

EPHING FOREST DISTRICT COUNCIL CABINET MINUTES

Committee: Cabinet **Date:** 7 February 2019
Place: Council Chamber - Civic Offices **Time:** 7.00 - 7.45 pm
Members Present: C Whitbread (Chairman), S Stavrou (Vice-Chairman), N Avey, A Grigg, H Kane, A Lion, J Philip, G Mohindra and S Kane
Other Councillors: R Brookes, S Heap, R Morgan and M Sartin

Apologies:

Officers Present: D Macnab (Acting Chief Executive), G Blakemore (Strategic Director), A Blom-Cooper (Interim Assistant Director (Planning Policy)), P Maddock (Assistant Director (Accountancy)), R Pavey (Service Director (Customer Services)), A Hendry (Senior Democratic Services Officer), S Kits (Social Media and Customer Services Officer) and P Seager (Chairman's Secretary)

72. 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.

73. DECLARATIONS OF INTEREST

Pursuant to the Council's Member Code of Conduct, Councillor A Lion declared an interest in item 13 – Outcome of the Chigwell Neighbourhood Plan Examination, by virtue of being a Chigwell Parish Councillor. The Councillor had determined that his interest was prejudicial and that he would leave the meeting for the consideration of the item.

74. MINUTES

RESOLVED:

That the minutes of the meeting of the Cabinet held on 10 December 2018, be taken as read and signed by the leader as a correct record.

75. REPORTS OF PORTFOLIO HOLDERS

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

76. PUBLIC QUESTIONS AND REQUESTS TO ADDRESS THE CABINET

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

77. OVERVIEW AND SCRUTINY

The Chairman of the Overview and Scrutiny Committee reported that the last meeting of the Overview and Scrutiny Committee had been held on 18 December 2018 when they had received a presentation on the progress of the Council's People Strategy by the Strategic Director, G Blakemore. She advised that the strategy encompassed five work streams which were developing leadership, the organisation, skills and capacity and resourcing the Council and the pay, grading and benefits.

Following consultation, members concluded that a Task and Finish Panel be set up to determine a way forward. The Task and Finish Panel had met twice so far and had considered developing the Select Committee's framework around the Council's three Corporate ambitions: Communities, Place and Council.

Other items discussed included review a of Polling Districts, Polling Places and Polling Stations; the Corporate Plan 2018/19 (quarter 2 report) and the Council's Forward Plan of Key decisions.

78. COUNCIL BUDGET REPORT

The Business Support Portfolio Holder introduced the Council's budget report for 2019/10. This report set out the detailed recommendations for the Council's budget for 2019/20. The budget added £0.51m to reserves and the Council's policy on the level of reserves could be maintained throughout the period of the Medium Term Financial Strategy (MTFS). Over the course of the MTFS the use of reserves to support spending peaks at £1.153m in 2021/22 and reduces to £0.384m in 2022/23. The budget assumed that Council Tax would not increase in 2019/20 and that average Housing Revenue Account rents would decrease by 1% in 2019/20.

The Portfolio Holder noted that with the phasing out of the Government's revenue support grant the Council was aiming to maintain and enhance local services as it became entirely self-financing. The council was able to do this as it continued to reap the rewards of long term planning and innovation.

He highlighted the council's commercial property portfolio that was valued at £140million, which included North Weald Airfield Industrial estates and the Epping Forest shopping park and the High Street shop units. It was also noted that the National Police Air Service at North Weald was the latest major tenant supporting the District Council Services. Other ways that the council continues to recoup costs without increasing council taxes was by using fees and charges. Major contracts with service providers such as Biffa and the provision of leisure services by Place for People who run existing leisure centres and will help in the provision of a new one in Epping. The Council was also making a more efficient council through innovation and investment. All these and more came together as a package and contributed to a more efficient council while enabling the council to freeze council tax for yet another year.

The Chief Finance Officer noted that this report had been considered by the Finance and Performance Management Cabinet Committee and will go on to the full Council meeting at the end of February. Officers had now received the final local government settlement and were proposing that the CSB be no more than £12million.

Councillor Philip noted recommendation 3 where is said that rent reductions would be kept at 1%. Was that 1% on a weekly basis to take this budget forward? The Business Services Portfolio Holder said it was right to point out that this particular

issue was causing problems for all local authorities, as the forthcoming calendar year had 53 weeks with a Monday so we were continuing to work closely with the LGA and seeking clarification from the Government so that we can follow the correct policy.

Councillor Lion said that he was encouraged to see no increase in council charges for the year and, that transformation was having a major impact in the way we worked and in improving our efficiencies. Well done to the officers on the finance side.

Councillor Stavrou also said it was an excellent report from the finance officers and as the housing portfolio holder she was looking forward to seeing what would happen with the new homes bonus.

Councillor Whitbread noted that this built strongly on the foundation of 9 years out of 10 that we have been able to freeze council tax. This continues to build upon successes that we have had and continues to recognise the need to increase revenue to support our frontline services. A good building block to be self-sufficient. It goes without saying that our officers work tirelessly across the whole Council to produce this budget, particularly finance, and across the board we are an efficient council thanks to our officers.

Decision:

- (1) That the Cabinet considered the Council's 2019/20 General Fund budgets and make recommendations to the Full Council meeting on 21 February 2019 to adopt the following:
 - (a) the revised revenue estimates for 2018/19, which were anticipated to reduce the General Fund balance by £0.8m;
 - (b) a decrease in the target for the 2019/20 CSB budget from £12.1m to £12.0m (including growth items);
 - (c) an increase in the target for the 2019/20 DDF net spend from £0.553m to £2.373m;
 - (d) no change in the District Council Tax for a Band 'D' property to keep the charge at £152.46;
 - (e) the estimated increase in General Fund balances in 2019/20 of £0.43m;
 - (f) the five year capital programme 2018/19 – 2022/23;
 - (g) the Medium Term Financial Strategy 2018/19 – 2022/23;
 - (h) the Council's policy on General Fund Revenue Balances to remain that they are allowed to fall no lower than 25% of the Net Budget Requirement.
- (2) That the Cabinet recommends to the Full Council that the 2019/20 HRA budget including the revised revenue estimates for 2018/19 be agreed;
- (3) That the Cabinet notes that rent reductions proposed for 2019/20 would give an average overall fall of 1%;

- (4) That Cabinet recommends to Full Council the adoption of the Capital Strategy 2018/19 to 2022/23;
- (5) That the Cabinet notes the Chief Financial Officer's report to the Council on the robustness of the estimates for the purposes of the Council's 2019/20 budgets and the adequacy of the reserves.

Reasons for proposed decision:

The decisions are necessary to assist the Cabinet in determining the budget that will be laid before Council on 21 February 2019.

Other options for action:

Members could decide not to approve the recommended figures and instead specify which growth items they would like removed from the lists, or Members could ask for further items to be added.

79. COUNCIL TAX EMPTY DWELLINGS PREMIUM

The Customer Services Portfolio Holder apologised for the lateness of this report but noted that it needed to be adopted by the Council before the 31st of March. She noted that the Government had provided additional discretion for local authorities to help incentivise owners to bring empty dwellings back into use through the levying of additional Council Tax premiums. Through the additional premiums the intention is that the number of dwellings that remain empty for a substantial period was further minimised.

Currently there were approximately 130 long-term empty dwellings within the Epping Forest district. The key driver behind the legislation was to ensure that properties did not remain empty for long periods and that the additional Council Tax charged would incentivise owners to bring properties back into use. The additional Council Tax charged will however give rise to a potential additional income for the financial year 2019/20 of around £12,000 for the district council and £95,000 for Essex County Council, if the additional premium was raised from 50% to 100% from 1 April 2019.

Billing authorities currently had the power to increase council tax by a maximum premium of 50% on long-term empty dwellings. Therefore, in England, billing authorities could charge up to 150% on properties empty for more than 2 years. With effect from 1 April 2019 this premium was to increase to an additional maximum of 100%, meaning that up to 200% Council Tax could be levied on long-term empty dwellings.

Councillor Philip questioned the wording in paragraph 2 of the report saying that it was '100% extra for long term empty dwellings (2-5 years) [commencing 1st April 2019]' however, the recommendations said that for empty dwellings for everything over 2 years...will be charged at Council Tax premium of 100%. Did the legislation say over 2 years and not 2 to 5 years? The Service Director, Customer Services agreed that the legislation said over 2 years.

Councillor Stavrou said that this was an excellent idea, however under resources implication in the report it said the majority of the additional income would benefit Essex County Council and so the income to the District Council would not be enough to cover the risks associated with the additional costs of billing and collecting the

premium charge unless the major recipients, especially the County Council agree to share a proportion of their additional income. This arrangement has been in place in the past and should be reflected in the recommendations to make sure it happens in the future so that at least it would be cost neutral to ourselves. The Customer Services Service Director agreed that this arrangement would be continuing into the foreseeable future.

Councillor Philip provided suitable wording to be added to the recommendations, that: "the existing arrangements on billing and collection costs with major preceptors continues to allow this to take place". This was seconded by Councillor S Kane and agreed by the Cabinet.

Councillor Mohindra would like recommendations 2 and 3 to be reviewed before the extra (200%) increases came in as this would be a major increase. Councillor Whitbread said that we would encourage them to contact us when they found themselves in this position as there were funding streams available to help people who could not afford this. The Service Director added that officers would be contacting all the owners ahead of time to inform them and give them some preparation time.

Decision:

That the Cabinet considered the Council Tax Empty Dwellings Premium Policy and recommend to Full Council meeting on 21 February 2019 on adopting the following:

- (1) That with effect from 1 April 2019 properties that are long-term empty dwellings for over two years, under Section 11B of the Local Government Finance Act 1992, will be charged a Council Tax premium of 100%.
- (2) That with effect from 1 April 2020 properties that are long-term empty dwellings for over five years, under Section 11B of the Local Government Finance Act 1992, will be charged a Council Tax premium of 200%; and
- (3) That with effect from 1 April 2021 properties that are long-term empty dwellings for over ten years, under Section 11B of the Local Government Finance Act 1992, will be charged a Council Tax premium of 300%.
- (4) That the existing arrangements on billing and collection costs with major preceptors continues to allow this to take place.

Reasons for Proposed Decision:

The Government had provided additional discretion for local authorities to help incentivise owners to bring empty dwellings back into use through the levying of additional Council Tax premiums. Through the additional premiums the intention is that the number of dwellings that remain empty for a substantial period of time was further minimised.

Other Options for Action:

To not implement the additional Council Tax premiums as laid out.

80. DISCRETIONARY RETAIL DISCOUNT POLICY

The Customer Services Portfolio Holder introduced the report on the Discretionary Retail Discount Policy covering relief for non-profit organisations such as sports clubs and certain charities and local cubs and scout's organisations. However, the Government announced in its Autumn Budget of 2018 that eligible retailers with a rateable value below £51,000 would receive a one-third discount on their business rates bills. This scheme would run in 2019/20 and 2020/21 and adopted the same definition of retail following the previous retail relief scheme in 2014/15 and 2015/16.

The Council had recently received guidance from the MHCLG with regards to this relief and each local authority was to set up a local scheme and award the discretionary relief under section 69 of the Localism Act 2011. The scheme was laid out in Appendix A of the report and drew upon this Government guidance.

The discount will be applied automatically and would be good news for around 800 small businesses who would benefit from this scheme.

Councillor Mohindra congratulated the Portfolio Holder for implementing this excellent scheme. Councillor Philip noted that large charity exemptions like Oxfam etc. did not fall under this scheme, but small local ones did. Councillor Grigg added that the intention of having electronic applications was also a very good idea. Councillor Stavrou said that this was an excellent scheme especially for Waltham Abbey's point of view and she welcomed it.

Decision:

To amend the existing Council's Discretionary Rate Relief Policy to include the Retail Discount Policy as set out in Appendix A of the report.

Reasons for Proposed Decision:

In order to grant Retail Rate Relief the Council must adopt a local scheme, and in accordance with the discretionary rate relief powers contained within section 47 of the Local Government Finance Act 1988 (as amended) decide in each individual case when relief should be granted.

Other Options for Action:

A scheme is laid out in Appendix A of the report and Members could vary the terms of that scheme, although this was not recommended as there was a limit on the relief that the Government would fund and would need to be funded by this authority.

81. TREASURY MANAGEMENT STRATEGY STATEMENT 2019/20

The Business Services Portfolio Holder introduced the report on the Treasury Management Statement. He noted that the Council was required to approve the Treasury Management Strategy and Prudential Indicators and a statement on the Minimum Revenue Provision (MRP) before the start of each financial year.

The strategies had been scrutinised by the Audit and Governance Committee on 28 January 2019 and an update will be provided to Council on 21 February to cover any suggestions or proposed amendments.

The Council's treasury activities were strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management). There was a requirement for Council to approve its treasury and investment strategy and prudential indicators each year.

The Strategy was prepared in line with advice from our treasury advisors Arlingclose. There have been no major changes to the strategy from the current strategy approved in February 2018.

Decision:

That Cabinet considered and, recommended the following to Council for approval:

- (a) Treasury Management Strategy Statement 2019/20;
- (b) Minimum Revenue Provision (MRP) Strategy;
- (c) Treasury Management Prudential Indicators for 2019/20 to 2021/22;
- (d) The rate of interest to be applied to any inter-fund balances; and
- (e) Treasury Management Policy Statement.

Reasons for Proposed Decision:

The proposed decision was necessary to ensure we comply with CIPFA Code of Practice on Treasury Management.

Other Options for Action:

Members could ask for additional information about the Treasury Management Strategy, or could decide that alternative indicators were required.

82. LOCAL COUNCIL TAX SUPPORT SCHEME 2019/20

The Portfolio Holder for Customer Services introduced the report on the Local Council Tax Support Scheme for 2019/20. Each local authority must review its scheme annually. The Government brought in regulations to ensure that pensioners continue to receive the same level of assistance as they would have done if the Council Tax Benefit scheme was still in place. The Council could therefore only make amendments to the scheme for people of working age. The Council has approved the general principle that the Local Council Tax Support scheme should be cost neutral. In legislative terms the scheme needs to be approved by 11th March each year so for 2019/20 approval needs to be made at Full Council on 21st February 2019.

A consultation exercise was undertaken between 30th October 2018 and 21st December 2018 based on there being no changes to the 2018/19 scheme for 2019/20. Whilst there was no legal duty to consult, as no changes were proposed, Members decided in its Cabinet meeting to undertake a shortened and focused consultation exercise; that exercise has now finished.

Although the response to the consultation was disappointing it was argued that it showed no great desire for the scheme to be changed for 2019/20. The results of the consultation showed that 211 people viewed it but that only 26 went on to attempt it. Further, only 6 people expressed an opinion that the scheme should be changed. The conclusion was that the proposal to keep the scheme unchanged for 2019/20 is sound and should be recommended to Council for approval.

Councillor Mohindra said that there was some discussion on if this should have gone out to consultation and that he believed that we should have an annual consultation on this scheme. Councillor Stavrou commented that it was a disappointing response, but in its way it was a good result as it indicated that we did not have any unsatisfied customers. She was glad to note that the Council had an exceptional hardship fund to assist households experiencing exceptional hardship.

Councillor S Kane asked if we did enough to promote the consultation. The Service Director for Customer Services replied that this was valid point and that he was looking to carry out a wide-ranging review of the scheme next year.

Decision:

That the Cabinet noted the responses to the consultation on the scheme for 2019/20 and recommend to Council that the scheme for 2018/19 continues unchanged for 2019/20.

Reasons for Proposed Decision:

Full Council needs to approve the 2019/20 Local Council Support Scheme on 21st February 2019

Other Options for Action:

To make amendments to the Local Council Tax Support scheme for 2019/20

83. PAY POLICY STATEMENT

The Business Services Portfolio Holder introduced the annual pay policy statement. He noted that Section 38 (1) of the Localism Act 2011 required the Council to produce a Pay Policy Statement for each financial year setting out details of its remuneration policy. Specifically it should include the Council's approach to its highest and lowest paid employees.

It draws on the Review of Fair Pay in the Public Sector (Will Hutton 2011) and concerns over low pay.

The matters which must be included in the statutory Pay Policy Statement are as follows:

- The Council's policy on the level and elements of remuneration for each chief officer
- The Council's policy on the remuneration of its lowest paid employee (together with its definition of 'lowest paid employees' and its reasons for adopting that definition)
- The Council's policy on the relationship between the remuneration of its chief officers and other officers

- The Council's policy on specific aspects of chief officers' remuneration: remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments and transparency.

The Act defines remuneration in broad terms and guidance suggests that it is to include not just pay but also charges, fees, allowances, benefits in kind, increases in/enhancements of pension entitlements and termination payments.

Decision:

The Cabinet recommend the Pay Policy Statement to Council.

Reasons for Proposed Decision:

To enable members of the Cabinet to comment on the Council's Pay Policy Statement before it is agreed by full Council.

Other Options for Action:

The content of the Statement could be amended.

84. OUTCOME OF THE CHIGWELL NEIGHBOURHOOD PLAN EXAMINATION

The Planning Services Portfolio Holder introduced the report on the outcome of the Chigwell Neighbourhood Plan Examination. He reported that the Examiner of the Chigwell Neighbourhood Plan had concluded that as a whole, the plan did not meet the basic conditions required of a Neighbourhood Plan and therefore could not recommend that the plan should proceed to referendum. Having considered each of the Examiner's recommendations and reasons for them, Officers agreed with the Examiner's conclusions. Whilst the Council could make modifications to the plan to put it forward for referendum these would be critical to the plan purpose and were therefore considered to be the purview of the Parish Council. Therefore, the Council should now refuse the plan proposal. It should be noted that the Council will continue to advise and assist the Parish Council of Chigwell in producing a revised plan should it seek to do so.

He noted that the council now needed to publicise what was happening and emphasised that officers would work with Chigwell Parish Council if they wanted to continue to produce a compliant plan and help them meet the criteria. He did not want this decision to discourage other parish councils from producing their own neighbourhood plans if they wished to.

It was unfortunate that this had cost our tax payers just over nine thousand pounds; had the Examiner concluded that the plan met the basic conditions we would have been eligible for a government grant to cover this expenditure.

Councillor Mohindra noting the cost to the district council asked if we could set out some terms to reclaim cost for future failed plans. Councillor Philip understood his sentiments but said that the way legislation was framed it was the Council's responsibility. However, they could make a voluntary contribution but we could not enforce it.

Councillor S Kane asked if the district planning department could provide a nominated contact point to help the parishes. Councillor Philip said that there was support agreement with the Rural Community Council of Essex (RCCE) that delivers support for town and parish councils who were preparing neighbourhood plans. The Council had also had many meetings with them in the production of plans.

Decision:

That:

- (1) the Cabinet noted the Examiner's recommendation that the Chigwell Neighbourhood Plan did not meet the basic conditions;
- (2) the Cabinet agreed that the plan proposal should be refused and should not proceed to referendum;
- (3) the Cabinet noted that this decision would be publicised as soon as possible; and
- (4) the Cabinet noted that the Council would assist the Parish in the process of producing a revised proposal should it seek to do so.

Reasons for Proposed Decision:

To comply with relevant regulations and in so doing make clear the Council's position. The Council considers that the plan does not meet the basic conditions. The magnitude of change to key policies in the plan to enable it to meet the basic conditions is such that the Council considers the Parish Council should reconsider and re-consult on the proposals should it wish to do so.

Other Options for Action:

Under the regulations the Council is able to make changes to the plan proposal, consult on these and put it forward for referendum or send it back for examination. It could therefore, with the Parish's agreement, strike out the policies that are of concern to the Examiner and make the additional changes. However, given that the Council on the whole agrees with the conclusions of the Examiner, this is not a recommended course of action; it is considered that a revision of the plan by the Parish Council would be needed followed by all the relevant regulatory stages.

85. CALENDAR OF COUNCIL MEETINGS 2019/20

The Customer Services Portfolio Holder introduced the draft calendar of council meetings for 2019/20. She identified a minor issue with the draft calendar that the DDMC scheduled for 29th May 2019 should actually be a Plans South meeting that was to be held on 29th May. Because of this the scheduled meeting of Plans South on 5th June was now rendered redundant because of its closeness with the end of May meeting and should be removed.

Councillor Philip asked that this now vacant date be used to fit in an extra DDMC meeting for 5th June 2019. This was agreed by the Cabinet.

Decision:

That, with minor agreed amendments, the draft Calendar of Council Meetings for 2019/20 be recommended to the Council for adoption.

Reasons for Proposed Decision:

To review the proposed Calendar of Meetings for 2019/20, prior to its final adoption by the Council.

Other Options for Action:

Individual frequencies of meetings could be varied. In practice, additional meetings are added as and when issues dictate. Similarly, meetings can be cancelled if there is a lack of business.

86. ANY OTHER BUSINESS

Decision:

That, as agreed by the Leader of Council and in accordance with Section 100B (4) of the Local Government Act 1972, the following item of urgent business be considered following the publication of the agenda:

- Finance and Performance Management Cabinet Committee meeting minutes dated 24 January 2019.

87. FINANCE AND PERFORMANCE MANAGEMENT CABINET COMMITTEE MINUTES

The Business Support Portfolio Holder presented the minutes from the meeting of the Finance & Performance Management Cabinet Committee, held on 24 January 2019.

The Cabinet Committee had made recommendations to the Cabinet concerning the Detailed Directorate Budgets 2019/20 and the Corporate Risk Register. Other issues considered by the Cabinet Committee included: Corporate Plan 2018/23 – Performance Report Q3 2018/19 and the Council Budget for 2019/20.

Decision:

That the recommendations of the meeting of the Finance and Performance Management Cabinet Committee held on 24th January 2019 be agreed. And that:

(1) Detailed Directorate Budgets for 2019/20:

Decision:

- (1) That the detailed directorate budget for Community & Partnership Services be approved;
- (2) That the detailed directorate budget for Commercial and Regulatory Services be approved;
- (3) That the detailed directorate budget for Housing and Property Services be approved;

- (4) That the detailed directorate budget for Planning Services be approved;
- (5) That the detailed directorate budget for Contract and Technical Services be approved;
- (6) That the detailed directorate budget for Business Support Services be approved;
- (7) That the detailed directorate budget for Customer Services be approved
- (8) That the detailed budget for the HRA be approved.

Reason for Decision:

To give Members an opportunity to review and provide recommendations on the detailed budget prior to adoption by Council.

Other Options Considered and Rejected:

Other than deciding not to review the budget there were no other options.

(2) Risk Management - Corporate Risk Register:

Decision:

That the amended Corporate Risk Register be approved.

Reasons for Decision:

It was essential that the Corporate Risk Register was regularly reviewed and kept up to date.

Other Options Considered and Rejected:

Members may suggest new risks for inclusion or changes to the scoring of existing risks.

CHAIRMAN