

EPPING FOREST DISTRICT COUNCIL CABINET MINUTES

Committee: Cabinet **Date:** 1 June 2020
Place: Online Meeting using Zoom **Time:** 7.00 - 8.22 pm
Members Present: C Whitbread (Chairman), N Bedford (Vice-Chairman), N Avey, A Patel, J Philip, S Kane and H Whitbread

Other

Councillors: R Bassett, P Bolton, R Brookes, L Burrows, D Dorrell, I Hadley, S Heap, S Jones, H Kauffman, A Lion, C McCredie, S Murray, S Neville, C C Pond, C P Pond, M Sartin, D Stocker, D Sunger, B Vaz, J H Whitehouse, J M Whitehouse and D Wixley

Apologies:

Officers Present: G Blakemore (Chief Executive), T Carne (Corporate Communications Team Manager), N Dawe (Chief Operating Officer), A Hendry (Democratic Services Officer), S Jevans (Strategic Director), J Leither (Democratic Services Officer), S Mitchell (PR Website Editor), R Pavey (Service Director (Customer Services)), A Small (Strategic Director), H Thorpe (Property Maintenance Operational Assets and Compliance) and P Tredgett (ICT Interim Project Manager)

1. CHANGE IN CABINET MEMBERSHIP

Please note that the membership of the Cabinet had been altered at the Annual Council meeting on 21 May 2020, after the agenda for this meeting had been published.

2. 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.

3. DECLARATIONS OF INTEREST

Pursuant to the Council's Member Code of Conduct, Councillors S Murray declared a non-pecuniary interest in agenda item 10 – Accommodation Project, by virtue of being a trustee of Citizens Advice. The Councillor had determined that his interest was non-prejudicial and that he would stay in the meeting for the consideration of the item.

4. MINUTES

Decision:

The Minutes of the Cabinet meeting held on 15 April 2020 be taken as read and would be signed by the Leader as a correct record.

5. REPORTS OF PORTFOLIO HOLDERS

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

6. 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.

7. OVERVIEW AND SCRUTINY

The Chairman of the Overview & Scrutiny Committee reported that a new date had been set for the first Overview and Scrutiny Committee of this municipal year of 22 June 2020.

She asked Cabinet members if they had any items or topics that they would specifically like Scrutiny to look at. If so, they should contact her or the responsible democratic services officer directly. It was suggested that the recovery from the Covid 19 pandemic should be a prime topic for consideration.

8. COUNCIL HOUSEBUILDING CABINET COMMITTEE - 12 MARCH 2020

The Portfolio Holder for Housing and Community Services, Councillor H Whitbread presented the minutes from the meeting of the Council Housebuilding Cabinet Committee, held on 12 March 2020. The Cabinet noted that there were no recommendations to consider.

Decision:

That the minutes of the Council Housebuilding Cabinet Committee held on 12 March 2020 be noted.

9. ACCEPTANCE OF TENDER - CONTRACT 590 EXTERNAL MAINTENANCE REPAIRS AND REDECORATION PROGRAMME 2020-25

The Housing and Community Portfolio Holder noted that in order to undertake the Planned External Maintenance Repairs and Redecoration Programme to Council-owned properties during the financial year 2020-21 and over the following 4-year period, it would be necessary to undertake a procurement exercise based on the Most Economically Advantageous Tender (MEAT) taking cost and quality into account to satisfy the Council's Procurement Rules.

The existing contract for the Planned External Maintenance Repairs and Redecoration Programme 2020-25 for works to Council owned properties was due to expire and therefore in order to complete the programme it was necessary to re-tender the works.

It was noted that the contract was initially for a period of one year but was renewable annually up to a maximum of five years.

Councillor Hadley asked at what stage were the contract negotiations with the new supplier. He was told they were in place to continue the contract from the end of June.

Councillor Hadley asked about the reserve tenderer who would take over the contract if needed, he wanted to know if there was a formal agreement in place for this. He was told that there was no formal agreement in place as this was not critical work to be done within a certain timescale.

Decision:

(1) That, Gracelands Complete Maintenance Ltd be awarded the 1-year contract renewable annually for up to a maximum of 4-further years, for the external maintenance repairs and redecorating to Council-owned properties with an overall weighted price and quality score of 83.7%; and

(2) That, Wilton Decorators Ltd be selected as the Council's Reserve Tenderer and that, should it not be possible to enter into contract with Gracelands Complete Maintenance Ltd for some reason, Wilton Decorators Ltd be awarded the 1-year contract renewable annually for up to a maximum of 4-further years, for the renewal of the external maintenance repairs and redecorating to Council-owned properties, being the second most economically advantageous tender received, with an overall weighted price and quality score of 79.8%; and

(3) That, the overall value of the works be capped to the sums included in the Housing Revenue Account 2020-21 for the External Maintenance Repairs and Redecoration Programme on an annual basis; and

(4) That, this contract be designated as a serial contract to facilitate the annual adjustment to the tendered rates in accordance with the Royal Institution of Chartered Surveyors (RICS) BCIS ALLCOS Resource Cost Index of All Construction: All Repair and Maintenance Work #7419.

Reasons for Proposed Decision:

The current contract for the Planned External Maintenance Repairs and Redecoration Programme expires in June 2020 and therefore requires to be re-tendered in accordance with the Council's Procurement Rules.

The Council undertake a rolling programme of external maintenance repairs and redecoration on all Council owned properties in order to maintain the condition and the fabric of the buildings. A 5-year contract was required for the Planned External Maintenance Repairs and Redecoration Programme 2020-25, to prevent Council-owned properties falling into disrepair and subsequently fail the Decent Homes Standard.

The undertaking of a procurement exercise for works of this value was not only a requirement of the Council's Procurement Rules but was also a requirement of Section 20 of the Commonhold and Leasehold Reform Act 2002 when external maintenance repairs and redecorating works were undertaken on Council owned and managed blocks of flats.

Other Options for Action:

The main alternative options considered are:

(1) To re-tender the contract on an annual basis. However, this would be time consuming

and inefficient. Re-tendering would not guarantee more competitive tenders due to the benefits of economies of scale and programme certainty that long-term contracts provide.

(2) To re-tender the works based on price alone. However, this would not necessarily return a more competitive tender and would not identify or quantify a quality commitment from the lowest tenderer.

(3) To seek quotations on an individual basis for every planned maintenance repairs and redecorating project and issue property specific HRP Works Orders. However, this is very time consuming and was not cost effective and given the volume of planned external maintenance repairs and redecorating projects carried out per annum, this would breach the Council's Procurement Rules C2 (9) with the works exceeding £25,000 in value during one financial year.

10. CHANGES TO AGENDA RUNNING ORDER

With the agreement of the meeting, the Leader took agenda item 11, Financial Issues – Covid 19, before agenda item 10, the Accommodation Programme.

11. FINANCIAL ISSUES - COVID 19

The Leader introduced the updating report on how the Covid 19 situation was affecting the Financial position of the Council. He noted that we were in unprecedented times and praised officers for doing a good job both for residents and local businesses. He noted that they had delivered 97% of government grants to businesses in record time.

The Council had lost something in the region of £900k a month in Business Rates, Council Tax, Leisure income and Car Parking fees and this would be ongoing for some time yet. They were hoping to see recovery start from July onwards, but the expected loss of income could be in the region of £6million, depending on what the recovery looked like.

They have a vision for the future including the St John's Road project and the Accommodation Project as indicated elsewhere in this agenda. Also, part of their vision to move forward from Covid recovery was to set up a cross party Covid Recovery Portfolio Holder Advisory Group.

Councillor Philip noted that the start of this crisis had started at the end of the last financial year and some of the impact would be seen on the accounts for that financial year, causing a reduction. Initial indications would be that we would have some degree of underspend and clearly, we would not be able to do everything we would like to do. Some difficult decisions would have to be made. He hoped to give a verbal update at the next meeting.

Councillor Patel noted that we needed viable High Streets but with ongoing support. The Covid legacy would be felt for the next 10 years and this would need to be a cross council endeavour to do something positive for our residents.

Councillor Avey noted that Epping Town had its first Market today for some time, it was smaller than usual but still successful.

Councillor Bedford would like to acknowledge that officers had already started making contact with Town and Parish Councils as soon as the government had talked about lifting some of the Covid restrictions. They have also ordered over a

thousand place markers to go on the floor and pavements to be made available to local councils.

Councillor Janet Whitehouse asked about the relationship between the proposed Advisory Group and the existing High Street Task and Finish Panel. The Leader said that the Task and Finish Panel was under the remit of the Overview and Scrutiny Committee, but he saw them working together as there would be some joined up thinking involved.

Councillor Heap asked what was the projected debt at the end of this year and were we still on track to repay the debt from last year. N Dawe said that they could provide the current assumptions in writing tomorrow as they were revisiting the assumptions in light of the current situation. They were looking at refinancing the debt.

Councillor Heap said he was asking as he understood there would still be borrowing for Quails. Councillor Philip noted that we would have as much as £6million in loss of income due to the Covid situation and this would have to be factored into our medium-term financial strategy. And maybe this strategy would have to be reworked, depending on what would happen over the next three months. Councillor Heap added that we were borrowing on assumption made before the Covid crisis, were we now borrowing at the wrong rate and should it be renegotiated?

Councillor Murray said he was very impressed on how the staff responded to the crisis. He asked if the advisory group that was to be set up would work with all parties, especially a representative from Loughton. The Leader answered that yes, it would have cross party and cross district representation.

Councillor Murray added he had heard the assumptions made; but retail may not go back to pre-Covid levels and suggested that shopping would never really return to normal and would need our help. This was bigger than what EFDC could do. The Leader agreed saying that nothing would go back to how it was, a lot would be beyond our control, but we would still have to do our best for our residents.

Councillor Jon Whitehouse highlighted the need for support for the voluntary sector, this had not gone away and we would still need to keep our eyes on it. Also, the costs for these initiatives were not in the report. Also, what were the proposals for bringing together the mentioned six business proposals, were the existing officer networks to be involved and how inclusive was this to be. The Leader said some of the answers would be drawn from the Covid recovery response advisory group and some would come forward with the detailed report going to the July Cabinet meeting. We must also take into account the homelessness issues brought up by this crisis. We were working on them all.

Councillor Chris Pond asked what proportion of EFDC commercial tenants and those of Qualis had not paid their rents by the quarter day of 25th March, and what was the estimate for the numbers unlikely to pay by the mid-summer quarter. N Dawe answered that there had been no default on Qualis tenancies, we have some companies who have not made their first quarter payment and we were in discussions with them. I will give you details at a later date.

Councillor Pond asked about the possibility raised about café and restaurants taking over parts of the pavement. This would need to be done with extreme caution, as there was a need to consider the disabled and to also keep social distancing. The Leader said that was most helpful and something that they would give close attention to. Every High Street was very different, and they would be looked at individually. N Dawe noted that this did not form part of the Cabinet report. However, officers did

look at this and noted that the pavements came under Essex County Council control and the points made about disabled access and distancing had also been noted.

As for the Financial aspects raised earlier, the budget was put together when the price of borrowing was assumed to be 3% subsequently, we had been in further discussions and it could be reduced to around 2.5%. So, the overall structure of the arrangements remained sound.

Councillor Neville hoped that any businesses that have benefited from our help were locally owned and then asked when the Portfolio Holder Advisory Group would be set up. The Leader said that the advisory group would be set up soon; and they always looked to local people first, which was at the heart of everything that we did in Epping Forest. We also want to make sure we brought jobs to the area and he had asked Councillor Philip to look at how we could encourage businesses to establish here. It may be that not many people would want to travel into London after this crisis.

Councillor Brookes said that figures must be available now of our council tax collection rates for April, could we have them please and what percentage of people paid in May. N Dawe said that he had an indication from the number of direct debits as approximation, but he did not have them to hand at present. Councillor S Kane added that many people were still on furlough and the true impact would not be easy to measure until we came out of the furloughing period.

Councillor Wixley commented that the real issue for Councillor Neville's question was how many local people were employed in local businesses regardless of who owned them.

Decision:

- (1) The Cabinet discussed the report and agreed the actions and priorities set out in sections 2 and 3.
- (2) The Cabinet agreed to review detailed investment proposals at their July Cabinet meeting.
- (3) The Cabinet noted that a further report including details of intended proposals and purchases would be taken to Cabinet in July.

Reasons for Proposed Decision:

This was an information paper with no decisions to be made.

Other Options for Action:

No other options available.

12. ACCOMMODATION PROGRAMME

The Leader introduced the report on the Accommodation Project seeking to appoint the contractors on the refurbishment and regeneration of the Civic Offices. This would also pave the way for providing new housing on the adjacent Conder building site.

S Jevans noted that the recent situation with Covid 19 has tested the organisation's ability to homework and had demonstrated that EFDC had the capacity to work flexibly in a way that was previously unknown. The refurbishment of the Civic Offices

was based on an approach that moved to a reduced ratio of 6:10 fixed desk ratio with additional meeting and collaborative workspaces. The home working had not been without its challenges and there were still roles/teams that would benefit from the office environment, most importantly the collaborative working spaces. It was a good time to reflect on the purpose and usage of the Civic Office space and to review the benefits of this refurbishment project for the longer term.

She noted that the report had listed the benefits of the refurbishment project for the long term. The report also set out how the tender process was taken forward; Gardener and Theobald were the cost consultants commissioned to undertake the tender process for the major works. And their report was annexed to the Cabinet report.

Councillor Philip noted that the key driver would be to have as much money as possible to help support the district. We have a property here that had not had much money spent on it in the last few years as we had been planning to redevelop it. However, if we decided to keep the building then we would have to catch up on this maintenance deficit. Added to this would be making use of the space occupied by the Conder building and making it a significant revenue stream from the redevelopment of this area and making it a good place for people to live. Also, works to the Civic Offices would make it a more flexible place for us to work in and have spaces for new starter businesses.

S Jevans added that there were a number of spaces in the building that could be used for service offices or small businesses and officers were currently speaking to our partners across the district on the benefits of co-location.

Councillor Bedford was pleased that the Council had recognised the new agile working, working with partners, how we were getting better use of the offices and making a community hub at the centre of Epping. He commended the work that was done by Councillor Lion for getting the high-speed broadband set up across the District. This was echoed by the Leader.

Councillor S Kane emphasised the importance of home working, some 400 staff were now doing so, which freed up space for outside partners to come in and build a community hub for the district.

Councillors N Avey and H Whitbread commented that they were very supportive of this scheme.

Councillor Murray noted that initially 6 companies had registered an interest in this contract but in the end only one formally submitted a bid. He acknowledged that we have had a full report from Gardener and Theobald but did not consider it good practice to accept a tender from just one company. He also thought in reference to the Community Hub aspect, that as most of the district residents live in the south (Loughton, Chigwell & Waltham Abbey) they did not have good transport links to Epping, and this was not the right place to have it.

He then went on to ask about Social Housing and what definition of social housing were we using, was it for people below average income. And what detailed discussions with groups would there be on the occupation of the Hub.

The Leader replied that there would be a mix styles and units with up to 40% affordable housing in that mix, but he did not know the details yet. He noted that they could not move the Civic Offices to Loughton it would be too expensive to do so.

S Jevans commented on the discussion with partners, they have had some detailed discussions, but it was not right for this to go public at the present. Councillor Philip added that there was no planning application as yet for the site of the Conder building, he thought the plan was to look at the Epping sites as a whole, not just the Conder building.

Councillor Neville asked if we had any feedback on why the other companies had not submitted a tender for this contract, and on an environmental point, what gases we were going to use in the air conditioning units to modify their environmental impact, and how long would they last before they needed to be renewed. S Jevans said that 6 companies had expressed an interest and 3 went forward into the bid process and unfortunately 2 dropped out. This is detailed in the cost consultants report. We had expected a cost of £6.5m but this bid came in at a lower £5.5m. However, she would have to come back to Councillor Neville on the air conditioner question.

Councillor A Patel commented that there was no better place to locate a community hub than on the High Street, with the St John's Road site at one end and the proposed Community Hub at the other, thus driving footfall from one end to the other.

Councillor S Heap agreed with both Councillor Patel as well as Councillor Murray. He noted that we had to wary about completing with local businesses, such as having a café at one end of the High Street and taking business from the High Street. He then asked about the item listed on page 65 of the agenda that of 'Direct Orders' at £50k. What was that for. He also noted that as a pre-2000 building there may be all sorts of irregularities with it (such as asbestos). Also he suggested that he would like the Council's £200k savings kept back in case there were problems.

S Jevans replied that as part of the project they had undertaken surveys to make sure there were no hidden problems like that. And yes, they had a significant contingency held in reserve larger than that £200k.

Councillor Janet Whitehouse queried if the building work would be noisy for the neighbours working 16-hour days, 7 days a week. S Jevans said that they had dealt with this with a detail plan, making sure that there was not too much noise.

Councillor Jon Whitehouse commented that it was not ideal that we had only one tender back; and that it would be nice if some of this money could be spent locally for local businesses. He was told that this had formed part of the tender process, to encourage local employment.

Councillor D Dorrell noting that we only had one contractor who had tendered, asked, did we have anyone in reserve in case the chosen contractor could not carry out the work. He was told that in that case they would have to go out to tender again, although they had put in a full risk strategy and we had a detailed contract.

Councillor S Kane commented that having a Community Hub set up in Epping did not preclude having Community Hubs set up in other areas of the district. We had a pilot of a multi- agency centre in Waltham Abbey just before Covid and that was cut short, but would be reinstated after the lockdown and it will also be rolled out across the district in community centres.

Decision:

Cabinet approved the award of contract to ISG Fit Out Ltd for the sum of £5, 663, 062.00 (excluding VAT) for the refurbishment of the Civic Offices.

Reasons for Proposed Decision:

The accommodation project supported the overall aspirations of the Council Corporate Plan – Stronger Council, Stronger Communities, Stronger Place.

The cost benefit analysis demonstrated greater benefits for refurbishment of the Civic Offices as the main office for EFDC staff. This negated the need to incur the cost of building a new office and would create a collaborative space that could also be used for partners and small businesses.

Other Options for Action:

Do not undertake the refurbishment of the building. The current building is coming to the end of its useful life in terms of many of the essential mechanical, electrical and roof elements. These elements would need to be undertaken regardless of the refurbishment project to keep the building operational.

13. ANY OTHER BUSINESS

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

14. EXCLUSION OF PUBLIC AND PRESS

The Cabinet noted that there was no business for consideration which would necessitate the exclusion of the public and press from the virtual meeting.

CHAIRMAN