

EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee:	Cabinet	Date:	Monday 18 December 2023
Place:	Council Chamber - Civic Offices	Time:	7.00 - 7.45 pm
Members Present:	Councillors C Whitbread (Chairman), N Bedford (Vice-Chairman), R Balcombe, S Kane, S Patel, J Philip, H Whitbread and K Williamson		
Other Councillors:	Councillors I Allgood, R Brookes, H Kauffman, T Matthews, J H Whitehouse, J M Whitehouse and D Wixley		
Other Councillors (Virtually):	Councillors C McCredie and S Heap		
Apologies:	None		
Officers Present:	G Blakemore (Chief Executive), T Carne (Corporate Communications Team Manager), J Gould (Strategic Director and Chief Operating Officer), C Hartgrove (Interim Chief Financial Officer), V Messenger (Democratic Services Officer), R Moreton (Corporate Communications Officer) and A Small (Strategic Director, Corporate and Section 151 Officer)		
Officers Present (Virtually):	M Picking (Democracy & Elections Apprentice)		
Also in Attendance:	S Jevans (Qualis Group Managing Director) and A Howarth (Interim Finance Director)		

[A RECORDING OF THIS MEETING IS AVAILABLE FOR REPEATED VIEWING](#)

74. 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.

75. DECLARATIONS OF INTEREST

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

76. MINUTES

That the Cabinet noted the minutes of the meeting held on 4 December 2023 would be approved by the Cabinet on 15 January 2024.

77. REPORTS OF PORTFOLIO HOLDERS

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

78. PUBLIC QUESTIONS AND REQUESTS TO ADDRESS THE CABINET**(a) Public Questions**

None were received.

(b) Requests to address the Cabinet

The Chairman of Chigwell Parish Council, Councillor C Jefcoate, addressed the Cabinet on the two agenda items below, which can be viewed on the Council's YouTube channel.

- Qualis 4-Year Business Plan
- Qualis Quarter 4 (Year 4) 2022/23 Budget Monitoring Report

79. OVERVIEW AND SCRUTINY

The Chairman, Councillor D Wixley, reported that the Overview and Scrutiny Committee had reviewed the Draft Budget 2024/25 on 12 December 2023 at an extra meeting held in private session, which the Cabinet and other councillors had attended.

80. PLACE DELIVERY STRATEGY FOR EPPING FOREST DISTRICT

Councillor N Bedford, Place Portfolio Holder, introduced the report on behalf of the Leader. The purpose of developing a Place Delivery Strategy for Epping Forest District was to provide a 'high-level' corporate framework which would draw on a range of existing plans and strategies in order to support the delivery of the Council's ambitions through the use of its land and property holdings. It provided the opportunity moving forward to inform the development of other plans and strategies which were relevant to the use of those land and property assets whether they were within its direct ownership or through its delivery arm Qualis. It also provided the opportunity to influence how other public bodies made use of their own property and land assets within the district to support the achievement of the Council's objectives and priorities.

A summary of the Overview and Scrutiny Committee's comments was provided in the agenda report. It was noted that in response to a member of the public's enquiry, recommendation (4) below would give the flexibility to recognise and amend minor changes to the Place Delivery Strategy by means of delegated authority to the Chief Executive, in consultation with the Leader of the Council.

The report set out the options considered, if any, and the reasons for the recommendation and the decision.

Decision:

- (1) That the Cabinet noted the comments made by the Council's Overview and Scrutiny Committee of 21 November 2023 together with the officer response.
- (2) That the Cabinet endorsed the Place Delivery Strategy for Epping Forest District as a strategic framework for informing the Council's approach to managing and using its land and property assets (including through Qualis as a wholly owned company) and working in

partnership with other public bodies to secure positive outcomes for the community of Epping Forest District.

- (3) That the Cabinet endorsed the next steps of developing an Action Plan for the creation of Place Plans as set out in the Place Delivery Strategy for Epping Forest District.
- (4) That the Cabinet delegated authority to the Chief Executive, in consultation with the Leader of the Council, any minor changes to the Place Delivery Strategy as may be required following its consideration by the Council's Cabinet.

81. **QUALIS 4-YEAR BUSINESS PLAN - 2024 TO 2028**

Councillor J Philip, Finance and Economic Development Portfolio Holder, reported that only a 1-Year Business Plan had been provided last year as longer-term planning had been especially difficult at that time due to huge economic uncertainty caused by national and international events. The 1-Year Business Plan was framed within the 4-Year Business Plan and Qualis was seeking the Council's permission to adopt this as its direction and focus. The six key drivers for the Plan period were detailed in the report at 3.6. It was important to drive down debt to a more sustainable level. The Qualis Group Managing Director and Interim Finance Director were also attending the meeting to answer any questions.

Councillor Jon Whitehouse asked about the importance of the future pipeline development schemes and the risk if there were less pipeline schemes and similarly if there were more opportunities expected? Also, was recruitment retention a risk over the Business Plan period or any other risks? The Finance and Economic Development Portfolio Holder replied that if business deviated from the Business Plan work had been done to identify the risks, and if there were fewer schemes in the pipeline, there would be less borrowing and less profit and therefore, was reasonably challenging over the next four years. Recruitment and retention at Qualis were in line with what the Council expected. In addition, Brian Johnson had been appointed as the new Non-Executive Director and Chair of the Qualis Group Board. S Jevans, Group Managing Director and Executive Director continued that Qualis Solutions Ltd had an attractive recruitment approach. Councillor D Wixley added that this question had been asked at the Overview and Scrutiny Committee on 21 November and was available to view on the webcast. In reply to a query from Councillor Jon Whitehouse if we came in under the pipeline, the Portfolio Holder replied there were always unknowns, but he firmly stood behind the Business Plan and had confidence in it. The Risk Register was regularly reviewed by the Audit and Governance Committee and Qualis had their own scrutiny committee.

The report set out the options considered, if any, and the reasons for the recommendation and the decision.

Decision:

That the Cabinet noted the comments from Overview and Scrutiny Committee and approved the 4 Year Qualis Business Plan.

82. **QUALIS QUARTER 4 (YEAR 4) 2022/23 BUDGET MONITORING REPORT**

The Finance and Economic Development Portfolio Holder introduced the quarterly monitoring report and reported that at the end of quarter 4 we were not expecting everything to be optimistic. The Interim Finance Director, A Howarth, had provided a

very detailed Qualis Board monitoring report for quarter 4 – effectively the year end position (Appendix A). The company financial performance was positive and good news.

The report set out the options considered, if any, and the reasons for the recommendation and the decision.

Decision:

That the Cabinet noted the comments received from the Overview and Scrutiny Committee and agreed that no additional actions were required.

83. ANY OTHER BUSINESS

(a) Draft Budget 2024/25 (including General Fund & HRA revenue & capital, Fees & Charges, and an updated Medium-Term Financial Plan)

The report detailed the General Fund element of the draft Budget for 2024/25 that comprised Net Expenditure of £17.929 million and Funding included assumed Government grants of £1.514 million (“Core Spending Power + 3.0%”). It also included a contribution of £0.263 million towards the replenishment of the adopted contingency balance within the General Fund Reserve.

The HRA draft Budget for 2024/25 anticipated a planned deficit of £0.465 million (funded from surplus HRA balances).

The General Fund Programme comprised a total expenditure of £61.806 million over the five years, including £33.496 million in 2024/25. In addition, the HRA Programme comprised total expenditure of £140.424 million over the five years, including £33.087 million in 2024/25.

The Finance and Economic Development Portfolio Holder reported that a useful meeting had been held with the Overview and Scrutiny Committee on 12 December when the draft budget had been reviewed in great detail on some difficult decisions. Costs had increased significantly, so the Council knew this draft budget would be challenging and he thanked the 151 Officer and the Interim Chief Financial Officer for their work. With this structural budget, the Council had to move to a place where Council spending matched its income. An error in the report under General Fund was noted at 2.1 that: *The updated General Fund Capital Programme of £53.913 million presented in October 2023, included an indicative capital requirement of £40.996 million for 2024/25 based on progress against the adopted 2023/24 Programme (at the Quarter 2 stage) and other emerging intelligence.* The budget would be updated over the coming month as the final Draft Budget 2024/25 would go to the Cabinet on 5 February 2024.

The Leader also thanked all the officers who had been involved in the budget process. Councillor C Whitbread continued that Epping Forest District Council was a fit and lean council and therefore, it was harder to make savings, so the Council was fit for the future. Shared services and working in partnerships with other local authorities all helped to make savings and reduce costs.

Councillor S Kane asked about the miscellaneous income which included Qualis and if the net income for Qualis would be £2 million again. The Finance and Economic Development Portfolio Holder replied that loans to Qualis were fixed term loans in general. The 151 Officer added that Qualis would still require some extra funding to complete on the delivery of current schemes, so the loan value might increase

fractionally as could interest but was reflected in this draft budget on where the Council and Qualis expected borrowing rates to be. Councillor S Kane commented that with this £2 million revenue stream coming in alongside a potential 3% rise in Council Tax, in revenue terms, what did that 3% represent in comparison to the £2 million? The Finance and Economic Development Portfolio Holder replied the 3% Council Tax rise equated to £300,000 which was a lot less than £2 million.

Councillor N Bedford queried if the draft budget would bring the Council back up to £4 million in reserves. The Finance and Economic Development Portfolio Holder replied that the £4 million reserves figure had been set by the 151 Officer for a number of years and the Council would continue to do what it could to get back to having the right amount of reserves.

Councillor R Brookes was reassured by the Finance and Economic Development Portfolio Holder that the Council was not near bankruptcy. The Finance and Economic Development Portfolio Holder replied that the section 114 notice did not mean a local authority would go bankrupt, but it limited what that local authority could spend. This Council was well run. There would be challenges. By prioritising what it did, being prudent now and balancing the budget, the Council would continue to run its services and community hub.

The report set out the options considered, if any, and the reasons for the recommendation and the decision.

Decision:

- (1) That the Cabinet considered the draft General Fund revenue budget proposals for 2024/25 (Appendix A), specifically including supplementary confidential items Annex 2 (Cost Centre Summary) and Appendix F (Savings Proposals).
- (2) That the Cabinet considered the draft Housing Revenue Account (HRA) revenue budget proposals for 2024/25 (Appendix B).
- (3) That the Cabinet considered the draft General Fund and HRA capital proposals for 2024/25 through to 2028/29 (Appendix C).
- (4) That the Cabinet considered the draft Fees and Charges proposals for 2024/25 (Appendix D).
- (5) That the Cabinet considered and approved the updated Medium-Term Financial Plan (General Fund and HRA) (Appendix E); and
- (6) That the Cabinet requested that the Overview & Scrutiny Committee consider the draft budget proposals for 2024/25 (Appendix A) and associated documents (Appendices B to F) and make comments for consideration at the Cabinet meeting on 5th February 2024.

84. EXCLUSION OF PUBLIC AND PRESS

Decision:

It was noted that the exclusion of the Public and Press was not required during the consideration of the Draft Budget 2024/25, as (Appendix A) Annex 2 and Appendix F were not specifically questioned.

Cabinet

Monday 18 December 2023

CHAIRMAN