



CABINET
Thursday, 5th September, 2019

You are invited to attend the next meeting of **Cabinet**, which will be held at:

Council Chamber, Civic Offices, High Street, Epping
on Thursday, 5th September, 2019
at 7.00 pm .

G. Blakemore
Chief Executive

Democratic Services
Officer

A. Hendry (Democratic Services)
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Members:

Councillors C Whitbread (Leader of the Council, Leader of the Conservative Group) (Chairman), S Stavrou (Deputy Leader and Business Support Services Portfolio Holder) (Vice-Chairman), N Avey, N Bedford, A Lion, A Patel, J Philip, S Kane and H Whitbread

PLEASE NOTE THAT THIS MEETING IS OPEN TO ALL MEMBERS TO ATTEND

1. WEBCASTING INTRODUCTION

This meeting is to be webcast and Members are reminded of the need to activate their microphones before speaking.

The Chairman will read the following announcement:

“I would like to remind everyone present that this meeting will be broadcast live to the Internet and will be capable of subsequent repeated viewing, with copies of the recording being made available for those that request it.

By being present at this meeting, it is likely that the recording cameras will capture your image and this will result in your image becoming part of the broadcast.

You should be aware that this may infringe your human and data protection rights. If

you have any concerns then please speak to the Webcasting Officer.

Please could I also remind Members to activate their microphones before speaking.”

2. APOLOGIES FOR ABSENCE

To be announced at the meeting.

3. DECLARATIONS OF INTEREST

To declare interests in any item on this agenda.

4. MINUTES (Pages 5 - 14)

To confirm the minutes of the meeting of the Cabinet held on 11 July 2019.

5. REPORTS OF PORTFOLIO HOLDERS

To receive oral reports from Portfolio Holders on current issues concerning their Portfolios, which are not covered elsewhere on this agenda.

6. PUBLIC QUESTIONS AND REQUESTS TO ADDRESS THE CABINET

To receive any questions submitted by members of the public and any requests to address the Cabinet.

(a) Public Questions

To answer questions asked by members of the public after notice in accordance with the provisions contained within Part 4 of the Constitution (Council Rules, Rule Q3) on any matter in relation to which the Cabinet has powers or duties or which affects the District.

(b) Requests to Address the Cabinet

Any member of the public or a representative of another organisation may address the Cabinet on any agenda item (except those dealt with in private session as exempt or confidential business) due to be considered at the meeting, in accordance with the provisions contained within Article 7 of the Constitution (The Executive, Paragraphs 27 and 28).

7. OVERVIEW AND SCRUTINY

To consider any matters of concern to the Cabinet arising from the Council's Overview and Scrutiny function and to identify any matters that the Cabinet would like the Overview and Scrutiny Committee to examine as part of its work programme.

8. COUNCIL HOUSEBUILDING CABINET COMMITTEE - 18 JUNE 2019 (Pages 15 - 24)

(Housing & Property Services Portfolio Holder) To consider the attached minutes from the meeting of the Council Housebuilding Cabinet Committee, held on 18 June

2019, and any recommendations therein.

9. FINANCE AND PERFORMANCE MANAGEMENT CABINET COMMITTEE 20 JUNE AND 18 JULY 2019 (Pages 25 - 30)

(Business Support Portfolio Holder) To consider the attached minutes from the meeting of the Finance and Performance Management Cabinet Committee, held on 20 June and 18 July 2019, and any recommendations therein.

10. ASSET MANAGEMENT & ECONOMIC DEVELOPMENT CABINET COMMITTEE - 27 JUNE 2019 (Pages 31 - 36)

(Commercial & Regulatory Services Portfolio Holder) To consider the attached minutes from the meeting of the Asset Management & Economic Development Cabinet Committee, held on 27 June 2019, and any recommendations therein.

11. BUDGET, MEDIUM-TERM AND LONG-TERM FINANCIAL PLAN (Pages 37 - 54)

To consider the attached report (C-011-2019-20).

12. ANY OTHER BUSINESS

Section 100B(4)(b) of the Local Government Act 1972, together with paragraphs 6 and 24 of the Council Procedure Rules contained in the Constitution requires that the permission of the Chairman be obtained, after prior notice to the Chief Executive, before urgent business not specified in the agenda (including a supplementary agenda of which the statutory period of notice has been given) may be transacted.

In accordance with Operational Standing Order 6 (non-executive bodies), any item raised by a non-member shall require the support of a member of the Committee concerned and the Chairman of that Committee. Two weeks' notice of non-urgent items is required.

13. EXCLUSION OF PUBLIC AND PRESS

Exclusion

To consider whether, under Section 100(A)(4) of the Local Government Act 1972, the public and press should be excluded from the meeting for the items of business set out below on grounds that they will 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
14	Asset Management Strategy – Property Acquisition Strategy	3
15	Proposed letting of Land at NWA to the HMRC	3

The Local Government (Access to Information) (Variation) Order 2006, which came into effect on 1 March 2006, requires the Council to consider whether maintaining the exemption listed above outweighs the potential public interest in disclosing the

information. Any member who considers that this test should be applied to any currently exempted matter on this agenda should contact the proper officer at least 24 hours prior to the meeting.

Background Papers

Article 17 of the Constitution (Access to Information) define background papers as being documents relating to the subject matter of the report which in the Proper Officer's opinion:

- (a) disclose any facts or matters on which the report or an important part of the report is based; and
- (b) have been relied on to a material extent in preparing the report and does not include published works or those which disclose exempt or confidential information and in respect of executive reports, the advice of any political advisor.

The Council will make available for public inspection one copy of each of the documents on the list of background papers for four years after the date of the meeting. Inspection of background papers can be arranged by contacting either the Responsible Officer or the Democratic Services Officer for the particular item.

14. ASSET MANAGEMENT STRATEGY - PROPERTY ACQUISITION STRATEGY (Pages 55 - 72)

To consider the attached report (C-009-2019-20).

15. PROPOSED LETTING OF LAND AT NWA TO DEPARTMENT OF HOUSING, COMMUNITIES AND LOCAL GOVERNMENT (Pages 73 - 86)

To consider the attached report (C-010-2019-20).

EPPING FOREST DISTRICT COUNCIL CABINET MINUTES

Committee: Cabinet **Date:** 11 July 2019

Place: Council Chamber, Civic Offices, High Street, Epping **Time:** 7.00 - 8.24 pm

Members Present: C Whitbread (Chairman), S Stavrou (Vice-Chairman), N Bedford, A Lion, J Philip, S Kane and H Whitbread

Other Councillors: P Bolton, S Heap, C McCredie, S Murray, C C Pond and C P Pond

Apologies: N Avey and A Patel

Officers Present: G Blakemore (Chief Executive), N Dawe (Interim Strategic Director & Chief Financial Officer), S Jevans (Interim Strategic Director), A Blom-Cooper (Interim Assistant Director (Planning Policy)), Stuart Mitchell (Service Manager (Property Maintenance)), T Carne (Corporate Communications Manager), A Hendry (Senior Democratic Services Officer) and P Seager (Chairman's Officer)

Also in attendance S Smith (Consultant)

13. 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.

14. DECLARATIONS OF INTEREST

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

15. MINUTES

RESOLVED:

That the minutes of the meeting of the cabinet held on 13 June 2019 be taken as read and signed by the Leader as a correct record.

16. REPORTS OF PORTFOLIO HOLDERS

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

17. 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.

18. OVERVIEW AND SCRUTINY

The Cabinet noted that Overview and Scrutiny Committee had not met since their last meeting.

19. FIRE SAFETY POLICY AND INSTALLATION OF SPRINKLERS - COUNCIL OWNED HOUSING ACCOMMODATION

The Housing and Property Services Portfolio Holder introduced the report on the fire and safety policy and installation of sprinklers in council owned properties. It was noted that on 15th January 2019, the Communities Select Committee considered a draft Fire Safety Policy for Council owned housing accommodation and recommended its endorsement to Cabinet. The policy set out the principles and guidelines that the Council would apply to identify, assess and reduce the risks to residents of personal injury or damage to homes caused by fire and to ensure compliance with the Regulatory Reform (Fire Safety) Order 2005. Its adoption is a key decision as it raises new issues of policy.

The Communities Select Committee also considered the retro-fitting of sprinkler systems into residential accommodation at Norway House in North Weald and Hemnall House in Epping and had recommended their installation to Cabinet.

Councillor Bedford endorsed this report as being the way forward. He noted that officers would also be investigating the possibilities of match funding from the fire authorities.

Councillor Lion agreed that this was an excellent report, but he had observed on recent visits to such properties that some exits had been blocked by washing or other items in the corridors and he would like to remind people that a serious look needed to be taken at this.

Councillor Chris Pond commented that Councillor Roberts, who could not attend this meeting, had asked him to ask that this work be closely supervised so as not to damage existing fire structures. Also, this report did not take into account the other multiple occupied dwellings run by EFDC especially those of recent construction in Burton Road. It would be worth looking at this issue again. Councillor Holly Whitbread said that she would take these comments on board.

Councillor Murray asked why nothing had been recommended for the flats around Highwood Lane; did it include the three blocks in Marlescroft Way and Longcroft Rise as well. The blocks were identical so he could not understand why it only mentioned Highwood Lane. Mr Mitchell (Property Maintenance) replied that as he did not have the paperwork with him he would get back to Councillor Murray with an answer.

Councillor S Kane asked for the Portfolio Holder's assurance that they would be pursuing the match funding with the Fire Service. The Portfolio Holder gave this assurance.

Decision:

(1) That, following endorsement by the Communities Select Committee, the Fire Safety Policy for Council owned housing accommodation be adopted; and

(2) That, subject to obtaining building regulations approval and listed building consent, the retro-fitting of sprinkler systems into temporary housing accommodation sites at Norway House and Hemnall House be approved.

Reasons for Proposed Decision:

An approved Fire Safety Policy will provide a robust fire safety framework that secures the safety and wellbeing of occupiers of, and visitors to, the Council's residential accommodation.

The installation of sprinkler systems into properties with vulnerable residents will enable them to live safely within this "higher risk" category of accommodation.

Other Options for Action:

Not to follow the recommendations of the Communities Select Committee and not endorse the Fire Safety Policy or approve the installation of sprinkler systems.

20. IMPLEMENTATION OF THE LOCAL PLAN: UPDATE ON PROGRESS

The Planning Services Portfolio Holder introduced the updating report on the implementation of the Local plan.

The Cabinet noted that following the October 2018 Cabinet meeting which set out the governance arrangements for the implementation of the Local Plan, the Implementation Team had made a commitment to provide members with regular updates on the progress of Masterplans and Concept Frameworks within Epping Forest District to ensure that members were kept fully up to date.

This report provided members with an update on the progress of Strategic Masterplans, Concept Frameworks, Planning Performance Agreements, the Quality Review Panel and developer contributions within the District.

As part of the Independent Examination of the Local Plan, the Council had agreed and signed Statements of Common Ground with all the site promoters of the following strategic sites: North Weald Bassett, Waltham Abbey North, South Epping, West Ongar and South Nazeing. In relation to the Garden Town sites, which consists of Latton Priory, Water Lane and East of Harlow, the Council were able to sign Statements of Common Ground with all of the principle site promoters.

The strategic sites were progressing well and were all on track to meet the delivery of housing noted within the Housing Implementation Strategy Update 2019.

He also noted that the final Examination in Public initial findings from the inspector had now been slightly delayed and would not be published by 12th July as initially expected.

Councillor Chris Pond brought up a matter raised some time ago about the involvement of ward members in pre-applications for their wards. He would like notifications to be issued to all ward members whose ward had any pre-applications. The Planning Services Portfolio Holder said that they were caught by GDPR, they used to put this in the members bulletin when it was restricted to within the Council. This was no longer the case, but he would look to see how else they could publicise this information. Councillor Pond responded by asking for a time limit to be put on this, asking that this be resolved by the end of this month. It may be that a private notification could be sent out to the relevant ward councillor.

Councillor Murray endorsed Councillor's Pond's comments. He went onto say that he had watched the Local Plan webcast on that day dealing with Loughton and was a little disappointed by the lack of defence by EFDC for Loughton. The Planning Services Portfolio Holder replied that he had also watched a lot of the webcasts and again he thanked the officers for arranging the webcast. He now awaited the inspector's views on the content of the Local Plan.

Decision:

- (1) That the progress of Masterplans and Concept Frameworks, including the use of Planning Performance Agreements and the progress of other proposals at pre-application and application stage were noted;
- (2) The projects reviewed by the Quality Review Panel during 2018/19 were noted;
- (3) The infrastructure contributions from Section 106 achieved within Epping Forest District for financial year 2018/19 were noted and:
- (4) That the Cabinet noted the current position with regard to the Epping Forest Special Area of Conservation.

Reasons for Proposed Decision

- To ensure that members are kept fully up to date on the progress of Masterplans and Concept Frameworks and other major proposals being promoted within the District.
- That members note the projects reviewed by the Quality Review Panel
- That members note the infrastructure contributions achieved within the District

Other Options for Action:

Not to update members on the progress on the above issues would be contrary to the commitment made by the Implementation Team as noted in the 18 October 2018 Cabinet Report

21. DELIVERING INFRASTRUCTURE IN THE DISTRICT: DEVELOPER CONTRIBUTIONS STRATEGY

The Planning Services Portfolio Holder introduced the report on the developer contributions strategy. It was noted that the growth proposed in the Local Plan Submission Version (currently at examination) would result in requirements to provide additional infrastructure, services and facilities. The requirements had been identified in the Infrastructure Delivery Plan and supporting documents. The Council needed to put in place guidance to support the delivery of infrastructure and the processes for achieving the infrastructure. The guidance provided details on how, what and when planning obligations would be used and the approach to viability for proposed sites in the District to determine the appropriate level of developer contributions to be sought.

The Council and Land Promoters have a responsibility, through the planning process, to manage the impact of the growth and ensure that any harm caused, as the result

of development, was mitigated and necessary infrastructure was provided. The Council therefore expects new development to contribute to site related and other infrastructure needs.

The Portfolio Holder added that he would like to add an extra recommendation to the report. That were this to be adopted, then he would like to refer this strategy to the Constitution Working Group, who already have an item on their work programme to review S106 arrangements.

Councillor S Kane asked about the monitoring and delivery of the S106 material; how would it be reported back. He was told that it would go to the Local Plan Cabinet Committee.

Councillor Bedford asked about the pooling of the money; would this commence from a certain date. He was told that it would commence from this coming September, assuming that the regulations were in place.

Councillor H Whitbread commented that this was good report but said that it was essential that we had good communications around this, especially around the masterplans to the local community. The Portfolio Holder reiterated that yet again they had a consultation running on the statement of community involvement, covering all aspects of planning. It was just one of the ways to get people involved. Masterplanning would be coming through the Local Plans Cabinet Committee to be, eventually adopted by the Council, which would require interaction with residents to get their feedback at an early stage.

Councillor Lion noted that paragraph 8 of the report talked about CIL regulations. Were we now considering CIL instead of S106 agreements. The Planning Services Portfolio Holder said that it was unlikely to have CILs instead of S106s, but it could be that we had CILs as well as S106s. It was a question of balance. Also, you had to have an adopted plan in place before you could adopt a CIL.

Decision:

- (1) That the Delivering Infrastructure in the District: Developer Contributions Strategy attached as Appendix A to the report was agreed; and
- (2) That the mechanisms for Member involvement to support the delivery of infrastructure was noted;
- (3) The new regulations to lift the pooling restrictions for S106 contributions and a requirement to produce an annual infrastructure funding statement from December 2020 was agreed; and
- (4) That this strategy be referred to the Constitution Working Group for their consideration.

Reasons for Proposed Decision:

The strategy put in place appropriate guidance to ensure consistent delivery of infrastructure in the District and sets out the approach and the arrangements required to ensure the sustainability and long-term stewardship of the development. Once agreed this document would provide a framework for the consideration of proposals to ensure that the appropriate infrastructure was realised in accordance with the policies in the Local Plan.

Other Options for Action:

Not to agree the strategy would mean that proposed development could be agreed with a poorly coordinated approach to the delivery of Infrastructure in the District. Without a co-ordinated approach to viability it could mean that the Local Plan was not seen as deliverable or that development was delivered in a piece-meal fashion that did not provide the necessary infrastructure to mitigate the impact of development.

22. MORETON, BOBBINGWORTH AND THE LAVERS NEIGHBOURHOOD PLAN

The Planning Services Portfolio Holder introduced the report on the Moreton, Bobbingworth and the Lavers Neighbourhood Plan. He advised that the Examiners Report for the draft Moreton, Bobbingworth and the Lavers Neighbourhood Plan (MBL Neighbourhood Plan) was received by Epping Forest District Council on 17 June 2019. The Examiners Report recommended that, with modifications, the MBL Neighbourhood Plan met the basic conditions and should proceed to a local referendum. The recommended referendum area was the Parish of Moreton, Bobbingworth and the Lavers.

The report set out the background to the MBL Neighbourhood Plan, the recommendations made by the Examiner, the Council's proposed action against each of the recommendations and the potential timescale for a local referendum.

Councillor S Kane asked if the District Council would be paying for this referendum. The Portfolio Holder said that they would be, but officers would also be applying for a Government grant.

Decision:

- (1) That the recommendations included in the Examiner's Report was considered and noted;
- (2) That the draft Moreton, Bobbingworth and the Lavers Neighbourhood Plan, with proposed amendments, which met the basic conditions and was compatible with European obligations was agreed; and
- (3) That the Decision Statement (Appendix A of the report) for the Moreton, Bobbingworth and the Lavers Neighbourhood Plan to progress to referendum be approved.

Reasons for Proposed Decision:

To comply with the statutory requirements in relation to Neighbourhood Planning and to progress the Draft MBL Neighbourhood Plan to referendum stage.

Other Options for Action:

Not to make a decision on the draft MBL Neighbourhood Plan and the recommendations in the Examiner's Report. This would mean that the Council was

not meeting the legislative requirements and was not fulfilling its statutory duty in the production of neighbourhood plans.

23. ANY OTHER BUSINESS

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

24. EXCLUSION OF PUBLIC AND PRESS

That, in accordance with Section 100(A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the items of business set out below as they would involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12(A) of the Act indicated, and the exemption was considered to outweigh the potential public interest in disclosing the information:

<u>Agenda Item</u>	<u>Subject</u>	<u>Paragraph Number</u>
14	Group Company Structure	3

25. GROUP COMPANY STRUCTURE

The Business Support Portfolio Holder introduced report on the proposed setting up of a Group Company Structure.

The Interim Strategic Director and the appointed Consultant, Simon Smith, gave short presentations to the meeting on the proposed options. The Cabinet noted that the council was considering different ways to ensure the delivery of high-quality efficient services, as well as options to maximise the utilisation of council owned land and assets. This set out how both could be achieved through a group company structure that enabled the subsidiary companies to provide: (i) a services company for repairs, (ii) a development company to facilitate the build of new homes and assets, and (iii) a local housing company for the long-term ownership and management of homes for rent or shared ownership.

It was proposed that the initial set up of the group company structure would be overseen by a Member/Officer steering group made up of five members. Once the companies had been set up there would be a Board that took responsibility to oversee the performance of the subsidiary companies. As these were wholly owned council companies the appointment of the Board would follow after the set-up of the company. The shareholder agreement, memorandum of articles and intragroup agreements would set out the parameters and extent of decision making in the subsidiary companies.

The recommendations in the report sought to establish the set-up of the group company structure, and the services company for repairs. The repairs company was the priority given that the current contractual arrangements would come to an end in March 2020. The development company would progress as further work was undertaken on the feasibility of sites. Any land transferred into the development company would require future cabinet approvals.

The Council's Asset Management Strategy set out a range of different options for maximising the utilisation of council owned land and assets. One of those options included the setting up of a group company structure that enabled the council to

transfer land into the wholly owned council company for direct development. In taking this approach the council would benefit from creating new assets that appreciated over time and generated long-term value. This avoided the situation where land was sold to the private sector generating only a 'one-off' capital receipt to the council. Detailed feasibility studies would be undertaken before any activity by the development company was undertaken. Each site that was transferred into the development company would require cabinet approval. This was a key driver for EFDC in supporting long term financial health and delivery of good quality services to residents across the district.

It was noted that many Councils across the country were taking this approach and successfully delivering new homes through a wholly owned group company structure.

Asked what would be the democratic oversight for this project, such as transferring land to the development company, it was clarified that these would be cabinet decisions subject to the normal call-in procedures. There would also be clear articles of association between the Council and the Development Company to work from and to state the limitations.

In response to a question it was noted that the company could go outside the EFDC area for other developments, but there would be more costs associated with doing this.

Decision:

(1) The Cabinet approved the set-up of a group company structure as set out in 1.1 of the report. This approval included a spend for the set-up costs to cover: legal advice, taxation advice, and project management support. The District Development Fund (DDF) 19/20 would cover this sum.

(2) The Cabinet approved the set-up costs as recommended in the report for the Services (Repairs) subsidiary company. It was proposed to use the DDF to cover the initial set up costs. This sum would include legal advice, tax advice, project management, and ICT consultancy costs.

(3) The Cabinet delegated responsibility to the Officer/Member steering group to oversee the set-up and preparation of the Services (Repairs) company business plan for approval by the Group Company Holding Board.

(4) The Cabinet noted that if the set-up costs of the repairs company varied by more than an additional 20%, and/or if providing a loan to the Company the current locally agreed borrowing limits were exceeded by the Council, a further Cabinet approval would be required.

(5) Cabinet noted that further approval would be sought for sale of land into the Development Company as and when sites came forward for development.

Reasons for Proposed Decision:

The Asset Management Strategy provides the Council with clear direction on how to utilise land and property assets. This paper sets out how a group company structure would achieve these aspirations consistent with the Corporate Plan and Medium-Term Financial Strategy.

Other Options for Action:

If the council did not pursue the option to develop its own land, then these sites that were identified in the Local Plan may be sold to developers and hence losing the long-term asset for the council. If the Services company was not established the Council would need to undertake a procurement exercise to 'outsource' the service (or elements). This provided uncertainty in terms of quality and control. This also loses the ability to generate additional income for the council.

CHAIRMAN

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EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Council Housebuilding Cabinet **Date:** Tuesday, 18 June 2019
Committee

Place: Council Chamber - Civic Offices **Time:** 7.00 - 8.00 pm

Members Present: H Whitbread (Chairman), N Avey, A Patel, J Philip and A Lion

Other Councillors: N Bedford, S Heap, S Heather, J Jennings, R Morgan and C Roberts

Apologies: S Stavrou

Officers Present: P Pledger (Service Director (Housing & Property Services)), M Rudgyard (Housing Development Manager) and J Leither (Democratic Services Officer)

1. 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.

2. SUBSTITUTE MEMBERS

The Cabinet Committee noted that Councillor A Lion would substitute for Councillor S Stavrou at the meeting.

3. DECLARATIONS OF INTEREST

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

4. MINUTES

Resolved:

That the minutes of the meeting held on 30 August 2018 be taken as read and signed by the Chairman as a correct record.

5. PROGRESS REPORT FOR PHASES 2-6

The Housing Development Manager gave an update on the progress that had been made across each of the two phases of the Housebuilding programme that were on site (Phases 2 and 3), and the developments that would make up future Phases 4-6.

Phase 2

Burton Road, Loughton – 15 x 3 bed houses, 2 x 2 bed houses, 23 x 3 bed flats & 11 x 1 bed flats

This development was behind programme and had encountered several delays due to the following:

- The discovery of an unidentified live cable running across the site;
- Additional time spent remediating contamination across the site that had not previously been identified; and
- A fire in August 2018 to the upper floors of Block B which had extended completion to July 2019. There would be a phased handover of all of the houses and flats in Block A through April and May 2019.

The anticipated final account was currently £10,861,015.00 which represents a 10% increase upon the originally agreed contract sum. The additional costs relate to the diversion of the live electric cable, additional remediation costs, and additional offsite works that have been instructed on the main highway. The costs relating to the fire will be covered by the Contractor and their insurers with no implications for the Council.

Handovers at Burton Road have now commenced and the 17 houses are all occupied. The flats at Davis Court are due to be handed over on the 12th and 13th June 2019 with the flats at Churchill Court handing over in September 2019.

Phase 3

Bluemans End, North Weald – 2 x 3b houses, 1 x 2b Flat & 1 x 2b flat

The homes were handed over on the 26 March 2018 which was a total of 8 weeks behind programme. This was due to Thames Water delays in providing their connection.

The Final Account was agreed at £839,170.77 which was 11% above the originally agreed contract sum. These additional costs are made up of variations mostly relating to boundary treatments, the removal of unforeseen contaminated waste and removal of asbestos.

Stewards Green Road – 4 x 2b houses

The homes were handed over on the 13th December 2018 which was a total of 46 weeks behind programme. This delay was due to the discovery of asbestos in the hardcore material that had been used to form the sub-base of the new entrance road.

The final account was yet to be agreed but was anticipated at £852,921.00 which was 13% above the originally agreed contract sum. These additional costs are made up of variations mostly relating to boundary treatments and the removal of contaminated waste over and above what had been allowed for. The Council intends to pursue the Consultant for costs in relation to the additional works that were required to clear the previously unidentified hazardous materials.

London Road – 1 x 3b House

The home was handed over having reached practical completion on the 7 March 2018 which was as per the agreed programme

The Final Account was agreed at £262,507.93 which was 11% above the originally agreed contract sum. These additional costs were because of variations to the

specification, the most significant additional costs being the change in heating system required and PV installation.

Parklands, Coopersale – 2 x 2b Houses & 1 x 1b Flats

The homes were handed over having reached practical completion on the 10 October 2018 which was a total of 20 weeks behind programme. The delays were due to the design of the gravity fed drainage system and associated increase in ground levels.

The Final Account was agreed at £763,848.98 which was 7% above the originally agreed contract sum. These additional costs were made up of variations, the most significant being the increase in levels across the whole of the development to allow for a gravity fed drainage system.

Springfield and Centre Avenue – 1 x 3b House, 5 x 2b Houses & 2 x 1b Bungalows

The homes were handed over having reached practical completion on the 7 January 2019 which was a total of 28 weeks behind programme. This was due to delays at the end of the programme where external works and boundary treatments took far longer than had previously been anticipated.

The Final Account was agreed at £1,650,655.23 which was 17% above the originally agreed contract sum. These additional costs are made up of variations, the most significant being the provision of a gravity fed drainage system and treatments to the site boundaries.

Centre Drive – 1 x 3b House

The homes were handed over having reached practical completion on the 8 November 2018 which was a total of 19 weeks behind programme. This was due to delays at the end of the programme where additional surface water drainage works had to be undertaken.

The Final Account was agreed at £355,188.00 which was 18% above the originally agreed contract sum. These additional costs are made up of variations, the most significant being the additional surface water drainage works required.

Queens Road, North Weald – 10 x 3b Houses & 2 x 2b Houses

Due to the nature of the site a package of initial enabling works needs to be completed, including the relocation of a UKPN substation before construction works could commence.

A letter of intent was issued to Storm Building Ltd up to a works value of £250K to undertake the enabling works. The enabling works were expected to take three months to complete.

The main construction works were originally expected to commence on the 5 March 2018. However, due to several factors including the discovery of a significant volume of asbestos under the concrete slabs to the garages and delays in completing the relocation of the substation, the start on site this was delayed until the 7 January 2019. Anticipated completion of the project has been delayed until August 2020.

In terms of project costs, there was already a forecast of an overspend of £388,864.00 above the originally agreed contract sum, an increase of 17%. The cost increases were mainly due to:

- The discovery of asbestos for which an additional £125,000.00 was negotiated with the Contractor for removal costs; and
- Delay to the start date post tender to the sum of £157,532.41. The contractors original tender was based on a start date in October 2016 and commenced in August 2017.

Phases 4, 5 and 6

Work had now commenced on the delivery of Phases 4, 5 and 6 with a number of planning permissions already enacted, garages demolished and planning conditions relating to contamination being approved.

In considering how best to approach the procurement of the construction contracts it was agreed to package up the sites in terms of size and geography to take advantage of economies of scale. This had meant that Phases 4, 5 and 6 has been broken down into 9 packages. A schedule of these packages was attached at Appendix 1 to Agenda item 6.

Detailed design development was currently progressing on all 9 of these packages with the furthest progressed (Packages 1,2 and 3) expected to be tendered in July 2019 with start on site anticipated in September 2019.

The design development period is longer than would normally be expected as we have asked the Architect to undertake further work to de-risk the scheme to take into account the lessons learnt from Phases 1, 2 and 3. This additional design period will also give us more cost certainty on each development.

Councillor J Philip asked why phasing on scale and location in package 8 included Loughton and Waltham Abbey, which were not in the same location and this did not make sense putting one Loughton unit with 4 Waltham Abbey Units.

The Housing Development Manager explained that package 8 consisted of 5 single unit developments and whilst they were not in the same location, packaged together they would appeal more to the contractor.

Councillor Avey stated that there were significant delays on all of these projects and asked if this was normal for these projects to see these kinds of delays.

The Housing Development Manager advised that the delays were longer than anticipated due to the eagerness of contractor, when establishing their original programme and setting out their costs, they were quite keen to be competitive and that could sometimes lead to them estimating a bit more positively than they should have done originally to win the work. I have since spoken to the contractors and advised them that we would like to see more realistic timescales and costs. This was all part of our learning curve and I would say that these delays were not normal.

Councillor A Patel referred to Phases 4, 5 and 6, paragraph 23 of the report where the Architect had been asked to undertake further work to de-risk the scheme to take into account lessons learned from previous Phases due to contamination of land and service issues. Therefore in terms of contamination when preparing the costings on a proposed scheme would the Architects do their own site analytical work before putting together a proposed costing, do we request to see any of this information before or just rely on their cost to ensure that they are compliant.

The Housing Development Manager advised that in the past the contractor, taking into account the information he was given as part of the contract documents, would put aside a sum for decontamination and asbestos removal that was to be undertaken, but from what we have previously seen that sum is not adequate once they have found out the level of asbestos contamination. Going forward the Council would now do their own site investigations to establish clearly the level of contamination and the make-up of the soil so we can design and de-risk what is underground.

Councillor A Patel expressed concern that the Council would be put at risk in terms of being held to account if the Council hadn't foreseen the potential contamination on the land, at the moment the onus is with the Contractor but if we carry out more analytical work then they could ask us for costs.

The Housing Development Manager advised that the risk would lie with the consultant who provided the report rather than the Council who would always look to deal with it through pursuing the consultant for costs.

Councillor A Lion referred to the risk analysis and asked how would the Council mitigate those risks and push the pressure back on to the suppliers to actually deliver on time. How do we mitigate those risks and push the onus back on to the suppliers.

The Housing Development Manager advised that the contractors have been advised within the framework that they should be accurate with submitting both price and programme.

Councillor A Lion asked should the Council not be putting financial penalties on the contractors and if they don't deliver on the said date we could collect those penalties, every week the contract falls behind the Council are losing money by not being able to rent the properties. How do the Council mitigate those risks and push the onus back onto the suppliers to actually deliver on time and within budget.

The Housing Development Manager advised that previous conversations with the consultants and the contractors it had been made clear they should give accurate costings and times, which was within the framework. There was an option within the contract to enforce penalties but the Council had an ongoing relationship with the contractor and would like to start on the basis of a position of trust to deliver on the programme and at the price agreed. Previously our development agents have not always given the Council the best advice.

Councillor J Philip stated that in Appendix 1, 6 of the schemes had gone past their planning approval expiry date and 2 expire at the end of the week. What have we done or are doing about this.

The Housing Development Manager advised that 5 of the schemes that had passed their planning expiry date had been enacted upon and those sites had been cleared, they would be going out to tender in July 2019 and be on site in September 2019.

Future packages were in the process of enacting and those planning permissions with the exception of Thatchers Close, Loughton this package was about to be resubmitted for planning permission.

Councillor S Heap asked for a delay in Phase 4, Hornbeam Close (site B), he stated that the residents were not ready to move out of their garages as they had been promised reallocation but to date this had not happened, they were last contacted by

the Council in 2017 telling them this would happen but they have now had a 12 day notice to quit with no reallocation. He stated that he was aware there were some empty garages in site A and asked for a small delay for the residents to be reallocated.

The Housing Development Manager stated that the difficulty he would have at this stage would be to delay as it would run the risk of a failure to enact the planning permission, he further added that he was working to tight timescales in terms of investigating the condition of the garages before they were demolished. He would look at this scheme again and if he was able to delay it would be a very short period of time.

Councillor Heap stated that a short delay would help them and asked when was this phase due to go out to tender as it was not due to run out of permission until August.

The Housing Development Manager advised that this site would go out to tender in November/December 2019, in order to allow works to be started on site before March 2020.

Decision:

That the contents of this Progress Report on Phases 2 - 6 of the Council Housebuilding Programme be noted, and presented to the Cabinet in line with the Terms of Reference.

Reasons for Decision:

Set out in its Terms of Reference, the Cabinet Committee was to monitor and report to the Cabinet on an annual basis progress and expenditure in relation to the Council Housebuilding Programme. The report, Agenda Item 6, sets out the progress made over the last 12-months.

Other Options Considered and Rejected:

This report was on the progress made over the last 12-months and was for noting purposes only. There were no other options for action.

6. PROGRAMME AND EXPENDITURE UPDATE FOR THE COUNCIL HOUSEBUILDING PROGRAMME AND ITS IMPACT UPON 141 RECEIPTS

The Housing Development Manager advised the report at Agenda Item 7 considered the current construction expenditure profile for the Council Housebuilding Programme against the "Replacement Right to Buy (RTB) Receipts" and considered various interventions to take up the shortfall in expenditure where identified.

Taking the profile of construction expenditure as described we could compare this against the level of RTB Receipts and from this we could see where a shortfall in construction expenditure means there was a deficit against the required spending to take up the RTB receipts.

If the construction expenditure profile proposed was maintained the first time a deficit could be seen in the required construction expenditure in Q4 2020/21 where we will see a shortfall of £1,976,872.00. This equated to £593,061.16 in RTB Receipts. Overall in 2020/21 our construction expenditure was in deficit by £3,281,851.37 against a requirement of £15,430,707.37.

This position becomes progressively worse over the course of 2021/22 when a deficit in construction expenditure of £6,352,077.55 against a requirement of £9,869,497.55 meant that we were £8,328,949.00 behind our construction expenditure target by the end of 2021/22.

Without intervention this could mean that the Council would need to repay £2,498,684.70 in RTB receipts back to the Government by the end of 2021/22.

In considering suitable intervention which would take up the required construction expenditure deficit the Council were making the following proposals in priority order;

- To proceed with planning applications on the following sites;
 - Vere Road, Loughton – 4 no. 1 bed flats and 6 no. 2 bed flats;
 - Hillyfields, Loughton – 2 no. 2 bed houses;
 - Pyrles Lane (Site A), Loughton – 2 no. 2 bed houses;
 - Pyrles Lane (Site B), Loughton – 3 no. 3 bed houses;
 - Colvers, Matching Green – 3 no. 2 bed houses;
 - Hansell Mead, Roydon – 2 no. 3 bed houses;
 - Pound Close, Nazeing, 2 no 2 bed houses and 2 no 3 bed houses;
 - St Thomas's Close, Waltham Abbey – 1 no. 2 bed house and 2 no. 3 bed houses; and
 - Springfield (Site B), Epping – 2 no. 1 bed bungalows.
- To reconsider the criteria for the selection of garage sites for development particularly regarding occupancy levels. This provided a fresh pipeline of sites for development as well as potentially dealing with issues of fly tipping and anti-social behaviour that was still evident on some Council owned garage sites.
- To consider the purchase of affordable homes provided through S106 agreements by private developers. The Council already had experience of this procurement method and were currently negotiating with developers on sites across the District.
- To consider purchasing land owned privately for development rather than remaining solely reliant on land that the Council currently own.
- To consider the purchase of suitable commercial premises that with a change of planning use could be redeveloped for affordable housing.
- To establish a 'street property purchase' programme.

Councillor J Philip stated that to ensure the Council catch up with expenditure and this will not happen by just putting planning applications forward that the Council should look at other options.

Councillor A Lion asked if any consideration had been given to adding floors to any Council owned blocks of flats.

The Housing and Property Service Director advised that early conversations had taken place with the Council's consultants but there were many things to take into consideration:

- Leaseholders living in the flats;
- The adequacy of the foundations; and

- The adequacy of the fire regulations.

The Council could not guarantee that they would be able to complete in the timescale that was available.

Councillor R Morgan asked what the planned timescale was for the Colvers, Matching Green and were parking spaces going to be provided as there were many issues around displaced parking.

The Housing Development Manager advised that nothing had yet been scheduled, but due to the urgency of the spend required, it was hoped that this site would be ready to apply for planning permission within the next 3-6 months, where parking would be looked at during that time.

Councillor N Bedford asked if the Council had considered looking to buy properties across the neighbouring boundaries for example in Waltham Forest.

The Housing and Property Service Director stated that the Council had not looked outside of its own boundaries. He did advise that the Council had recently bought 8 houses off of a developer in Roydon and that they were looking at all alternative solutions. The Council had partnerships with 6 affordable housing developers but required schemes to come forward.

Decision:

- (1) That the contents of this programme and expenditure update for the Council House Building Programme and its impact upon 141 receipts be noted, and presented to the Cabinet in line with the Terms of Reference.
- (2) That the recommendations proposed for taking up future 141 receipts are approved by the Cabinet in line with the Terms of Reference.

Reasons for Decision:

Set out in the Cabinet Committee's Terms of Reference was to monitor expenditure on the Housing Capital Programme Budget for the Council Housebuilding Programme, ensuring the use (within the required deadlines) of the capital receipts made available through the Council's Agreement with the Department of Communities and Local Government (DCLG) allowing the use of additional RTB Receipts received as a result of the Government's increase in the maximum RTB Discount to be spent on housebuilding.

Other Options for Action:

Taking no action to ensure that construction spending was increased to meet the known level of 141 receipts could lead to a significant repayment of this funding for the supply of new affordable homes being repaid to the Government.

7. SUBMISSION OF A NEW PLANNING APPLICATION FOR THE LADYFIELDS SITE, LOUGHTON

The Housing Development Manager presented a report to the Cabinet Committee advising that the report sought approval to submit a new planning application for the Ladyfields site in Loughton. The site had an existing planning approval for 6 x 2-bed affordable homes with 23 parking spaces. In line with the policies of the Local Plan,

where zero parking was required within 400m of a railway station, it would be possible to increase the number of affordable homes on the site.

The site was located within 400m of Debden Station on the London Underground Central Line and if left as previously approved, this site would not comply with the new Local Plan Policies.

Therefore, by submitting a new planning application for the site, compliant with the intentions of the new Local Plan, the Council could increase the number of affordable homes by better utilising the land to enable the delivery of between 10 and 11 additional affordable homes for applicants on the Council's waiting list. Improving the districts housing offer, through building more Council-owned Affordable Housing, was a target in the Council's Corporate Plan.

It was therefore recommended that a new planning application be submitted for the site at Ladyfields, Loughton in line with the Local Plan Policy requirements, thereby increasing the development opportunity for the site to between 10 and 11 affordable homes for Council tenants. It should be noted that this recommendation does not override the existing planning consent on the site.

Councillor N Avey stated that one of his responsibilities as a Portfolio Holder was for parking and although the Local Plan dictated the way forward regarding parking it was counter intuitive as there was already so many problems across the district regarding parking. The people who buy/rent these houses will almost certainly have at least one vehicle which will cause a major problem with displaced parking.

Councillor J Philip stated that he disagreed with Councillor N Avey as advised that we did have to do something to reduce parking across the district. He did say that for 6x2 bed homes 23 car parking spaces was excessive. The original planning permission had been approved and this was a new application which did not override the original one but it might be worth going forward to get a better balance for this site.

Councillor A Lion stated although we do need to reduce the amount of vehicles it was too early to reduce these sites to zero, we as a Council should maintain a level that was acceptable.

The Cabinet Committee agreed to amend the decision as below.

Decision:

(1) That a second planning application be submitted for an already approved development at Ladyfields, Loughton, recognising the Local Plan looks for reduced parking in proximity to a train/underground station and that we take an approach to maximise the available housing and minimise the parking in discussion with the Planning department.

Reasons for Decision:

The Council has an ambition to develop 300 new affordable homes for Council tenants by 2025, making use of its 1-4-1 receipts to fund the programme. The Local Plan also sets out its ambition to deliver 11,400 new homes of all tenures across the district over the life of the plan. In its Terms of Reference, the Cabinet Committee is required to approve the submission of detailed planning applications, and/or if more appropriate, outline planning applications.

Other Options Considered and Rejected:

Not to progress with a second planning application and to enact the current scheme, which will deliver both new affordable homes and associated car parking, but not taking the opportunity to deliver a scheme in line with the new Local Plan Policy.

8. COUNCIL HOUSEBUILDING PROGRAMME - RISK REGISTER

The Housing Development Manager presented a report to the Cabinet Committee and advised that attached at Appendix 1 of Agenda Item 9, was the programme wide risk register associated with the Council's Housebuilding Programme, which was for review, commenting or noting as appropriate.

Decision:

(1) That the contents of the report, Agenda Item 9, on risk management in relation to the Council Housebuilding Programme be noted, and presented to the Cabinet in line with the Terms of Reference.

Reasons for Decision:

The Council's Housebuilding Programme was a major undertaking, involving significant amounts of money and risks, it was essential that the Officer Project Team and the Cabinet Committee record, monitor and mitigate those risks.

Other Options Considered and Rejected:

- (a) Not to have a Risk Register – but it would not be appropriate to contemplate such an option; and
- (b) To request amendments to the format or content of the Programme-wide Risk Register.

9. ANY OTHER BUSINESS

The Cabinet Committee noted that there was no other urgent business for consideration.

10. EXCLUSION OF PUBLIC AND PRESS

The Cabinet Committee noted that there were no items of business on the agenda that necessitated the exclusion of the public and press from the meeting.

CHAIRMAN

EPHING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Finance and Performance Management Cabinet Committee **Date:** Thursday, 20 June 2019

Place: Council Chamber - Civic Offices **Time:** 7.00 - 7.20 pm

Members Present: Councillors S Stavrou (Chairman), J Philip, H Whitbread and S Kane

Other Councillors: Councillors N Bedford

Apologies: C Whitbread

Officers Present: M Chwiedz (Senior Project Manager), P Maginnis (Service Director (Business Support Services)), G. Nicholas (Interim Transformation Manager), R Perrin (Democratic Services Officer) and G Woodhall (Senior Democratic Services Officer)

1. **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.

2. **Substitute Members**

The Committee noted that Councillor S Kane would substitute for Councillor C Whitbread for this meeting.

3. **Declarations of Interest**

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

4. **Minutes**

Resolved:

That the minutes from the meeting held on 24 January 2019 be signed and read as a correct record by the Chairman.

5. **Corporate Plan 2018-2023 - Performance Report Q4 2018/19**

The Senior Project Manager, M Chwiedz presented a report regarding the outturn position for Quarter 4 - 2018/19, in relation to the achievements of the Corporate Plan for 2018-2023.

The Corporate Plan 2018-2023 was the authority's key strategic planning document, which laid out the journey the Council would take to transform the organisation to be 'Ready for the Future'. The plan linked the key external drivers influencing Council

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services, with a set of corporate aims and objectives, grouped under three corporate ambitions.

A Corporate Specification for each year (previously called the Key Action Plan) detailed how the Corporate Plan was being delivered through operational objectives, with these in turn linked to annual service business plans.

The success of the Corporate Plan was assessed through the achievement of a set of benefits, each measured through one or more performance indicator, focussed on what the Council achieved for customers. The Leadership Team, Cabinet and the scrutiny committees had overview and scrutiny roles to drive improvement in performance and ensure corrective action was taken where necessary. The reporting format had changed for year 2, which would be demonstrated in the next report.

The Senior Project Officer updated members on the following performance indicators;

M 5.1.1 Adoption of the Local Plan – The examination of the plan was underway with the hearings and adoption of the plan due this summer.

M 10.6 Adoption of a Commercial (Estates) Strategy – This had been adopted at the Cabinet meeting on 13 June 2019.

The Committee enquired whether the commentary on M1.3 Number of Independent Living Homes in the district, was to do with a planning application in Waltham Abbey. The Planning Services Portfolio Holder advised that this was, although it had been delayed as it had only been through pre-application planning and required further work.

The Committee enquired when would the Burton Road units mentioned in M4.3 Number of new residential properties built or acquired by the Council be fully occupied. The Housing and Property Services advised that there had been delays because of the fire damage and water connections, although all the units would be occupied by the end of June 2019.

The Committee commented that M4.1 Number of businesses who joined the 'Buy with confidence' scheme should be removed as it had not progressed any further and appeared not to be commercially viable. The Interim Transformation Manager advised that this performance indicator had been removed for year 2. Members requested that the one business who had joined, should also be refunded which was supported by the Community and Partnership Services Portfolio Holder.

RESOLVED:

- (1) That the outturn position for Quarter 4 2018/19, in relation to the achievement of the Corporate Plan for 2018-2023 be noted; and
- (2) That arrangements be made to refund the one business signed up to the 'Buy with confidence' scheme.

6. Corporate Plan Action Plan Year 2 Performance Report

The Interim Transformation Manager informed the Committee that the Corporate Plan Action Plan provided the mechanism for reporting the Key Performance Indicators (KPIs) and key programmes of work, which highlighted the Council overall performance against the Corporate Objectives.

The Year 2 Action Plan had been streamlined to enable an improved focus on how the Corporate Objectives had been met. It reduced the number of KPIs from 47 to 13 and key corporate programmes of work to 11. The reporting format had also been revised to provide a more concise presentation of information and greater clarity on performance. This would be reported as a KPI or a corporate work programme. The KPIs would continue to have defined targets that would be reported quarterly, if they were 'below target' or 'required attention' with a narrative relating to the performance and corrective action being taken and the corporate programmes would be ranked with a Red, Amber or Green (RAG) rating.

The Interim Transformation Manager advised that the 'Improved customer first point resolution' KPI had not reached the target of 45% and currently was 38.7%. Also, the 'Households accepted as being unintentionally homeless and in priority need' KPI had been maintained.

The Committee commented that the target for 'Improved customer first point resolution' had been set too high as the baseline figures had not achieved more than 35.70% over the year.

The Committee advised that the comments and narrative needed to be clearer, as it was not apparent how the KPI's were being measured and what the percentage figures represented. The Committee suggested that an electronic link could be inserted into the document with detailed explanations on how the KPI's were being measured and what the targets were, which would enable the performance reports to be clearer for all members and that this information be included in every report as a link.

RESOLVED:

- (1) That the narrative and comments be amended and include electronic links with further information on the KPI's on each performance report;
- (2) That the KPIs and RAG rated programmes for 2019/20 be agreed.

7. Any Other Business

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

CHAIRMAN

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EPHING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Finance and Performance Management Cabinet Committee **Date:** Thursday, 18 July 2019

Place: Council Chamber - Civic Offices **Time:** 7.00 - 7.24 pm

Members Present: Councillors S Stavrou (Chairman), S Kane, J Philip, C Whitbread and A Lion

Other Councillors: Councillors

Apologies: H Whitbread

Officers Present: J Chandler (Service Director (Community & Partnership Services)), S Kits (Social Media and Customer Services Officer), V Messenger (Democratic Services Officer) and R Perrin (Democratic Services Officer)

8. 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.

9. Substitute Members

The Committee noted that Councillor A Lion would substitute for Councillor H Whitbread for this meeting.

10. Declarations of Interest

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

11. Minutes

Resolved:

That the minutes from the meeting held on 20 June 2019 be read and signed as a correct record by the Chairman.

12. Corporate Plan Action Plan Year 2 Performance Report - Quarter 1 2019/20

The Community and Partnership Services Director, J Chandler presented the Quarter 1 performance in relation to the Key Performance Indicators(KPI) & Work Programmes within the Corporate Plan. Several changes had been suggested by the Stronger Council Select Committee, who had reviewed the Corporate Plan Action Plan Year 2 on 9 July 2019.

The Community and Partnership Services Director advised that the Action Plan would continue to evolve and incorporate key milestones for annual measures, that

Finance and Performance Management Cabinet Committee
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would update members on the quarterly performance of the various work programmes.

The following updates were given:

- 1. Engaging with the changing needs of our customers - Increased Customer Satisfaction – The overall target had been increased by the Stronger Council Select Committee to 75% and then to 80% by the O&S Committee.
- 6. Enabling communities to support themselves – Increase new leisure centre attendees year on year – The overall target for this KPI would be revised, and it was planned to include figures across a range of leisure activities including swimming, gym use etc. This was welcomed by the Committee.
- 7. Keeping the district safe – Community Safety Hub added value – To correct a typo from ‘disposables’ to ‘disposals’. The comments would also be updated to confirm that the two self generated actions had been completed and only two externally generated tasks were outstanding, and this was due to ongoing case investigations with Essex Police. Hence, there would be cases going forward across quarters, where ongoing investigations were taking place.
- 18. Working with commercial partners to add value for our customers – Partnership Working – The Stronger Council Select Committee agreed to remove this KPI, in favour of a new measure for the savings produced from shared service partnership working.

The Committee were concerned whether the KPIs were focused on the correct measures and whether the residents would think that they were also important. The Community and Partnership Service Director advised that performance reporting had undergone a transformation and reduction in the amount of KPIs that the Council was now measuring, and she would take these comments back to the Officers working group to discuss.

The Committee commented that it was important to have targets in place and although more information needed to be included in the Comments section they were happy with the new format. The Community and Partnership Services Director advised that with the milestones, further narrative being included, and the reporting cycles be considered, members would be presented with real time information on the Performance Reports.

RESOLVED:

That the Committee noted the Quarter 1 performance in relation to the key Performance Indicators & Work Programmes within the Corporate Plan.

13. Any Other Business

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

CHAIRMAN

EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Asset Management and Economic Development Cabinet Committee **Date:** Thursday, 27 June 2019

Place: Council Chamber - Civic Offices **Time:** 7.00 - 7.30 pm

Members Present: Councillors A Patel (Chairman), N Avey and S Stavrou

Other Councillors: Councillors S Heap, D Plummer, C Whitbread, H Whitbread and A Lion

Apologies: N Bedford

Officers Present: J Nolan (Service Director (Commercial & Regulatory Services)), J Houston (Strategic Partnership Specialist and Economic Lead), M Warr (Economic Development Officer), G Woodhall (Senior Democratic Services Officer), S Mitchell (PR Website Editor) and S Bevans (ICT Officer)

Also in attendance: -

1. 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.

2. SUBSTITUTE MEMBERS

The Cabinet Committee noted that no substitutes had been appointed for the meeting.

3. DECLARATIONS OF INTEREST

(a) Pursuant to the Council's Code of Member Conduct, Councillor N Avey declared a personal interest in agenda item 6, 'Asset Management Development Projects – Progress Reports' for the St. John's Road Development, by virtue of being a member of Epping Town Council. The Councillor had determined that his interest was pecuniary and would leave the meeting if the St John's Road Development was discussed.

4. MINUTES

Resolved:

(1) That the minutes of the meeting held on 18 April 2019 be taken as read and signed by the Chairman as a correct record.

5. ASSET MANAGEMENT DEVELOPMENT PROJECTS - PROGRESS REPORT

The Service Director for Contract & Regulatory Services presented a progress report

on a number of major projects that the Council was managing which involved its assets.

The Director highlighted two further updates for the Cabinet Committee to consider. In relation to the St John's Road Development in Epping, Whyte, Young & Green had been appointed as consultants to project manage the development and the requirements from the Local Plan had been outlined to them. The project would proceed according to the Masterplan to be agreed by the Cabinet in December 2019. The Council intended to work with Places for People for the possible provision of a new Leisure Centre, and with prospective providers for a small cinema.

With respect to North Weald Airfield, the Brief had been sent out to five Masterplanning organisations, with responses expected by early July. The Council would also ensure the North Weald Airfield Masterplan would blend with the North Weald Bassett Masterplan.

The Cabinet Committee reminded the Officers present that the Portfolio title had been amended from Asset Management & Economic Development to Commercial & Regulatory Services to match the name of the Service Directorate.

In response to questions from members of the Cabinet Committee, the Service Director stated that, in relation to the Landmark Building, the Co-Operative had discontinued negotiations as the space on offer was the wrong size. The other part of the site had been reassigned to a different use class of D2 and the Council was currently negotiating with a yoga studio.

In respect of the St John's Road Development, full planning permission would be sought straight away, rather than outline permission and then full planning permission. The Council had yet to be advised of the application date, but it was expected to be in the Spring of 2020. The Council had worked with Whyte, Young and Green in the past, who were in the process of drawing up a broad timeline for the project; the first major milestone would be the agreement of the Masterplan by the Cabinet in December 2019. The Leader of Council reiterated that good progress was being made with the St John's Road Development, with planning permission being sought for the whole site, and asked whether Epping Town Council had been kept informed of progress? The Director reassured the Cabinet Committee that the Council had been in communication with the Town Clerk, and a formal meeting with the Town Council was being arranged.

Cllr Lion highlighted that there had been major issues with car parking and access at the Epping Forest Shopping Park, and enquired what the next stages to improve the situation was. The Service Director acknowledged that there had been major problems at the Shopping Park during the Christmas period, and also from local workers using the car park at the Shopping Park. Restrictions had now been introduced in the Car Park, which had helped to ease this problem. Cllr Lion added that there was major congestion at the Shopping Park at weekends, which then backed up onto the surrounding roads.

Cllr Plumber pointed out that the report had made no mention of any previous discussions to reduce car use and protect the local biodiversity. The Service Director stated that the report only provided a general update on the progress with the different projects, hence there was provably a lack of detail for each of the projects, but this was something that could be considered for future reports. The Chairman also emphasised that the emerging Local Plan would also give rise to a number of such policy decisions. The Leader of Council informed the Cabinet Committee that the Highways issues surrounding the Shopping Park had been raised at the Local

Highways Panel, and any concerns should also be taken up with Cllr Mohindra who was the County Council member for the area.

Resolved:

(1) That the progress made to date with the Council's Asset Management & Development projects be noted.

Reasons for Decision:

To comply with the Cabinet Committee's previous request to monitor the development of the Council's property assets on a regular basis.

Other Options Considered and Rejected:

None, as the report is for information only.

6. ECONOMIC DEVELOPMENT - PROGRESS REPORT

The Economic Development Officer (EDO) presented a report to the Cabinet Committee and updated them on a number of projects and issues being explored by the Economic Development Team.

The Economic Development Officer reported that more than 30 responses had been received for the Economic Strategy Consultation, entitled 'Nurturing Growth'. However, a number of these responses had highlighted the relatively short nature of the consultation period, and it was intended to extend the consultation period for a further two months. This would enable greater engagement and the reviewing of the responses at a key stakeholder conference planned for September, which in turn would inform the production of a delivery plan.

The Economic Development Officer stated that the most recent Smart Place seminar had been held at Fletcher's Lea in Ware on 26 April 2019, and had attracted a wide range of speakers and delegates. An executive report from the seminar had been produced and was available from the Digital Innovation Zone (DIZ) website (www.diz.org.uk). The DIZ Digital Innovation Strategy was continuing to be endorsed by the various partner organisations. This Council had endorsed the Strategy at its meeting of the Cabinet on 13 June 2019. Presentations on the Strategy had been delivered to the Hertfordshire Infrastructure Planning Partnership and the Six Authorities Leaders Group. The Rural Connected Communities Programme had recently held an exploratory workshop with partners from across the Digital Innovation Zone, which considered whether to bid to establish a 5G testbed within the DIZ. A second event was planned once the programme had been formally launched to develop the potential bid further.

The Economic Development Officer informed the Cabinet Committee that the Visit Epping Forest website continued to grow in both content and number of visitors. Analysis of the website over the recent bank holidays had shown a 40% increase in visitors and a 60% increase in the number of pages visited when comparing 2019 to 2018. Officers from the Council had continued to lead in the development of cross-border working on tourism across the five Districts of Epping Forest, Broxbourne, Harlow, East Herts and Uttlesford, including a workshop held at Stansted Airport looking at infrastructure investment and joint promotion. The outcomes from this workshop would be reported at the next meeting of the Cabinet Committee.

The Economic Development Officer reminded the Cabinet Committee that the aim of the Green Arc project was to focus on the area where the metropolis of London met the countryside, considering initiatives to increase and protect the canopy, explore new ways of allowing residents and visitors to enjoy the green and unique areas within the quadrant, as well as increasing the community involvement in programmes. The One Partnership had recently taken over the project, and the first Steering Board meeting was scheduled for 12 July 2019. It was expected that representatives from not only the District Council would attend, but also representatives from the Greater London Authority, Essex County Council, the Corporation of London, the Friends of Epping Forest and the Woodland Trust.

The Cabinet Committee advised the Officers present that the Portfolio Title should have been Community & Partnerships, not Commercial & Regulatory Services.

Cllr Plumber stated that it was imperative to limit CO₂ emissions but there was no mention of climate change in the report, which seemed strange considering it was the most important issue we were currently facing.

The Strategic Partnerships Specialist responded that the Council was trying to move these issues to the mainstream, and was looking at smart approaches for economic growth which included cleaner approaches. For example, we needed to get clever about how we moved people around the District, particularly in the rural areas, with an Integrated Transport Strategy which would enable residents to make good choices. The Council understood its obligations in respect of green issues and acknowledged that they were not mentioned explicitly in the report, although they could be in the future. The aim in developing the Economic Strategy for the District was to bring everyone together and have a Strategy that everyone worked towards.

Cllr H Whitbread enquired whether any tourism public relations campaigns had been undertaken, was the Council working with Local Schools, and could the Youth Council get involved.

The Strategic Partnerships Specialist replied that the Visit Epping Forest website attempted to bring different tourism aspects together in one place. It was extremely expensive to advertise on London Underground, and the Council was trying to share the possible costs of this with others. Tourism within the District had increased by 7% over the last twelve months, but more could be achieved with a coalition of the willing. The Council was interested in reaching out to local schools and the Youth Council, and working with younger people. Progress would be reported back to the next meeting of the Cabinet Committee. Cllr Lion added that there was a project considering what digital meant to schools and the Youth Council, and further such projects would be considered in the future.

Cllr Plumber opined that any expansion at Stansted Airport was short-sighted and selfish.

Resolved:

(1) That the progress made by the Economic Development Team with their current initiatives be noted.

Reasons for Decision:

To appraise the Cabinet Committee on the progress made with Economic Development issues.

Other Options Considered and Rejected:

None, as the report is for information only.

7. ANY OTHER BUSINESS

The Cabinet Committee noted that there was no other urgent business for consideration.

8. EXCLUSION OF PUBLIC AND PRESS

The Cabinet Committee noted that there was no business which required the exclusion of the public and press from the meeting.

CHAIRMAN

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Report to the Cabinet

Report reference: C-011-2019/20
Date of meeting: 5th September 2019



Portfolio: Business Support
Subject: Budget, medium-term and long-term financial plan
Responsible Officer: Nick Dawe (01992 564000 Ext 2541).
Democratic Services Officer: Adrian Hendry (01992 564246).

Recommendations/Decisions Required:

- 1. To note the increased integration of the 2019/20 Budget Mid-Year Review, Budget 2020/21 and medium-term and long-term financial planning processes.**
- 2. To note the outline financial review and financial planning timetable and its timetable and its correlation with key meeting dates.**
- 3. To comment in general and to note the key issues that will underpin the 2020/21 Budget and medium-term and long-term financial plans.**
- 4. To note that although early in the process of financial planning, at this point, a combination of local performance issues, local plans and cost pressures and local tax and charging uncertainties together with the general economic climate are putting pressure on the Budget and are increasing the need for savings, service changes and increase in council tax and charges.**
- 5. To consider whether Cabinet may need to decide to have Budget and financial planning meetings and updates in November 2019 and January 2020, (in addition to the current timetable).**

1. Executive Summary

It is important the financial plans of the Authority reflect the ambitions and priorities of the Authority and the legal, economic and social environment in which it operates.

It is important that an integrated approach is taken to this financial planning and that the previously separate activities are more fully brought together. The four stages of financial planning are shown overleaf:

Mid-Year Review

To ensure the delivery of the current Budget is to plan and to carry forward any issues arising into setting the budget for 2020/21

Budget 2020/21	To ensure resources are matched with priorities and a legal budget is set-matching these priorities
Medium-Term Financial Strategy 2021/22 - 2025/26	To ensure that the medium-term impact of Budget decisions are fully understood, especially taxation, charging and investment decisions
Long-Term Financial Strategy 2026/27 – 2046/47	To ensure that long-term impact of Budget decisions are fully understood, especially in terms of fixed asset investment and the creation and churn of investment portfolios.

The integration of these four activities will ensure financial planning is robust and reduce the call on manager time.

Context; the one-year spending review

The new Chancellor (Sajid Javid) announced on 8 August 2019 that there will be a one-year spending review (SR) covering 2020-21, with a multi-year SR held in 2020.

The one-year SR will be announced in September 2019. No specific date has as yet been given. It replaces the three-year SR that had been planned for Summer 2019. It is possible, but by no means certain, that additional funding for local government could be announced in the Autumn Budget (usually delivered in late November).

The period covered by the next SR has not been confirmed. Spending reviews are usually between 2 to 4 years. According to the Fixed Term Parliaments Act 2011, the next general election is in May 2022, barely one year into the multi-year spending review.

The Treasury have said that the priorities in the SR will be schools, policing, the NHS, defence and Official Development Assistance (ODA). There have been no specific references from the Treasury about local government but the prime minister has indicated in various speeches that the government will seek to tackle the social care crisis.

The government's immediate focus is on the NHS: £1.8bn capital investment was announced on 5 August 2019 which is in addition to the £20.5bn increase in revenue spending that was announced last year. There are arguments about whether this is new money or not (which is something that local government will have to look out for when additional funding is announced for social care and other services).

These are some of the other priorities outlined by the prime minister in his statement to parliament on 25 July 2019:

- 20,000 additional police officers (the IFS estimates that this will cost £1.1bn).
- Increasing the minimum level of per pupil funding in primary and secondary schools and 'return education funding to previous levels by the end of this parliament'.
- 'levelling-up across every nation and region across the UK, providing support to towns and cities and closing the opportunity gap in our society'.

None of this should impact on EFDC's financial strategy, since the Council had assumed a one-year roll-over settlement for 2020-21, with any more fundamental changes in funding delayed until 2021-22.

According to CIPFA, with additional funds being available, and social care a priority, it is possible that local government as a whole might receive a real-terms increase in funding (plus increases in Council Tax income). At the outside, this could result in an average increase in core spending power of up to 4% in 2020-21 and beyond.

More recently, the Chancellor has indicated that concerns from businesses and the high street may alter the nature and financial implication of business and that the Government is considering the issue. This may result in changes and possible impacts on the financial position of this Authority, even if the business rate change nationally is compensated for by other grant changes. The key issue to note is the increased uncertainty concerning the benefit we receive from our share of the business rates.

On the 21st August the Minister for Homes, Communities and Local Government announced supplementary funding for Brexit in year totalling £9m following an earlier announcement of £20m being made available to local authorities. Most of the money from both announcements has gone to ports and Local Resilience Forums, however the Authority will benefit from a £17,484 allocation and could bid against the £5m set aside for infra-structure investments, (details of the bidding process awaited).

Context, Fair Funding Review and reform of BRRS

The absence of a technical consultation paper before the Summer Recess (25 July 2019) on either the Fair Funding Review or the proposed changes to business rates makes a delay more likely. It now seems certain that there will be an in- year delay in the FFR and the reform of business rates – from 2020-21 to 2021-22 though this has not been confirmed (and will not be until parliament reconvenes in September at the earliest).

For district councils like EFDC the decision about the future of NHB is crucial. It is more likely that this decision will be taken as part of the multi-year SR and that the NHB continues in its current form in a one-year settlement.

2. Outline Timetable

The following time-table sets out the key activities that will support financial planning and the formation of the 202/21 Budget.

August	Budget, medium-term and long-term financial plan, (No1, this document)	To Cabinet 5th September
	<ul style="list-style-type: none"> • General financial planning assumptions. • Staff Budget 2020/21 review, restructure and Budget 	
September	<ul style="list-style-type: none"> • Outline service priorities for future years. • Outline capital plans for future years • Outline savings and income generation proposals. • Outline investment portfolio, (including Devco issues) 	To Cabinet 31st October
October	Budget, medium-term and long-term financial plan, (No2)	To Cabinet 31st October

- Mid-year 2019/20 Budget review.
- Identification of cost pressures
- Non-staff 2020/21 Budget review
- Review of locally determined charges and fees.

November	Budget, medium-term and long-term financial plan, (No3, to include draft Budget, draft Medium-Term Financial Plan, draft Long-term Financial Plan, draft Treasury Strategy, draft Prudential Borrowing Indicators).	To Cabinet 5th December
	<ul style="list-style-type: none"> • Review of staff and non-staff Budget estimates. • Review of capital priorities. • Review of investment priorities and priorities. • Financing estimates. • Council Tax, Business Rates Growth and other funding estimates 	
December	<ul style="list-style-type: none"> • Further review of staff and non-staff Budget estimates. • Further review of capital priorities. • Further review of investment priorities and priorities. • Further review of financing estimates. • Further review of Council Tax, Business Rates Growth and other funding estimates 	To Cabinet 7th February
January	Budget, medium-term and long-term financial plan, (No4, to include final draft Budget, final draft Medium-Term Financial Plan, draft Long-term Financial Plan, final draft Treasury Strategy, final draft Prudential Borrowing Indicators).	To Cabinet 7th February
	<ul style="list-style-type: none"> • Final review of Administration Budget. • Possible Alternative Budgets. • Scrutiny. 	
February	Budget, medium-term and long-term financial plan, (Final for decision).	To Council 25th February

3. Areas for Consideration: Funding and Income

3.1 Government Funding

The Government have recently signalled that there will be a one-year Spending Review Settlement for 2020/21, due to uncertain economic considerations with a three-year Spending Review Settlement for 2021/22 – 2023/24.

The change in the Spending Review Settlement approach reflects economic uncertainties and a possible reconsideration of national political priorities.

For Epping Forest District Council, it is suggested that its financial planning reflects the following:

Support Grant. It is proposed that this continues as zero for the Budget, medium-term and long-term financial planning processes. Rate Support Grant ended in 2019/22 and predictions of zero growth in future years are included in the existing medium-term financial strategy. **No change to the financial planning assumptions is suggested at this stage.**

Council Tax Base. In the first instance figures indicate that only minor changes are required to the household number and budget base predictions. The impact and duration of the current constraints on planning approvals will require modelling in the final version of the Budget. **No change to the financial planning assumptions is suggested at this stage.**

Council Tax Increases. Currently the assumption in the medium-term financial plan is a Council Tax increase of 2.5% per annum throughout the period. Any change from this assumption will have a financial implication that will significantly grow over time, (separate modelling of the implication of changes to council tax assumptions are available on request). **No change to the financial planning assumptions is suggested at this stage.**

Retained Business Rates

Although there have been recent consultation and formal notifications of grants and resources by the Department will not be known until early December, the underlying assumption is that there will be no change in the amounts planned for. **No change to the financial planning assumptions is suggested at this stage.**

Business Rates Growth

Changes to the Business Growth system was concluded it remains unclear as to whether any changes to the system will have an effect of the Authority and its predictions. Historically the Authority, even with a levy that returns half of the benefit to the Department, has outperformed the business rates growth assumption. General economic uncertainty reduces the probability of the over performance in 2020/21 but further modelling is required. **No change to the financial planning assumptions is suggested at this stage.**

3.2 Fees and Charges

The initial assumption is that fees and charges will increase relative to inflation. There are however certain areas that are currently subject to review that may alter that picture. These are: car parking charges and local additional planning charges, e.g. for pre-application advice. **No change to the financial planning assumptions is suggested at this stage,** pending understanding the implications of the charging reviews.

3.3 Income Generation

The Authority committed to a Savings and Income Generation Programme worth £1.5m recurrently from 2019/20. Of this £1.5m, £86,000 is due to come from income generation

activities, (£63,000 Building Control, £23,000 Fleet Management). Income generation schemes for 2020/21 and following years are currently being put together which will include any additional income streams that are achieved by taking a Devco and Servco approach to building maintenance and other activities. **No change to the financial planning assumptions is suggested at this stage**, pending the completion of the new income generation list and a review of delivery of schemes in 2019/20.

4. Areas for Consideration: Costs and Cost Control

4.1 Inflation

Inflationary pressures overall, have been very limited, at low level and broadly predictable since the recession of 2008.

More recently inflation has begun to climb, especially wage inflation and this couple with economic uncertainty means that the position for 2020/21 and in the medium-term should indicate **an increase in inflation from 2.50% to 3.00 per annum for the medium-term and 2.50%** in the long-term.

The Office for National Statistics (ONS), currently recorded the annual price increase in the Consumer Price Index at 1.9% (June), and the annual price increase the Retail Price Index at 2.9% (June)

4.2 Demand Changes.

This section will mainly refer to the mid-year review, the continued pressures arising from benefit changes and the associated “export” of London Borough issues. In addition, possible economic uncertainties may also have an impact. **No change to the financial planning assumptions is suggested at this stage.**

4.3 Priorities

A review of priority developments and investments is currently being undertaken so at this moment there is no priority list to assess and review. The list is expected to be limited and associated with priorities existing now, e.g. the costs of completing the Local Development Plan (LDP) and the investment needed to start Devco and other initiatives. The LDP cost will be non-recurrent, the set-up costs of Devco can be treated as an “invest to save”. **No change to the financial planning assumptions is suggested at this stage.**

4.4 Benchmarking

With the recent transformation it is suggested that 202/21 is used as a period of both delivery and review, particularly as the Authority wants to demonstrate value as well as deliver financial flexibility through income generation and savings schemes.

The Authority needs information that it offers “best value” to its residents and requires the knowledge of the “going rate” for a service, especially if it is intended in future to trade that service, and/or partner with other organisations to deliver that service.

It is proposed therefore to more formally adopt a policy of benchmarking with **Housing Maintenance and Corporate Services being benchmarked as a priority by 31st March 2020.**

4.5 Savings Schemes

The Authority set a savings and income generation plan of £1.5m for 2019/20. Current indications are that £0.8m savings will be made. The balance of savings should be made through technical means because of removing historic and unnecessary transactions from the Accounts Payable system.

The result of the above is that in recurrent terms a deficit of £0.8m will be brought forward from 2019/20 and in the short-term (at least), the yield from savings programmes is off higher risk.

A savings programme, including (net) additional income generation should be set for 2020/21 and future years but it is suggested that this should be in the region of a £1 million with possible further additions from Devco activities, but probably not until 2022/23. **No change to the financial planning assumptions is suggested at this stage.**

5. Areas for Consideration: Capital and Investments

5.1 Operational Capital Programme

In line with the Asset Management Strategy, a clearer understanding of operational capital needs and investment opportunities will arise. The impact of the capital programme at this stage remains as originally envisaged in the medium-term financial strategy though it should be noted that because of the current Accommodation Projects and IT Review different figures are likely to result and generally, additional capital expenditure may yield additional revenue benefits. **No change to the financial planning assumptions is suggested at this stage.**

5.2 Investments

An Investment Strategy for land and property and a broader portfolio approach to holding and maximising the revenue and capital benefits from these assets is a high priority for Devco. Pending the production of this strategy, it is likely that this Authority will incur additional debt servicing costs to cover asset purchase and construction finance before asset sale proceeds and other revenue returns are made from 2022/23 onward. **No change to the financial planning assumptions is suggested at this stage**, however increased cost in the next two years and increasing benefits thereafter are likely to feature in the draft Budget.

6. Risks and Risk Mitigation

6.1 Reserves

The current policy is that the general reserves should equate to 25% of the annual expenditure and in view of inflation uncertainties that this approach should be maintained. **No change is suggested.**

It should be noted that due to economic and fiscal uncertainty, the need to invest and the need to make progress with transforming the Authority, some change to the policy may be needed before the finalisation of the Budget, that may include the setting aside of specific reserves (that are assumed to be spent), for inflation and economic uncertainty in particular.

6.2 Prudential Indicators

The Authority may need to reflect in its Prudential Indicators the changes that arise from the Asset Management Strategy and the introduction of the Devco approach. In practice the balance sheet will potential alter in terms of fixed assets, shares and potential further investment (and returns) in a wider property portfolio and the td Standard Front Sheet development of the same. **Change will be required to match existing and emerging policies.**

7. Summary Impact as at August 2019

A quick reference table of the financial impact on the previously blanked Budget and medium-term financial plan is shown below. Members should note that this is an early view of issues and as decisions are made and priorities emerge for the October Cabinet meeting and the December, draft Budget meeting, the financial challenges are likely to increase.

Financial Risks arising from current and proposed are also shown with risks above £200,000 shown as **H**, other risks shown as **M** and neutral or beneficial changes shown as **L**.

Table of net impacts to the Budget and medium-term plan of revised assumptions

Heading	Current Assumption	Risk	20/21 £m	21/22 £m	22/23 £m	23/24 £m	24/25 £m
			Balanced Budget	Balanced Budget	Balanced Budget	Balanced Budget	New Year
Previous medium term financial strategy assumption							
Income							
Council Tax Base	No change to the financial planning assumptions is suggested at this stage.	M	0.0	0.0	0.0	0.0	0.0
Council Tax Increase	No change to the financial planning assumptions is suggested at this stage	H	0.0	0.0	0.0	0.0	0.0
Retained Business Rates	No change to the financial planning assumptions is suggested at this stage	L	0.0	0.0	0.0	0.0	0.0
Business Rates Growth	No change to the financial planning assumptions is suggested at this stage	M	0.0	0.0	0.0	0.0	0.0

Fees and Charges	No change to the financial planning assumptions is suggested at this stage	L	0.0	0.0	0.0	0.0	0.0
Income Generation	No change to the financial planning assumptions is suggested at this stage	L	0.0	0.0	0.0	0.0	.00
Total Income Issues			0.0	0.0	0.0	0.0	0.0
Costs							
Inflation	Additional 0.5%	M	0.4	0.4	0.4	0.4	0.4
Demographic Pressures	No change to the financial planning assumptions is suggested at this stage	M	0.0	0.0	0.0	0.0	0.0
Priority Developments	No change to the financial planning assumptions is suggested at this stage	M	0.0	0.0	0.0	0.0	0.0
New Debt Servicing Costs	No change to the financial planning assumptions is suggested at this stage	H	0.0	0.0	0.0	0.0	0.0
Total Cost Issues			0.4	0.4	0.4	0.4	0.4
Total Additional Financial Pressures			0.4	0.4	0.4	0.4	0.4
Resolved By							
Income Generation Certain Schemes		H	0.0	0.0	0.0	0.0	0.0
Cost Reductions Certain Schemes		H	0.0	0.0	0.0	0.0	0.0
Service Changes		H	0.0	0.0	0.0	0.0	0.0
Use of Reserves (Non-recurrent)		M	0.0	0.0	0.0	0.0	0.0

Total Resolutions			0.0	0.0	0.0	0.0	0.0
Variance (as at 31st August 2019)			0.4	0.4	0.4	0.4	0.4

8. Resource Implications:

The totality of this paper relates to the resource decisions of the Authority. There is no specific resource implication or request because of this paper.

9. Legal and Governance Implications:

The Council will have to agree an appropriate and Legal Budget for 2020/21 by the end of February 2020. This paper initiates the process of setting the 202/21 Budget and has no other legal implications.

10. Safer, Cleaner and Greener Implications:

None.

11. Consultation Undertaken:

None

12. Background Papers:

None.

Equality Impact Assessment

1. Under s.149 of the Equality Act 2010, when making decisions, Epping District Council must have regard to the Public Sector Equality Duty, ie have due regard to:
 - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
 - advancing equality of opportunity between people who share a protected characteristic and those who do not,
 - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
 - age
 - disability
 - gender
 - gender reassignment
 - marriage/civil partnership
 - pregnancy/maternity
 - race
 - religion/belief
 - sexual orientation.
3. In addition to the above protected characteristics you should consider the cross-cutting elements of the proposed policy, namely the social, economic and environmental impact (including rurality) as part of this assessment. These cross-cutting elements are not a characteristic protected by law but are regarded as good practice to include.
4. The Equality Impact Assessment (EqIA) document should be used as a tool to test and analyse the nature and impact of either what we do or are planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. Use the questions in this document to record your findings. This should include the nature and extent of the impact on those likely to be affected by the proposed policy or change.
6. Where this EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. All **Cabinet, Council, and Portfolio Holder reports must be accompanied by an EqIA**. An EqIA should also be completed/reviewed at key stages of projects.
8. To assist you in completing this report, please ensure you read the guidance notes in the Equality Analysis Toolkit and refer to the following Factsheets:
 - Factsheet 1: Equality Profile of the Epping Forest District
 - Factsheet 2: Sources of information about equality protected characteristics
 - Factsheet 3: Glossary of equality related terms
 - Factsheet 4: Common misunderstandings about the Equality Duty
 - Factsheet 5: Frequently asked questions
 - Factsheet 6: Reporting equality analysis to a committee or other decision making body

Section 1: Identifying details

Your function, service area and team: **Finance**

If you are submitting this EqlA on behalf of another function, service area or team, specify the originating function, service area or team: **Finance**

Budget, medium-term and long-term financial plan

Officer completing the EqlA: **Nick Dawe** Tel: **07939449512** Email: **ndawe@eppingforestdc.gov.uk**

Date of completing the assessment: **21st August 2019**

Section 2: Policy to be analysed

2.1	<p>Is this a new policy (or decision) or a change to an existing policy, practice or project? New, budget for 2020/21</p>
2.2	<p>Describe the main aims, objectives and purpose of the policy (or decision):</p> <p>To set a Budget for 2020/21 and a medium-term and long-term financial strategy.</p> <p>What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)?</p> <p>Setting of a balanced budget as per statutory agreement.</p>
2.3	<p>Does or will the policy or decision affect:</p> <ul style="list-style-type: none">• service users• employees• the wider community or groups of people, particularly where there are areas of known inequalities? <p>Yes, but this is an early discussion paper</p> <p>Will the policy or decision influence how organisations operate?</p> <p>Potentially, but this is an early discussion paper</p>
2.4	<p>Will the policy or decision involve substantial changes in resources?</p> <p>The whole paper is concerned with the use and dispersion of resources.</p>

2.5	<p>Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes?</p> <p>Yes, it applies resources to other policies and priorities</p>
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Section 3: Evidence/data about the user population and consultation¹

As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, eg service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).

3.1	<p>What does the information tell you about those groups identified?</p> <p>Initial discussion paper, impact unchanged from current resource assumptions, priorities and service delivery. Neutral impact.</p>
3.2	<p>Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision?</p> <p>No</p>
3.3	<p>If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary:</p> <p>Consultation may be required at a later date depending on options and detailed decisions made in respect of subsequent papers.</p>

Section 4: Impact of policy or decision

Use this section to assess any potential impact on equality groups based on what you now know.

Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Age	X	None
Disability	Neutral	None
Gender	Neutral	None
Gender reassignment	Neutral	None
Marriage/civil partnership	Neutral	None
Pregnancy/maternity	Neutral	None
Race	Neutral	None
Religion/belief	Neutral	None
Sexual orientation	Neutral	None

Section 5: Conclusion

		Tick Yes/No as appropriate	
5.1	Does the EqlA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No <input checked="" type="checkbox"/>	
		Yes <input type="checkbox"/>	If ' YES ', use the action plan at Section 6 to describe the adverse impacts and what mitigating actions you could put in place.

Section 6: Action plan to address and monitor adverse impacts

What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.
None	NA	NA

Section 7: Sign off

**I confirm that this initial analysis has been completed appropriately.
(A typed signature is sufficient.)**

Signature of Head of Service: **Nick Dawe**

Date: **21st August 2019**

Signature of person completing the EqIA: **Nick Dawe**

Date: **21st August 2019**

Advice

Keep your director informed of all equality & diversity issues. We recommend that you forward a copy of every EqIA you undertake to the director responsible for the service area. Retain a copy of this EqIA for your records. If this EqIA relates to a continuing project, ensure this document is kept under review and updated, eg after a consultation has been undertaken.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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