

EPPING FOREST DISTRICT COUNCIL DRAFT COMMITTEE MINUTES

Committee: Overview & Scrutiny Committee **Date:** Tuesday 28 January 2025

Place: Council Chamber - Civic Offices **Time:** 7.00 - 10.15 pm

Members Present: Councillors R Baldwin (Chairman), C McCann (Vice-Chairman), E Barnard, R Bassett, M George, W Kauffman, J Lea, A Lion, M Markham, S Murray, J Parsons, S Rackham, D Stocker, B Church and C Nweke

Other Councillors: Councillors C Amos, R Balcombe, N Bedford, R Brookes, T Cornish, T Matthews, M Morris, K Rizvi, R Sharif, C Whitbread, H Whitbread, J H Whitehouse and J M Whitehouse

Apologies: Councillors J Lucas and G Wiskin

Officers Present: L Kirman (Democratic Services Officer), A Small (Strategic Director, Corporate and Section 151 Officer) and J Gould (Strategic Director and Chief Operating Officer)

Officers Present (Virtually): L Baker (Internal Communications Assistant), T Carne (Corporate Communications Team Manager), T Larsen (Democratic Services Officer), P Maginnis (Service Director (Corporate Services)) and P Freeman (Service Manager (Revenues & Benefits))

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

50. 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.

51. SUBSTITUTE MEMBERS

The Committee noted the following substitutions reported at the meeting:

- (1) That Councillor Church had been appointed as substitute for Councillor Lucas, and
- (2) That Councillor Nweke had been appointed as substitute for Councillor Wiskin.

52. DECLARATIONS OF INTEREST

Pursuant to the Council's Members' Code of Conduct, Councillor Bassett declared a non-pecuniary interest as the Chair of the Board of Trustees for Qualis, and Councillor Murray confirmed that he was no longer a Trustee of Citizens Advice.

53. MINUTES

RESOLVED:

That the minutes of the meeting held on 10 December 2024 be taken as read and signed by the Chairman as a correct record.

54. MATTERS ARISING AND OUTSTANDING ACTIONS

Cllr Lion suggested that further to the attendance of TfL at Overview and Scrutiny that a request to update the web pages on the Central Line improvement programme be made.

There were no other matters arising or outstanding actions.

55. PUBLIC QUESTIONS & REQUESTS TO ADDRESS THE OVERVIEW AND SCRUTINY COMMITTEE**(a) Public Questions**

None were received.

(b) Requests to address the Committee

Victoria Manning-Monro, Trustee of Citizens Advice, Epping Forest District addressed the Committee in relation to Agenda item 11 – Draft Budget 2025-26 specifically to look for a financial commitment to continue grant funding to Citizens Advice (CA). The increased demand for services with 2,175 clients in 9 months and financial pressures faced by the organisation were highlighted. The Committee were advised of the professional services, advice offered by CA and changes to the working practices that had improved efficiencies, however without a financial commitment from the Council, they would not be able to provide essential services. The CA had identified the potential for mergers between areas but recognised that the Local Government Reform would be a factor in this. Without maintenance of the budget the backstop position provided by CA could not be guaranteed.

The Committee were advised after questioning that there were detailed reports of clients seen and the outcomes were modelled and measured. The CA offered to provide detailed breakdown to Councillors in relation to the proportion of work spent on advice, between housing, homelessness, debt etc.

The Committee and Portfolio Holder, Cllr H Whitbread acknowledged the value of the service provided by CA and advised that the presentation would be given full consideration during the relevant item.

56. EXECUTIVE DECISIONS - CALL-IN

The Committee were advised by Councillor Jon Whitehouse that five members had requested a call-in on the Acquisition of Cottis Lane Multi Storey Car Park Cabinet Decision made on 13 January 2024. The discussions held at the meeting would determine how this would move forward.

57. QUARTER 3 BUDGET MONITORING REPORT 2024/25

Andrew Small, Section 151 Officer and Executive Director introduced the report and set out the Quarter 3 General Fund and Housing Revenue Account 2024/25 budget position and highlighted a forecast underspend of £0.543m on the General Fund, a better position than previously reported. The Housing Revenue Account (HRA) forecast was an underspend of £0.118m, and underspends on the Capital funds for

both the General Fund and HRA were anticipated due to delays in the delivery of the capital programme

The Committee raised several queries and were advised

- The increased budget against the Chief Executive was related to ensuring appropriate capacity within the organisation at Chief Executive level and for supporting roles.
- There would be an impact from Local Government Reorganisation (LGR) for strategic projects, which would be reviewed to consider which projects should be delivered, however it should be noted that the delivery of LGR would need resourcing.
- The underspend on IT and Transformation, was due to delayed delivery of projects, the programme would need to be considered in light of LGR, to ensure platforms would be suitable for any new organisation and provide value to the Council in the short term
- A survey in relation to Fires Risk Assessments (FRA) was being carried out. This should be completed by the end of the financial year and a programme of capital works (HRA) would then be programmed.

The Committee acknowledged the wider economic situation and market factors which had impacted on development and housing building.

Resolved:

The Committee noted the Quarter 3, 2024/25 budget monitoring report.

58. REVIEW OF COUNCIL TAX EMPTY & SECOND HOMES PREMIUMS

Peter Freeman, Service Manager Revenue and Benefits presented the report on the Council Tax Empty & Second Homes Premiums policy. The key aspects of the proposed changes were detailed as:

- To bring forward the period from two years to one year when an unoccupied and substantially unfurnished dwelling (empty dwelling) could be charged a premium of 100%. All other empty dwelling premiums remain unchanged, and
- To enable the charging of a 100% premium for any dwellings (second homes) which were no one's sole or main residence; and substantially furnished.

If these changes were not adopted EFDC would be the only Council in Essex that did not apply the premiums in this manner.

The Committee raised several queries and were advised that:

- The onus is on the owner to advise if properties are empty, inspectors, and other methods of communication are used to verify the status.
- A property would be classified as substantially unfurnished if the home did not contain items that one could reasonably expect to be there to reside in the property
- Individuals can challenge any decision made by the local authority through the Valuation Office Agency, which is part of HMRC.
- The additional premium raised was in the region of £150,000 last year
- The regulations prevent premiums in specific circumstances including during probate, local authorities also have discretionary powers.

- Inspectors carry out a range of duties including identifying new properties to ensure timely and accurate council tax bills. Staff costs were more than offset by the income generated.
- In scenarios the costs of renovating properties to meeting EPC could be prohibitive and mean that houses were vacant until renovation completed and the premium would be applied. One of the objectives of applying the premium was to encourage the occupancy of homes.
- Confirmation was provided that EFDC received approximately 10% of the premium as the precepts for County and PFCC were still applicable to the premium charges.

Resolved:

The Committee considered the report and referred the Council Tax Empty & Second Homes Premiums policy to Full Council for approval.

59. OVERVIEW AND SCRUTINY COMMITTEE - WORK PROGRAMME

The Chairman advised members that there would be a meeting of this Committee on 26 February 2025, to cover items initially planned for this meeting, with a further meeting on 25 March 2025.

The Committee noted that Local Government Reform was an important issue and suggested inclusion in the work programme for the Committee. The Leader of the Council advised that members briefings were being scheduled and that a Portfolio Holders Advisory Group may be established.

Resolved:

The current work programme was noted by the Committee

60. CABINET BUSINESS

The Committee were advised that final details were being worked on by officers before the report on the Epping Library could be presented to Cabinet.

Options appraisal for operational sites, a survey is being carried out on the operational stock, and the performance and the required level of investment to ensure value for money.

Action:- Additional information on the persistent organic pollutants report would be provided.

Resolved:

That the Council's Forward Plan of Key Decisions be noted.

61. DRAFT BUDGET 2025-26 (COVER REPORT) (CAB-O&S 28-01-25)

The Finance and Economic Development Portfolio Holder, Cllr Holly Whitbread, introduced the report and acknowledged the value of the constructive approach of developing the budget in collaboration with Scrutiny. She advised the budget process had been challenging and there had been a reduced grant from Government, only 13% of the Council's budget came from council tax, the remaining amounts came from grants and income from commercial premises such as Epping Forest Shopping Park, car parking charges, the repayment of loans from Qualis and recharges to the HRA. The £88m capital receipt from Google had not been spent, there were no plans to allocate any spend on any Capital projects in the next

financial year and the interest received was important in underpinning the revenue streams.

Details of the budget deficit and pressures were as included in the report, £1.048m deficit for the General Fund with a further deficit of £0.277m on the HRA. The report proposed £1.45 m in savings and a 2.99 % increase in Council Tax, the equivalent of £4.99 per annum for a band D property at £172/year.

The commitment to financial responsibility, with balanced books and best value to local taxpayers underpinned the proposed budget. Comments received at the previous Overview and Scrutiny meeting had been considered and the impact of the discussions had been reflected in the detailed proposals shown in the restricted papers. The budget looked to minimise the impact on Council jobs and in year savings and transformation funds could be utilised to preserve essential skills. The budget had accounted for the transfer of Cottis Lane car park. The impact and scope of Local Government Reform was unknown at this stage but could provide opportunities moving forward.

The importance of the Capital Programme was highlighted and the initial draft Capital Programme for both General and HRA was detailed as £50.790m over the next five years, with £40.368m committed to 2025/26. There was a deficit of £277k on the HRA fund, which would be covered by surplus HRA balances. The Committee were advised of the uncertainty of future funding and the predicted funding gap for 2026/27.

The Committee provided comments and raised a range of issues and

- Received confirmation that the interest from the Google Capital receipt formed part of the revenue stream.
- Were advised that the majority of the transformation reserve would be available for repurposing, however there would be costs associated with Local Government Reform.
- There was discussion and debate in about the impact of the transfer of the acquisition of Cottis Lane Car Park from Qualis to the Council, and the impact on the budget. Members of the Committee asked if: other operational models, including the operation by a commercial provider or selling the asset had been considered; the financial impacts could be profiled over several years; there was potential for Qualis to use their profit to offset the loss.

The Commercial & Estates Portfolio Holder, Cllr T Matthews, advised that details of the rationale had been presented to Cabinet on 13 January 2025 and reaffirmed that this was a business decision. He reminded the Committee of the synergy between Qualis and the Council and that ultimately the Council was responsible for any debt of Qualis. He described the acquisition as a transfer or tile rather than a sale. The operational costs were detailed, parking income was £288,00 and running costs were £201,000 this gave a profit of £87,000. However, for Qualis this was offset by the interest on the loan, and resulted in a deficit of £0.978m, the Council need to ensure that is acted as a responsible lender.

The Section 151 Officer, Andrew Small, advised the Committee that the Council must recognise and provide for this loss in the overall financial envelope, there may be benefits associated with VAT if the Council had operational control, and confirmed that when this was not reflected in the

initial budget papers as the impact had developed since they were presented. The Committee were advised that the Council needed to deal with this issue as it had been recognised and that it need to be reflected in the budget now, any delay would increase costs in the future.

The Commercial & Estates Portfolio Holder, Cllr T Matthews advised that if the deficit was left on Qualis accounts, it would diminish the functionality of Qualis to deliver the Council requirements and reminded that this would be an annual cost for Qualis. The wider economic situation had impacted upon Qualis, and the predicted income from the car park of £1m by Carter Jonas had not materialised. The Section 151 Officer, Andrew Small, reiterated that the Council had to consider the loan made by the Council to Qualis for the car park, and this debt was not sustainable, he added that the sale of the asset to a third party was unlikely to meet the cost of the build. He advised the Committee that it would be remiss of his professional responsibilities if this was not adequately provided for in the overall budget.

- The Finance and Economic Development Portfolio Holder, Cllr Holly Whitbread reminded the Committee that Qualis presented to the Scrutiny Committees, provided quarterly financial performance reports and updates on their business plan to Cabinet and District Councillors sat on the Qualis Board.
- Detailed budget papers would be available to the public for the Full Council meeting on 20 February 2025

Resolved:

The Committee provided comments to Cabinet on the draft budget 2025/26

62. EXCLUSION OF PUBLIC AND PRESS

The Committee agreed that under Section 100(A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the item of business set out below on grounds that they would involve the likely disclosure of exempt information as defined in the following paragraph(s) of Part 1 of Schedule 12A of the Act (as amended) or are confidential under Section 100(A)(2):

Agenda Item No	Subject	Exempt Information Paragraph Number
15	Draft Budget Appendices : Appendix A Annex 2 and Appendix F	3

63. DRAFT BUDGET 2025/26 - APPENDICES

Resolved:

The Committee discussed and provided comment to Cabinet on specific budget proposals.

CHAIRMAN