be reported here to which steering group this had gone to. Officers noted that the Committee did not get all closure reports, but they could ask to see ones they were interested in.

“Post meeting update:

The format of the report will be amended to include this information for future reporting.”

Councillor Jon Whitehouse asked if copies of the closure reports for the digitalisation of customer journey and the improved member experience as customer could be made available. The Chairman asked if this was to be sent just to an individual member or be more widely distributed. Councillor Whitehouse said initially just to him, but it may be of interest to the wider committee. Councillor H Kane said they had to be clearer about this, we need to settle on one we would like to see and have this sent to us. The Chairman agreed that as a committee, members should be able to highlight and request to see a report. They could then monitor to see how this worked.

“Post meeting update:

A project closure report has been completed for the Member Project.

The digital customer journey project has not been formally closed (this was a mistake on the report which has been addressed) and is being managed directly by the Customer Services team.”

RESOLVED:

That the Committee reviewed and noted the Corporate Performance progress report for quarter 2.

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

A Small introduced the report. This was the first iteration of the Medium Term Financial Plan (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 forecast within the MTFP revealed a projected deficit of £1.504 million for 2022/23. This primarily reflected the impact of losing Government Support for Covid-19 (£1.263 million) and the contribution from the General Reserve (£1.350 million) compared to 2021/22. Estimated net expenditure in 2022/23 was £16.022 million, compared to available funding of £14.518 million.

Looking further ahead, a further budget gap was expected to open-up on the General Fund again from 2023/24, with a peak annual budget pressure of £1.139 million occurring in 2025/26.

Councillor H Kane asked about the dates mentioned at the bottom of page 45 of the agenda, they were clearly wrong. She was told that it should have read 2026/27 not 2016/17.

Councillor Bassett asked if the figures were just a guesstimate, how possible would these figures turn out to be? Mr Small noted that this was one of the more difficult years for preparing a budget, these were the assumptions that we were working on at this time. There were a number of significant risks such as inflation, including pay inflation. We also do not know what the Government would be doing over the next year, we should find out by mid-December. So, they were essentially trying to second guess the government here. He would not like to put a percentage on the degree of certainty for the figures.

Councillor Bassett added that in these circumstances the officers had done a good job. Councillor Philip agreed, this was the difference between a guesstimate and an informed guess. It had the potential to vary quite considerably; all we could do was just take a balanced view on this. The bottom line was that we would have a gap to fill of around £1.5million.

Councillor Bassett noted that the report mentioned savings but went on to say there were no savings assumed within the projections. And that the view of members would be sought; that was very vague. Did we have any ideas to what area we were to look at. It talks about members, but he did not think members got much say in this. Councillor Philip replied that there would be a report going to Cabinet in December, looking at these things. He would listen to what his colleagues had to say about where we could make savings and in what service areas. He noted that the Council would have to raise the Council Tax to its maximum this time around. A large percentage of the cost to the Council was due to salaries. We had a choice in meeting the pay settlement and reducing numbers or not meeting the pay settlement. We shall have to look at how we could do this; they did not know for now. We may have to choose between the least worst options.

Councillor Jon Whitehouse acknowledged that the financial information was getting better in the reports, but he could not find a table that showed the movement in reserves over the medium term. He noted the Qualis breakdown of income; was that just the income from the interest rates plus rent or did it include dividend income as well. He also hoped that we did not need the maximum Council Tax increase but that would depend on the government settlement. Mr Small said he would put that table in the Cabinet papers in December. The general fund balance was now lower than we had assumed it would be when we set the current years budget, so that created a problem that we needed to resolve. We need to watch our balances and protect them as we had a stated minimum of £4million and needed to stay above that. The Qualis income was just interest, the margin on loans; no dividends assumed at this point in time.

Councillor Philip added that it was never part of our plan to be taking dividends out of Qualis at this stage it was important to make Qualis successful. Once they start making significant profits we could judge if the right thing to do was to take a dividend or reinvest that money.

RESOLVED:

The Committee considered the Updated Medium-Term Financial Plan 2022/23 to 2026/27 as presented to Cabinet on 11th October 2021 and made comments as appropriate.

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

A Small introduced the Capital Programme Update report. 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 the 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.

The next stage in the process (currently in progress) would see the assumptions and projections further refined (including making the necessary adjustments to the 'capital consequences' assumed in revenue budgets), for consideration by Cabinet on 6th December 2021, alongside any feedback from this Committee.

Councillor Jon Whitehouse asked where the Capital receipts were in the report as we would have substantive Capital receipts from the disposals to Qualis. Mr Small said that was a question for Mr Hartgrove, but he did not think there were any significant capital receipts assumed within these capital proposals. As for disposals to Qualis, they were technically only notional disposals.

RESOLVED:

The Committee considered and commented on the Capital Programme Update 2022/23 to 2026/27 as presented to Cabinet on 11th October 2021.

31. QUARTER 2 BUDGET MONITORING REPORT 2021/22

A Small introduced the quarter 2 budget monitoring report. The report set out the 2021/22 General Fund and Housing Revenue Account positions, for both revenue and capital, as at 30th September 2021 ("Quarter 2").

In terms of General Fund revenue expenditure – at the Quarter 2 stage – a budget under spend of £0.129 million was forecast, with projected net expenditure of £16.682 million against an overall budget provision of £16.811 million.

The financial pressures due to the impact of the Covid-19 pandemic had generally stabilised, with the Leisure Facilities budget especially now back on track (albeit based on lower income expectations) as leisure centre usage recovers more sharply than expected. Similarly, Car Park usage was now back to around 80% of pre-pandemic levels, although the budget was off track.

The temporary 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 (Qualis) Interest Receivable, although the disposal has subsequently taken place on 20th October 2021, so the financial pressure would not get any worse.

As with 2020/21, the Housing Revenue Account position was less affected by the Covid-19 pandemic. However, a range of other financial pressures were combining to result in a projected year-end deficit of £1.403 million. The largest spending pressure relates to Housing Repairs (£560,000), which had been a challenge for the Council in recent years. However, the recently established delivery arrangements through Qualis were expected to deliver significant savings in the medium term.

Finally Members were reminded that the Council's draft Balance Sheet position as at 31st March 2021 was showing that the General Fund unallocated reserve was now getting close to the £4.0 million minimum contingency balance adopted by full Council in February 2021, which was partly a consequence of late accounting adjustments to the 2019/20 Statement of Accounts (reported to Audit and Governance Committee, and approved by full Council in July 2021).

Councillor H Kane asked about the section on Repairs and Maintenance, she noted that it said that there had been a substantial number of repair works (both general and void) that currently sat outside the base contract with Qualis; what were these? Councillor Philip replied that there was a detailed contract between Qualis and the Housing department in terms of repairs particularly for voids. This has been an issue for a number of years. We could now track it throughout the year, that is why it was showing up more. Voids were completely demand driven, when a property became void it depended on the state it had been left in. There was no real planning you could do for this. There had been a significant number of voids this year and that was driving this forecast underspend. Mr Small added that when Qualis took over the housing repairs function we had a transitional period where we had some work being done by the previous contractors.

Councillor H Kane went on to ask about the housing development forecast underspend, she would like some action taken on planning issues which were to be addressed on housebuilding. Councillor Philip said the issue here was how to get into phase 5, the properties being designed and built were of the highest possible standard and it was important to get them right at this stage. This would be greatly helped by talking to the planners first. After this it was up to the planning committees. Mr Small added that we needed to be realistic about the assumptions we put into the Capital Programme as to how long things would take. Councillor H Kane suggested

that we monitored this situation very carefully. Councillor Philip said that the monitoring was allocated to the Council Housebuilding Cabinet Committee which any member was welcome to attend, and this was also reported to the Cabinet.

RESOLVED:

The Select Committee noted:

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

32. ACCOMMODATION CLOSURE REPORT

M Hassall introduced the closure report for the Accommodation project which had been accepted for closure at Cabinet on 13th September 2021.

Officers were reviewing closure reports to ensure that they would get better at writing them. This report laid out how the project performed against its original objectives. The project came in on time and on budget; there was also a section on lessons learnt; any unfinished part of the project which came to our notice at the end of the project, would be picked up and finished separately.

Councillor H Kane asked when the second floor would be made available. She was told that it had already been let. Councillor H Kane added that there was no mention about when it was finished and if it was under negotiations or it was already let. She was told that this was due to timing. Councillor Philip added that he had reported on the letting of the second floor on a number of occasions at full Council meetings. They were nearly there with the letting to the tenant and this would be finalised within the month or so.

Councillor H Kane then asked about the provision of a new entrance for the public to generate more income through a café facility. Where would this be situated? She was told that it would be at the end of the building, below the members room.

Councillor Jon Whitehouse noted that it was worth having a closure report coming to the committee. He asked what was happening about the lettable space and what was the occupancy levels of the conference space and when was it most used. He was concerned to see that parking was still one of the outstanding matters in the report and finally what was the initial evaluation of the Community Hub as it has not looked very busy to him. He was told that in relation to the conference suite, they were still at the beginning of this at present, they were still looking at how they were going to market it and because of the Covid, the take up on this was low. They did have some lettings but that was still very few. Officers would bring this back at a later date to show what the plan would look like. This was also tied up with the letting of the

second floor and how the spaces got used. Councillor S Kane commented about the parking, there were a few variables on this, one being the negotiations with the tenants on the 2nd floor, the other was the future development of the Conder Building and when we would lose that car park. We know where we would end up and were working towards this. It would ultimately be a phased approach going through to the final position. Councillor Philip noted that when they had started this, they had no intention to rent out the second floor. During the pandemic they had realised that they could do this.

Councillor H Kane said that she had spoken to a lot of officers who had said how nice the new building layout was. She noted that we had restrictions about carrying out changes to the chamber, but it did need updating and sprucing up; was this in the schedule. Also, we had lots of meeting about what furniture we as members would like to see and we all said that we would like higher settees and chairs but ended up with furniture that was too low. When we asked why, they said that they had changed everything with like for like. As with the Chairman's office, no consideration was taken of our views. M Hassell replied that that they were looking at member requirements and at the Chairman's office and a mini project had been set up to look into this. As for the Council Chamber this would be update in the general scheme of things.

Post meeting update:

"We do actually have the budget to paint the chamber and the preference would have been to do this before the offices reopened. Typically the work should be carried out in August as the chamber is in use far less although now we have the conference suite if the members were happy to decant for a period of time we could do it sooner. I think though that given the length of time they spent out of the chamber during the refurb some councillors may not opt to decant. The team have also had quotes for treating and polishing the leather and French Polishing the wood. Realistically with our current workload, restructure and current staffing issues, the new financial year was a more suitable time to plan the works in."

Councillor Jon Whitehouse asked if the Council had now stop discouraging members of staff from coming into the office if they wanted to. He was told that they did not discourage staff but asked them to follow Covid precautions, there were still quite low numbers coming in, people had now changed their working patterns and we were monitoring to see if this was also effective for the organisation as well.

Councillor Jon Whitehouse suggested that the message that people could come back had not filtered down to officers. This may be a communications issue. Mr Small said that they had did their best to encourage staff to come in and were keeping this under review. Councillor Jogia asked if teams were encouraged to come in on the same day to encourage team bonding. She was told that this was left up to the team managers to organise, but we were still working our way through this.

RESOLVED:

That the committee reviewed and commented on the report and noted the formal closure of the 'Accommodation Project'.

33. DATES OF FUTURE MEETINGS

The Committee noted their future meeting dates.