



Overview & Scrutiny Committee Thursday, 15th October, 2020

You are invited to attend the next meeting of **Overview & Scrutiny Committee**, which will be held at:

**Virtual Meeting on Zoom
on Thursday, 15th October, 2020
at 7.30 pm .**

**Georgina Blakemore
Chief Executive**

**Democratic Services
Officer:**

Gary Woodhall Tel: (01992) 564243
Email: democraticservices@eppingforestdc.gov.uk

Members:

Councillors M Sartin (Chairman), R Jennings (Vice-Chairman), R Baldwin, P Bolton, L Burrows, D Dorrell, I Hadley, S Heather, J Lea, S Murray, D Plummer, S Rackham, P Stalker, D Stocker, D Sunger, J H Whitehouse and D Wixley

**PLEASE NOTE THAT THIS MEETING IS OPEN TO ALL MEMBERS TO ATTEND
SUBSTITUTE NOMINATION DEADLINE 18:00**

WEBCASTING NOTICE

Please note: this meeting may be filmed for live or subsequent broadcast via the Council's internet site - at the start of the meeting the Chairman will confirm if all or part of the meeting is being filmed.

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Therefore by entering the Chamber and using the lower public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for web casting and/or training purposes. If members of the public do not wish to have their image captured they should sit in the upper council chamber public gallery area

If you have any queries regarding this, please contact the Public Relations Manager

on 01992 564039.

1. WEBCASTING INTRODUCTION

(Corporate Communications Manager) This meeting is to be webcast and 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 and if you have any concerns then please speak to the Webcasting Officer.

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

2. APOLOGIES FOR ABSENCE

(Democratic & Electoral Services Manager) To be announced at the meeting.

3. SUBSTITUTE MEMBERS

(Democratic & Electoral Services Manager) To report the appointment of any substitute members for the meeting.

4. MINUTES

(Democratic & Electoral Services Manager) To confirm the minutes of the meeting of the Committee held on 16 July 2020 (to follow).

5. DECLARATIONS OF INTEREST

(Monitoring Officer) To declare interests in any item on the agenda.

In considering whether to declare a pecuniary or a non-pecuniary interest under the Council’s Code of Conduct, Members are requested to pay particular attention to paragraph (11) of the Code in addition to the more familiar requirements.

This requires the declaration of a non-pecuniary interest in any matter before Overview & Scrutiny which relates to a decision of or action by another Committee or Sub-Committee of the Council, a Joint Committee or Joint Sub-Committee in which the Council is involved and of which the Councillor is also a Member.

Paragraph (11) of the Code of Conduct does not refer to Cabinet decisions or attendance at an Overview & Scrutiny meeting purely for the purpose of answering questions or providing information on such a matter.

6. PUBLIC QUESTIONS & REQUESTS TO ADDRESS THE OVERVIEW AND SCRUTINY COMMITTEE

(Democratic & Electoral Services Manager) To receive questions submitted by members of the public and any requests to address the Committee, in accordance with Article 6 (Overview and Scrutiny) of the Council's Constitution.

(a) Public Questions

Members of the public may ask questions of the Chairman of Overview and Scrutiny Committee at ordinary meetings of the Committee, in accordance with the procedure set out in the Constitution.

(b) Requests to address the Overview and Scrutiny Committee

Any member of the public or a representative of another organisation may address the Overview and Scrutiny Committee on any agenda item (except those dealt with in private session as exempt or confidential business), due to be considered at the meeting.

7. EXECUTIVE DECISIONS - CALL-IN

(Democratic & Electoral Services Manager) To consider any matter referred to the Committee for decision in relation to a call-in, in accordance with Article 6 (Overview and Scrutiny) of the Council's Constitution.

8. LOCAL MENTAL HEALTH SERVICES - SCRUTINY OF EXTERNAL ORGANISATION (Pages 7 - 8)

(Democratic & Electoral Services Manager) To consider the attached report and undertake external scrutiny of Local Mental Health Services with Ms S Rea, the Associate Director of West Essex Mental Health Services from the Essex Partnership University NHS Foundation Trust.

9. ACCOMMODATION STRATEGY

(Strategic Director) To receive a verbal update on progress with the implementation of the Council's Accommodation Strategy.

10. PEOPLE STRATEGY

(Strategic Director) To receive a verbal update on progress with the implementation of the Council's People Strategy.

11. QUALIS QUARTERLY MONITORING REPORT - Q1/Q2 2019/20 (Pages 9 - 30)

(Strategic Director) To consider the attached financial monitoring performance report for Qualis for the first two quarters of 2019/20.

12. QUALIS QUARTERLY MONITORING REPORT - Q3 2019/20 (Pages 31 - 48)

(Strategic Director) To consider the attached financial monitoring performance report for Qualis for the third quarter of 2019/20.

13. COVID-19 UPDATE (Pages 49 - 54)

(Strategic Director) To consider the attached report on the effect to the Council's services of the Covid-19 pandemic.

14. CORPORATE PLAN KEY ACTION PLAN 2020/21 - QUARTER 2 PROGRESS

(Service Manager – Strategy, Delivery & Performance) This report will be published on a supplementary agenda to ensure an up-to-date set of figures is included for Quarter 2.

15. UK INNOVATION CORRIDOR - SCRUTINY OF EXTERNAL ORGANISATION (Pages 55 - 56)

(Democratic & Electoral Services Manager) To consider the attached report requesting the scope, focus and appropriate lines of questioning to be agreed for the proposed external scrutiny activity of the UK Innovation Corridor (formerly known as the London-Stansted-Cambridge Consortium).

Further information on the UK Innovation Corridor can be obtained by clicking on the following link: <https://innovationcorridor.uk>

16. CABINET BUSINESS (Pages 57 - 70)

Recommendation:

That the Committee review the Executive's current programme of Key Decisions to enable the identification of appropriate matters for the overview and scrutiny work programme and the overview of specific decisions proposed to be taken over the period of the plan.

(Democratic & Electoral Services Manager) Article 6 (Overview and Scrutiny) of the Constitution requires that the Committee review the Executive's programme of Key Decisions (the Cabinet Forward Plan) at each meeting, to enable the identification of appropriate matters for the overview and scrutiny work programme and to provide an opportunity for the overview of specific decisions proposed to be taken over the period of the plan.

The Constitution (Article 14 (Decision Making)) defines a Key Decision as an executive decision which:

- (a) involves expenditure or savings of £250,000 or above which are currently within budget and policy;
- (b) involves expenditure or savings of £100,000 or above which are NOT currently within budget and policy;
- (c) is likely to be significant in terms of its effect on communities living or working in an area comprising two or more wards;
- (d) raises new issues of policy;

- (e) increases financial commitments (i.e. revenue and/or capital) in future years over and above existing budgetary approval;
- (f) comprises and includes the publication of draft or final schemes which may require, either directly or in relation to objections to, the approval of a Government Minister; or
- (g) involves the promotion of local legislation.

Wherever possible, Portfolio Holders will attend the Committee to present forthcoming key decisions, to answer questions on the forward plan and to indicate where appropriate work could be carried out by overview and scrutiny on behalf of the Cabinet.

The Executive's current programme of Key Decisions is attached as an Appendix to this report.

17. OVERVIEW & SCRUTINY COMMITTEE - WORK PROGRAMME (Pages 71 - 76)

(Democratic & Electoral Services Manager) Progress towards the achievement of the work programme for the Overview and Scrutiny Committee is reviewed at each meeting.

(a) Current Work Programme

The current work programme for the Committee is attached as an appendix to this agenda.

(b) Reserve Programme

A reserve list of scrutiny topics is developed as required, to ensure that the work flow of overview and scrutiny is continuous. When necessary, the Committee will allocate items from the list appropriately, once resources become available in the work programme, following the completion of any ongoing scrutiny activity.

Members can put forward suggestions for inclusion in the work programme or reserve list through the adopted PICK process. Existing review items will be dealt with first, after which time will be allocated to the items contained in the reserve work plan.

18. SELECT COMMITTEES - WORK PROGRAMME (Pages 77 - 82)

(Chairman of the Select Committee) Article 6 (Overview and Scrutiny) of the Constitution requires that the chairmen of the select committees report to the meeting in regard to progress with the achievement of the current work programme for each select committee and on any recommendations for consideration by the Overview and Scrutiny Committee.

The current work programme for each select committee is attached as an appendix to this agenda.

19. ANY OTHER BUSINESS

(Democratic & Electoral Services Manager) Section 100B(4)(b) of the Local

Government Act 1972 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.

20. EXCLUSION OF PUBLIC AND PRESS

Exclusion

(Democratic & Electoral Services Manager) 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
Nil	Nil	Nil

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

(Democratic & Electoral Services Manager) Article 17 - Access to Information, Procedure Rules of the Constitution 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 for four years after the date of the meeting one copy of each of the documents on the list of background papers.

Report to the Overview & Scrutiny Committee

Date of meeting: 15 October 2020



SCRUTINY



Subject: Local Mental Health Services - Scrutiny of External Organisation

Responsible Officer: Gary Woodhall (01992) 564470

Democratic Services: (01992) 564243

Recommendations/Decisions Required:

(1) That the Committee undertake appropriate external scrutiny of the current provision, planning, management and performance of local mental health services across the Epping Forest District.

1. The Committee has previously requested an opportunity to undertake appropriate external scrutiny of the current provision, planning, management and performance of local mental health care services. This issue is included in the current work programme for the Committee.

2. Invitations were extended to the Essex Partnership University NHS Foundation Trust (EPUT) and the West Essex Clinical Commissioning Group. Ms Stephanie Rea – Associate Director of West Essex Mental Health Services – has confirmed that she will attend the Committee meeting.

3. The following overarching themes relating to local mental health services, as agreed at the meeting of the Committee held on 19 November 2019, have been notified to Ms Rea as the focus of the external scrutiny:

(a) how issues of isolation within the local population, particularly amongst older residents, were addressed through the provision of local mental services;

(b) how apparent mental health concerns amongst local students could be referred to service providers by primary and secondary schools in the Epping Forest District and how quickly such referrals could expect to be assessed;

(c) whether funding for local mental health services was being maintained or increased by the Clinical Commissioning Group, at a time when the mental health sector appeared to be under increasing pressure; and

(d) How Epping Forest District Council could work effectively with the CCG and the NHS Trust to support the provision of local mental health services and how the CCG and NHS Trust intended to engage with this Council to ensure the best level of service provision to local residents.

4. Ms Rea has advised that her organisation EPUT does not provide children's mental health services, so item (b) above cannot be covered at the meeting on 15 October 2020. However, she can provide the Council with a contact if Members would like to examine these issues in the future.

5. The identification of relevant lines of questioning to be raised with the Associate Director of EPUT has also been sought from members through the Council Bulletin.

6. This item was originally programmed for the meeting scheduled on 17 March 2020, but that meeting was postponed due to the outbreak of the Covid-19 pandemic. This meeting has been the first opportunity to extend the invitation again to Ms Rae.

Resource Implications:

The recommendations of this report seek to enable scrutiny activity to more effectively meet work programme requirements.

Legal and Governance Implications:

The Council's constitution sets out rules for the management of its Overview and Scrutiny responsibilities. Although external organisations are not generally required by legislation to attend a meeting of the Overview and Scrutiny Committee, it is hoped that most would be willing to engage constructively with the Council's scrutiny activity when invited to do so.

The review and scrutiny of matters relating to the planning, provision and operation of health services across Essex is a function reserved to Essex County Council through the auspices of its Health Overview and Scrutiny Committee, although the County Council has not normally been averse to this authority undertaking appropriate health scrutiny where local concerns exist. As a matter of courtesy, the intentions of the Committee in this regard have been communicated to the Health Overview Policy and Scrutiny Committee.

Safer, Cleaner, Greener Implications:

There are no implications arising from the recommendations of this report in respect of the Council's commitment to the Climate Local Agreement, the corporate Safer, Cleaner, Greener initiative, or any crime and disorder issues within the District.

Consultation Undertaken:

The proposed scrutiny of the current provision, planning, management and performance of local adult social care services is included in the current work programme for the Committee.

Background Papers:

None.

Impact Assessments:

Risk Management

The Council's constitution sets out rules for the management of its Overview and Scrutiny responsibilities.

Equality:

There are no equality implications arising from the recommendations of this report.



Report to Overview and Scrutiny Committee

Date of meeting: 15 October 2020

Portfolio: Commercial and Regulatory Portfolio – Cllr Patel

Subject: Qualis Quarterly Monitoring Report – Q1 & Q2 2019/20

Officer contact for further information: Andrew Small

Democratic Services Officer:

Recommendation/Decisions Required

- (1) To consider the report below which was presented to Cabinet on 17 September 2020.**

Report

Attached as Appendix A is the report considered by Cabinet on 17th September 2020 which sets out the first two Quarter's financial monitoring performance for Qualis in accordance with their obligations contained within the Shareholder agreement.

The sequence of Qualis Board, Cabinet and Scrutiny meetings has meant that Cabinet considered this report before Scrutiny has had the opportunity to do so. It is intended that for future Qualis monitoring reports, Scrutiny will have the opportunity to review and comment before Cabinet considers the report.

Reasons for decision

Reviewing the performance of Qualis sits within the workplan for this Committee.

Resource implications:

Contained within the detailed report presented to Cabinet.

Legal and Governance Implications:

None

Safer, Cleaner, Greener Implications:

None

Background Papers:

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Report to the Cabinet

Report reference: C-022-2020/21
Date of meeting: 14 September 2020



Portfolio: Commercial and Regulatory Services – Cllr A. Patel
Subject: Qualis Quarterly Monitoring Report – Q1 & Q2 2019/20
Responsible Officer: Andrew Small (07548 145665).
Democratic Services: Adrian Hendry (01992 564246).

Recommendations/Decisions Required:

To discuss this report and agree any actions required;

1. Executive Summary

- 1.1. The Governance framework for Qualis, as agreed by Cabinet in February 2020, set the requirement that Qualis should report to Epping Forest District Council on its performance Quarterly.
- 1.2. This report presents the first two quarters of reporting information for consideration by the Cabinet.
- 1.3. Attached to this report as Appendix A is the monitoring report for Quarter 1 and 2 as prepared and agreed by the Qualis Board on 30 July 2020.
- 1.4. The key message for Cabinet is that Qualis has been actively engaged over the first 2 quarters in the set-up phase of its operation and until the transfer of assets, services and the loan facility is completed the performance monitoring will not reflect normal day to day trading activity.
- 1.5. **Given the point above and noting the impact of Covid19 on all Council activities, Qualis has performed in line with expectations.**
- 1.6. In accordance with the commitment given to Council, this report represents the first of what will now be a regular sequence of Quarterly performance reports. For the purposes of transparency this report also sets out the dates for Cabinet and Council consideration of future Qualis Quarterly monitoring reports through the remainder of this Council year.

2. Introduction

- 2.1. The Qualis Shareholder agreement, as agreed by Cabinet on February 2020 includes the following paragraph,

‘The Company shall procure that quarterly management accounts and reports (including a balance sheet, profit and loss account and cash flow statement) containing such information as EFDC may reasonably require are provided to EFDC and EFDC’s Representative.’

- 2.2. The Cabinet resolution also requires that the Council’s S151, as the key conduit between Qualis and the Council, provides a commentary to the Council on the performance of Qualis at each Quarter review.
- 2.3. In compliance with this requirement Qualis has provided the Council with the first two Quarters’ Management Accounts for the Council’s consideration. Production of the first two quarters took longer than original envisaged as Qualis has been focused on its initial set-up and the initiation phase of its Business Plan and all things have been impacted by Covid-19.

3. Commentary on the Trading Performance

- 3.1. The first few months of operation are non-typical in that Qualis needs to secure finance and acquire assets and services to manage before it can trade. Until this has been achieved Qualis will only be incurring cost with no income or assets to offset them against and so these Management Accounts are not representative of planned returns.
- 3.2. It should be stressed that this was expected and allowed for within the Qualis Business Case and the Council has signed this off. Once set-up and initiation work are completed it is expected that the trading activity and management accounts of Qualis should look like more typical trading accounts, (recognising that the business operation of Qualis will still need to be built up over time).
- 3.3. The Qualis report attached at Appendix A represents the requirements placed upon Qualis within the Shareholder agreement. The Board report presents the Balance Sheets, P&Ls and a Cash Flow explanation. It also RAG rates key quarterly deliverables against the Business Plan, (the Business Plan is attached as Appendix C to this report for members’ information).
- 3.4. **Cabinet should note that all deliverables are flagged as Green, with the key exception of agreeing the loan finance from EFDC to Qualis.**
- 3.5. The Covid-19 pandemic has had an impact on the speed at which set-up and initiation could progress and, (as reported in the Qualis Management Accounts for Quarter 1 and 2), agreeing the loan document has taken longer than originally expected on the part of EFDC and Qualis. This delay creates a consequential impact on both the Qualis Business Plan and the EFDC budget. The main contributory factors being;
 - Key Staff (Qualis and EFDC) being focused on Covid19 response
 - Volatility in the asset market which needed time to settle
 - Uncertainty in the capital markets impacting on financing rates
- 3.6. It is recognised that securing loan finance and the sale of the agreed Epping Forest development sites are pivotal to the delivery of the business plan and so every effort is being made by EFDC and Qualis to catch-up the time lost due to Covid-19.

- 3.7. The other consequence of these delays is a slower rate of spending compared to the Business Plan. The table below sets out the actual expenditure against that expected for each of the Qualis companies.

Qualis Company	Expected £	Actual £	Variance £
Group	547,670	526,499	-21,171
Commercial	548,654	269,470	-279,184
Management	48,000	30,021	-17,979
Living	59,191	30,021	-29,170
Total	1,203,515	856,011	-347,504

- 3.8. Whilst the delay in agreeing the loan finance reduces the rate at which cash is spent, until the loan finance is secured and assets either transferred and purchased any spending is doing little to achieve the Business Plan objectives and this emphasises the need to complete the capitalisation of Qualis at the earliest opportunity.
- 3.9. In all other respects the Business Plan objectives against which Qualis's performance is measured are on track, including progress on bringing forward the redevelopment sites in the District.

4. Consideration and Scrutiny of Future Qualis Reports

- 4.1. The Shareholder Agreement and Governance arrangement, agreed by Cabinet in February 2020, set out the decision-making framework for Qualis and the ways in which the Council can influence or control Qualis's activities in its capacity as Shareholder.
- 4.2. Broadly, the principal control will be through the approval of the annual Business Plan. Qualis is required to present its proposals each year within a proposed Business Plan and only if the Council agrees this can Qualis implement the proposals contained within it. This represents the critical control over the activities of Qualis and appropriate and detailed consideration should be given to the sign-off accordingly.
- 4.3. If Qualis wishes to undertake an activity during any year that was not included within the agreed Business Plan then under the 'Reserved Matters' part of the Shareholder Agreement it must ask for the Council's permission first. The full list of reserved matters was published in Schedule 2 of Appendix 1 in the report on Qualis to Cabinet on 6 February 2020.
- 4.4. Matters considered to be 'Reserved' to the Shareholder include issues such as;
- diluting the Council's control,
 - transfer of any part of the business to another body
 - distributing profits outside that agreed
 - allowing its assets to be charged by a third party
 - Winding the company up
 - Or generally acting outside of the approved Business Plan
- 4.5. The construction of the shareholder agreement gives the Council considerable assurance that Qualis can only operate within the mandate given to it by Epping

Forest District Council and for any matter outside of this, it must seek the Council's express authority.

4.6. The Report to Cabinet in February 2020 further set out the following;

- The Section 151 Officer will act in accordance with already sanctioned, business case, budget and loans already agreed or approved by the Cabinet or delegated authorities to the s151 officer (both generally and in its capacity as Shareholder's Representative).
- The Shareholder Representative / the s151 officer will also bring to the attention of the Cabinet any significant issue or deviation from these approvals on the precautionary principle.
- Any issue of concern or requiring a decision beyond the parameters of approvals previously provided by Cabinet and Council to the s151 Officer (in its capacity as Shareholder's Representative the Section 151 Officer will:
 - Firstly, brief the Leader
 - Secondly, if requested set out the issue and decision to Cabinet or Full Council for approval in line with the mandates of the existing EFDC Constitution

4.7. To streamline the approval process and not un-necessarily slow down the decision - making process of Qualis on routine matters (thus undermining one of the key purposes for which Qualis was created), the Section 151 will exercise a graduated approval methodology, consistent with the statement above and the Council's scheme of delegation to officers.

4.8. For members' clarity the decision-making process will generally follow the rules below;

- The Section 151 officer will action any matter that is approved in the business plan agreed by the wider Council, deal with day to day securitisation and land matters, loan administration and any financial transaction approved within a defined Epping Forest Budget heading;
- As agreed above, for matters that either sit outside of the previous bullet point, the current approved Business Plan or for Reserved Matters the Section 151 will firstly consult with the Leader and the appropriate Portfolio Holder and then in accordance with the Council's constitution agree on the appropriate decision-making body.
- Decisions which do not fundamentally change the purpose, control or direction of Qualis, together with funding decisions (provided these sit within the Council's approved budget framework) will generally be referred to Cabinet.
- Those decision which fundamentally change the objectives or control of Qualis, or funding decision which do sit within the approved budget framework, will be matters for Council to decide.

4.9. Once the Business Plan is agreed, the Council monitors delivery through the Quarterly Monitoring reports. This provides the opportunity to monitor progress and to receive assurance that the finances of Qualis are as expected.

- 4.10. As already explained, the first two quarters monitoring reports were delayed as the focus was on set-up and establishing the processes to provide the required information to the Council.
- 4.11. Future Quarterly reports will now be produced in accordance with Qualis Board meeting and the Council's Committee timetable.
- 4.12. To aid transparency, a timetable of which reports will be produced for consideration when is attached as Appendix B for the remainder of this Council year.

5. Resource Implications

- 5.1. The Epping Forest District Council Medium Term Financial Plan approved in February includes assumptions on the returns and income generated from Qualis.
- 5.2. The assumptions included are as follows;

Loan Purpose	Amount and Term	Interest Payments Per Annum £
Working Capital Loan	£5 million for 5 years	£225,000
Asset Purchase	£30 million 30 years	£1,800,000
EFDC Asset Purchase	£22 million 30 years	£1,605,000
Less EFDC Borrowing Costs		-£1,306,337
Net Receipts		£2,323,663

- 5.3. These assumptions were made pre Covid-19 and the information that underpinned these has now changed. For example, interest rates are now lower and the market value of assets to be transferred has reduced on the latest valuation.
- 5.4. Both these factors will reduce the expected gains and therefore add to the Council's ultimate cost of Covid-19.
- 5.5. The actual reduction will depend on the date borrowing is taken and the loans made to Qualis. Cabinet will be updated when this is known.

6. Legal and Governance Implications

- 6.1. None contained within this report.

7. Safer, Cleaner and Greener Implications

- 7.1. None.

8. Consultation Undertaken

- 8.1. None

Background Papers



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

Paper Ref: QG/20/15

Finance and Performance Monitoring Quarterly Report

**1st November 2019 – 31st January 2020
1st February 2020 – 30th April 2020**

Subject: Finance and Performance Monitoring

Author: Nick Dawe, Qualis Finance Director (interim)

Decision Required: To approve the report.

- 1. To agree that this report should be passed to Epping Forest District Council in line with the shareholder agreement.**
- 2. To support the key actions detailed in Section 8 or this report.**
- 3. To note that the third quarter report, 1st May 2020 – 31st July 2020 will be available at the Qualis August Board Meeting.**



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

1. Introduction

- 1.1 The Qualis Group Board receives at its informal weekly update reports on key financial and operational matters. On a monthly basis at the formal Qualis Group Board Meetings more detailed papers are presented on financial and operational matters as circumstance dictate.
- 1.2 In line with the share holder agreement, and to reflect Qualis Group's needs, a quarterly Finance and Performance Report will be produced, that tracks the success of the Group against the originally agreed Qualis Group Annual Business Plan and Annual Budget.
- 1.3 This formal monitoring will take into account any Board approved amendments to the Business Plan and Annual Budget.
- 1.4 The report will usually be produced quarterly and be considered by the Qualis Board the month after the reporting period covered by the report.
- 1.5 In view of the first quarter being a period of basic set-up activities following company registration in October 2019, this report covers both quarters one and two.

2. Key Performance Indicators

- 2.1 The key performance indicators set-out below are those proposed to be used for monitoring purposes in the future. They are top level indicators of the financial health and operation delivery of the Qualis Group.
- 2.2 Major exceptions are reported in detail at Sections, 3, 5, 6 for finance and Sections 7. 8 and 9 for operations.
- 2.3 Further detail is available on request and/or already exist in the form of detailed Qualis reports and minutes.



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

2.4 In line with standard practice, the following colour coded performance flags are used:

Colour	Overall Performance	Detailed Measure
	Cyan, exceptional performance	For finance; over twice the expected figure, for operations, over one month ahead of target delivery
	Green, good performance	For finance; positive performance up to twice the expected figure, for operations, up to one month ahead of target delivery
	Amber, poor performance but will be remedied next quarter	For finance; negative performance variance of between 5% and 10% of the expected figure, for operations, one and three months behind target delivery
	Red, poor performance but will be remedied in two further quarters	For finance; negative performance variance of between 5% and 10% of the expected figure, for operations, one and three months behind target delivery
	Black, poor performance requiring immediate board level intervention	For finance; negative performance variance in excess of 10% of the expected figure, for operations, over three months behind target delivery



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

2.5 Direction of travel indicators

These will be: + better than last quarter, - worse than last quarter, = as last quarter.

2.6 Key Performance Indicators: Finance

KPI	Measure	Target £	Actual £	
Cash	Cash held by Qualis Group of companies, target versus actual			=
Income and Expenditure	Total income and expenditure position of Qualis Group of companies, target versus actual			=
Balance Sheet	Net balance sheet worth of Qualis Group of companies, target versus actual			=

2.7 Key Performance Indicators: Operations

KPI	Measure	Target	Actual	
Qualis Commercial	Delivery to plan of Epping sites (at pre-planning submission stage)	Secure Planning Performance Agreement April	Secured	=
Qualis Commercial	Delivery to plan Waltham Abby Roundhills site (in early stages of review)	No action Quarter 2	Not applicable	
Qualis Commercial	Delivery to plan Debden Pyrles Lane site (in early stages of review)	No action Quarter 2	Not applicable	
Qualis Management	Transfer of Housing Maintenance Service	Various TUPE and set-up actions concluded by end of May	Achieved	=



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

Qualis Management	Review of potential for other service additions and transfers	Secure consultants for review	Achieved	=
Qualis Living	Obtain up to £30m of other asset purchases from market to provide positive cash flow	Market search as no funding available until August 2020	Market searches in train and evaluation and portfolio approach agreed	=
Qualis Group	Input into North Weald Master Plan options and assessments	Re-launch master plan exercise with consultants	Achieved	=

2.8 Performance Overview

Satisfactory and expected operational progress has been achieved in quarter's one and two with financial performance mirroring this operational delivery.

3. 2019/20 Qualis Business Plan and Amendments

3.1 The Qualis Business Plan and Budget was initially taken to Epping Forest District Council as the shareholder and formally approved by the Qualis Group Board in February 2020. The initial key financial and operational expectations for the first year of operation for the Qualis Group were as follows:

Expectation (1 st November 2019 – 31 st October 2020)	Detail
Loan agreements confirmed with EFDC,	£120m, (consisting of £5m working capital, £30m asset purchase from market, £85m asset purchase from EFDC and construction finance). All to be agreed ideally by 30/04/2020 and no later than the 31/05/2020.



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

Loan draw downs in Qualis Year 1	<p>£75m, (consisting off £5m working capital, £30m asset purchase from market, and £40m of the £85m covering asset purchases from EFDC, fees and charges and the first call on construction finance).</p> <p>For Qualis Quarter 1 and Quarter 2, £57m, (consisting of; £5m draw down working capital, £30m asset purchase from market, £22m asset purchase from EFDC. Balance for first financial year to be drawn by 30/09/2020).</p>
Loan and/or financing and partnership agreements from other sources	None
Income and expenditure position <u>Q1 and Q2</u> for Qualis Group	Net Income and costs before internal recharges and interest of £547,670.
Income and expenditure position <u>Q1 and Q2</u> for Qualis Commercial (including project fees and expenses before creation of individual development companies)	Net Income and costs before internal recharges and interest of £191,821.
Income and expenditure position Q1 and Q2 for Qualis Management	Net Income and costs before internal recharges and interest of £48,000. This is for the project manager inly. All other set up costs incurred by EFDC and recovered from Qualis over 5 years commencing October 2020.
Income and expenditure position <u>Q1 and Q2</u> for Qualis Living	Net Income and costs before internal recharges and interest of £59,191.
Final delivery i.e. completion, of Epping sites by Qualis Commercial	Last project, Hemmell Street, completes in 2025/26
Final delivery of Waltham Abbey Roundhills site by Qualis Commercial	To be completed in 2022/23
Final delivery of Debden Pyrles Lane site by Qualis Commercial	Not included in initial plan



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

Operational start date after transfer of Housing Maintenance Service	Operational from 1 st October 2020
Assets brought from market for income earning potential	£30m worth ideally by the 31/05/2020

3.2 The expectations have been reviewed at the end of Quarter 2 reflecting Board approvals, timing changes and review of employment dates and cost issues with the following changes to the initial expectations being recorded (items that are not changed are not listed). **All reporting will be against amended targets if the original target has been changed:**

Revised Expectation (1 st November 2019 – 31 st October 2020)	Detail
Loan agreements confirmed with EFDC	Same value but later agreement dates by request of EFDC, 31/07/2020
Loan draw downs in Qualis Year 1	Same values but later dates by EFDC requests with working loan, asset purchase from market of £30m and loans to support land purchases from EFDC of £20m now taking place by 31/07/2020.
Income and expenditure position full year for Qualis Group	Being reviewed for Quarter 3, where a reduced net cost is expected.
Income and expenditure position full year for Qualis Commercial	Being reviewed for Quarter 3, where a reduced net cost is expected.
Income and expenditure position full year for Qualis Management	Being reviewed for Quarter 3.
Income and expenditure position full year for Qualis Living	Being reviewed for Quarter 3, where a reduced net cost is expected.
Final delivery of Epping sites by Qualis Commercial	Being reviewed for Quarter 3 where a different delivery profile of sites will be proposed.
Final delivery of Waltham Abbey Roundhills site by Qualis Commercial	Being reviewed for Quarter 3



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

Final delivery of Debden Pyrles Lane site by Qualis Commercial	Being reviewed for Quarter 3
Assets brought from market for income earning potential	Still £30m in total by the end of year, though purchases are unlikely to commence before August 2020.

4. Cash Flow Summary

- 4.1 The Qualis Group of companies was established on a highly leveraged basis, i.e. supported by loans from Epping Forest District Council and not by equity investment. It should be noted that EFDC has the first option of providing loans to the Qualis Group of companies provided these loans are at market rate.
- 4.2 In practice the margin paid by Qualis on all its planned loans covers all EFDC's general development costs that are now envisaged.
- 4.3 This approach provided start-up security for Qualis, especially as the Covid 19 has distorted the money markets, whilst giving EFDC an income on the additional margin it charges on loans over and above the rate it can secure money for itself. This approach also in line with addressing "state subsidy" concerns.
- 4.4 The draw-back of this approach to Qualis is that it makes asset purchases and construction projects to the Qualis Group of companies marginally more expensive than would otherwise be the case.
- 4.5 As originally envisaged (at the end of quarter two), the Qualis Group of companies would have secured and drawn down loans from EFDC as follows: £5m working capital, £30m asset purchase from market and £22m to purchase Epping assets from EFDC.
- 4.6 At the end of May, EFDC have forwarded two working capital loans of £500,000 to the Qualis Group of Companies. The original plan was by this time a working capital loan of £5m an asset purchase from market loan of £30m and asset purchase from EFDC loan of £22m would have been advanced.
- 4.7 To date, the late agreement of loans has reduced the in-year costs to Qualis without impacting on activity in general or progressing the Epping schemes. On the later case fees that will eventually be charged to the development loan have been covered by the working capital loan. However, when Qualis wants to purchase assets from the market rapidly and decisively use its covenant of available finance the loans will need to be in place with the 31st July 2020 being the new target date.



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

4.8 EFDC loan income receipts from the Qualis Group of companies have as a result reduced as have the range of developments taking into account Covid 19 uncertainties.

5 Balance Sheet Summary

4.1 Reflecting the leveraged position of Qualis and the fact that income earning assets have yet to be purchased and the Housing Maintenance Service has yet to transfer. Please note that these are the interim balance sheets pending a review of the income and expenditure position and the finalisation of loans.

4.2 Qualis Group

		Actual £	Actual £
Assets		0	
Current Assets		866,090	
Current Liabilities		392,589	
Current Assets Less Current Liabilities			473,501
Long Term Assets			
Long Term Liabilities			1,000,000
Total			-526,498
Profit and Loss Account			-526,498

4.3 Qualis Commercial

		Actual £	Actual £
Assets		0	
Current Assets		173,263	
Current Liabilities		2,183	
Current Assets Less Current Liabilities			171,080
Long Term Assets			
Long Term Liabilities			402,000



Qualis Group

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Total			-230,920
Profit and Loss Account			-230,920

4.4 Qualis Management

	Actual £	Actual £
Assets	0	
Current Assets	-22,885	
Current Liabilities	-5,456	
Current Assets Less Current Liabilities		-17,429
Long Term Assets		
Long Term Liabilities		0
Total		-17,429
Profit and Loss Account		-17,429

4.5 Qualis Living

	Actual £	Actual £
Assets	0	
Current Assets	54,240	
Current Liabilities	5,209	
Current Assets Less Current Liabilities		49,032
Long Term Assets		
Long Term Liabilities		25,000
Total		24,032



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

Profit and Loss Account			24,032

5 Income and Expenditure Summary

5.1 The income and expenditure summary for the individual companies that form the Qualis Group of companies is summarised below. Noting that the figures are cumulative to the end of Quarter 2 and exclude internal recharges, loans and other amendments that will be shown from Quarter 3:

5.2 Qualis Group

	Target Cumulative Q1 and Q2 £	Cumulative Actual £	Variance £
Income	0	0	
Expenditure	547,670	526,499	-21,171
Net +Profit / -Loss	547,670	526,499	-21,171

Key issues to note:

- Agency premium of interim Directors is budget pressure of £141,058 for 6 months.
- Above overspend offset by Board vacancies and less than planned for cost of seconded staff
- In Q3 to note some of the expenditure will move through the other companies.

5.3 Qualis Commercial



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

	Target Cumulative Q1 and Q2 £	Cumulative Actual £	Variance £
Income	0	0	0
Expenditure, Epping Projects	191,821 356,833	55,534 175,386	-136,287 -181,447
Net +Profit / -Loss	548,654	230,920	-317,734

Key issues to note:

- Project costs only including project manager, architects and other fees. Commercial Director costs (interim) shown in Qualis Group Board Costs.

5.4 Qualis Management

	Target Cumulative Q1 and Q2 £	Cumulative Actual £	Variance £
Income	0	0	0
Expenditure	48,000	17,429	-30,571
Net +Profit / -Loss	48,000	17,429	-30,571

Key issues to note:

- Project manager costs only. Operational Director costs (interim) shown in Qualis Group Board Costs.



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

5.5 Qualis Living

	Target Cumulative Q1 and Q2 £	Cumulative Actual £	Variance £
Income, (less hand-through)	0		
Expenditure	59,191	24,032	-35,159
Net +Profit / -Loss	59,191	24,032	-35,159

Key issues to note:

- Delay in acquiring properties has resulted in operational underspend and no income receipt.

6 Operational Performance Summary

6.1 Key points of progress with the overarching Qualis Group of companies' business plan should be noted.

6.2 Qualis Group

- Set-up activities in terms of governance and procedures have been drafted and approved (in accordance with the shareholder agreement).
- Bankers have been appointed.
- IT office systems and email addresses have been set-up.
- Accounting and payroll systems have been set-up.
- A regular series of meetings has been set-up and operates.
- A risk and investment committee has been established

6.3 Qualis Commercial

- A planning performance agreement has been signed for the Epping sites
- An outline business case has been prepared for the Epping sites
- An optimal outline plan has been prepared for the Epping sites which is in discussion with EFDC Planning



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

- Options for the leisure centre re-provision have been discussed with the EFDC provider.
- Options for the Epping Town Council have been discussed.
- Project managers, quantity surveyors and architects (up to Stage 2) have been appointed for the Epping sites.
- A preliminary view of the Waltham Abbey Roundhills site has been carried out.
- A preliminary view of the Debden Pyrles Lane site has been carried out.

6.4 Qualis Management ████████

- Progress with the TUPE plan for the housing maintenance staff has been agreed.
- Systems and processes to support the transfer are being delivered to timescale.
- A staff consultation plan has been agreed and has commenced.

6.5 Qualis Living ████████

- Additional purchases of assets to provide cash flow have yet to occur which leads to an amber performance being recorded.
- Management of the private rented properties bought by EFDC in Loughton is being carried out
- A portfolio approach and financial assessment approach to the purchase of income earning assets has been agreed.
- Two potential properties to acquire have been reviewed in detail (purchase not actioned).

7 Key Actions

7.1 The following key actions in addition or variation from the original plan are proposed:

7.2 Agree and call down planned loans by the 31st July 2020 (latest).

7.3 To complete the review of targets as shown in detail at Section 3.2.

End



Report to Overview and Scrutiny Committee

SCRUTINY

Date of meeting: 15 October 2020

Portfolio: Commercial and Regulatory Portfolio – Cllr Patel



Epping Forest District Council

Subject: Qualis Quarterly Monitoring Report – Q3 2019/20

Officer contact for further information: Andrew Small

Democratic Services Officer:

Recommendations/Decisions Required:

(1) To discuss this report and agree any comments to Cabinet

1. Executive Summary

- 1.1. The Governance framework for Qualis, as agreed by Cabinet in February 2020, set the requirement that Qualis should report to Epping Forest District Council on its performance Quarterly.
- 1.2. This report presents the 3rd Quarter for the period up to 31 July 2020. This effectively brings Qualis monitoring up to date. Cabinet are due to consider this report at its meeting on 19 October 2020 and Overview and Scrutiny are requested to review its contents and make any comments that will aid Cabinet's consideration.
- 1.3. Attached to this report as Appendix A is the Qualis Board monitoring report for Quarter 3 as agreed by the Qualis Board on 22 September 2020.
- 1.4. The key message is that Qualis has been engaged over this period in completing the loan funding transaction, progressing planning work on the Epping Development sites and preparing for the transfer of Housing Maintenance at the end of September.
- 1.5. As reported in the last monitoring report, Covid19 has delayed many of the key actions for both Epping Forest District Council and Qualis and as a result some of the originally planned targets have slipped. However, good progress is now being made.
- 1.6. For Qualis, Quarter 3 represented a further phase of planning, set-up and initiation works because of the delays associated with Covid19. Key asset acquisitions and service transfers will take place during Quarter 4 and monitoring reports will look different from that point forward.
- 1.7. **Given the points above and noting the impact of Covid19 on all Council activities, Qualis has performed in line with expectations during Quarter 3.**

2. Introduction

- 2.1. The Qualis Shareholder agreement, as agreed by Cabinet on February 2020 includes the following paragraph,

'The Company shall procure that quarterly management accounts and reports (including a balance sheet, profit and loss account and cash flow statement) containing such information as EFDC may reasonably require are provided to EFDC and EFDC's Representative.'

- 2.2. The Cabinet resolution also requires that the Council's S151, as the key conduit between Qualis and the Council, provides a commentary to the Council on the performance of Qualis at each Quarter review.
- 2.3. In compliance with this requirement Qualis has provided the Council a further Quarters' Management Accounts for the Council's consideration. During this Quarter Qualis has been focused on the set-up and the initiation phase of its Business Plan. This has taken longer than expected as all things have been impacted by Covid-19.

3. Commentary on the Trading Performance

- 3.1. The first few months of operation are non-typical in that Qualis needs to secure finance and acquire assets and services to manage before it can trade. Until this has been achieved Qualis will only be incurring cost with no income or assets to offset them against and so these Management Accounts are not representative of planned returns.
- 3.2. It should be stressed that this was expected and allowed for within the Qualis Business Case and the Council has signed this off. Once set-up and initiation work is complete it is expected that the trading activity and management accounts of Qualis should look like more typical trading accounts, (recognising that the business operation of Qualis will still need to be built up over time).
- 3.3. The Qualis report attached at Appendix A meets the requirements placed upon Qualis within the Shareholder agreement. The Board report presents the Balance Sheets, P&Ls and a Cash Flow explanation. It also RAG rates key quarterly deliverables against the Business Plan.
- 3.4. **Overview and Scrutiny should note that all deliverables are flagged as Green, with the key exception of agreeing the loan finance from EFDC to Qualis.**
- 3.5. The Covid-19 pandemic has had an impact on the speed at which set-up and initiation could progress. As a result, agreeing the loan document has taken longer than originally expected because of pressures on both Epping Forest District Council and Qualis. This delay creates a consequential impact on both the Qualis Business Plan and the Council budget. The main contributory factors being;
 - Key Staff (Qualis and Council) being focused on Covid19 response
 - Volatility in the asset market which needed time to settle
 - Uncertainty in the capital markets impacting on financing rates
- 3.6. The consequence of these delays is a slower rate of spending compared to the Business Plan. The table below sets out the actual expenditure against that expected for each of the Qualis companies.

Qualis Company	Expected £	Actual £	Variance £
Group	806,071	441,572	-364,499
Commercial	1,403,528	1,186,762	-216,766
Management	288,034	181,442	-106,592
Living	-353,941	6,072	360,013
Total	2,143,692	1,815,848	-327,844

- 3.7. It can now be reported that since the end of Quarter 3 the loan funding for Qualis has been agreed and paid, allowing Qualis to proceed with this part of its Business Plan. The impact of this will reflect in the Quarter 4 monitoring report.
- 3.8. In all other respects the Qualis Business Plan objectives are being met and showing good performance against the individual targets (section 6 on the Qualis Board report), including progress on bringing forward the redevelopment sites in the District,

4. Resource Implications

- 4.1. The Epping Forest District Council Medium Term Financial Plan approved in February includes assumptions on the returns and income generated from Qualis.
- 4.2. The assumptions included are as follows;

Loan Purpose	Amount and Term	Interest Payments Per Annum £
Working Capital Loan	£5 million for 5 years	£225,000
Asset Purchase	£30 million 30 years	£1,800,000
EFDC Asset Purchase	£22 million 30 years	£1,605,000
Less EFDC Borrowing Costs		-£1,306,337
Net Receipts		£2,323,663

- 4.3. These assumptions were made pre Covid-19 and the information that underpinned these has now changed. For example, interest rates are now lower and the market value of assets to be transferred has reduced on the latest valuation.
- 4.4. Both these factors will reduce the expected gains and therefore add to the Council's ultimate cost of Covid-19.
- 4.5. The actual reduction will depend on the date borrowing is taken and the loans made to Qualis. Cabinet and Overview and Scrutiny will be updated in the Quarter 4 report when terms and transfer dates have all been agreed.

5. Legal and Governance Implications

- 5.1. None contained within this report.

6. Safer, Cleaner and Greener Implications

- 6.1. None.

7. Consultation Undertaken

- 7.1. None

Background Papers

Group Company Governance Document – Cabinet 6 February 2020

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Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

Finance and Performance Monitoring Quarterly Report

1st November 2019 - 31st July 2020 (Q3)

Subject: Finance and Performance Monitoring

Author: Nick Dawe, Qualis Finance Director (interim)

Decision Required: To approve the report.

1. To agree that this report should be passed to Epping Forest District Council in line with the shareholder agreement.
2. To support the key actions detailed in Section 8 of this report.
3. To note that a quarter 4 report will be produced alongside a full set of audited accounts in November 2020. This set our accounts will be submitted to Companies House and the HMRC.



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

1. Introduction

- 1.1 The Qualis Group Board receives at its informal weekly update reports on key financial and operational matters. On a monthly basis at the formal Qualis Group Board Meetings more detailed papers are presented on financial and operational matters as circumstance dictate.
- 1.2 In line with the shareholder agreement, and to reflect Qualis Group's needs, a quarterly Finance and Performance Report will be produced, that tracks the success of the Group against the originally agreed Qualis Group Annual Business Plan and Annual Budget.
- 1.3 This formal monitoring will take into account any Board approved amendments to the Business Plan and Annual Budget.
- 1.4 The report will usually be produced quarterly and be considered by the Qualis Board the month after the reporting period covered by the report.
- 1.5 In view of the first quarter being a period of basic set-up activities following company registration in October 2019, this report covers both quarters one and two.

2. Key Performance Indicators

- 2.1 The key performance indicators set-out below are those proposed to be used for monitoring purposes in the future. They are top level indicators of the financial health and operation delivery of the Qualis Group.
- 2.2 Major exceptions are reported in detail at Sections, 3, 5, 6 for finance and Sections 7. 8 and 9 for operations.
- 2.3 Further detail is available on request and/or already exist in the form of detailed Qualis reports and minutes.



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

2.4 In line with standard practice, the following colour coded performance flags are used:

Colour	Overall Performance	Detailed Measure
	Cyan, exceptional performance	For finance; over twice the expected figure, for operations, over one month ahead of target delivery
	Green, good performance	For finance; positive performance up to twice the expected figure, for operations, up to one month ahead of target delivery
	Amber, poor performance but will be remedied next quarter	For finance; negative performance variance of between 5% and 10% of the expected figure, for operations, one and three months behind target delivery
	Red, poor performance but will be remedied in two further quarters	For finance; negative performance variance of between 5% and 10% of the expected figure, for operations, one and three months behind target delivery
	Black, poor performance requiring immediate board level intervention	For finance; negative performance variance in excess of 10% of the expected figure, for operations, over three months behind target delivery



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

2.5 Direction of travel indicators

These will be: + better than last quarter, - worse than last quarter, = as last quarter.

2.6 Key Performance Indicators: Finance

KPI	Measure	Target £	Actual £	
Cash	Cash held by Qualis Group of companies, target versus actual			=
Income and Expenditure	Total income and expenditure position of Qualis Group of companies, target versus actual			=
Balance Sheet	Net balance sheet worth of Qualis Group of companies, target versus actual			=

2.7 Key Performance Indicators: Operations

KPI	Measure	Target	Actual	
Qualis Commercial	Delivery to plan of Epping sites (at pre-planning submission stage)	Review use of sites and prepare for consultation in September	Secured	=
Qualis Commercial	Delivery to plan Waltham Abby Roundhills site (in early stages of review)	Detail to be received Q4	Not applicable	
Qualis Commercial	Delivery to plan Debden Pyrles Lane site (in early stages of review)	Consider purchased from EFDC in Q4	Not applicable	
Qualis Management	Transfer of Housing Maintenance Service	Progress with detailed set-up plan (systems and processes)	Achieved	=



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

Qualis Management	Review of potential for other service additions and transfers	Secure consultants for review, report received and discussions with EFDC due to occur in November 2020	Achieved	=
Qualis Living	Obtain up to £30m of other asset purchases from market to provide positive cash flow	Market search as no funding available now until late September 2020	Market searches in train and evaluation and portfolio approach agreed	=
Qualis Group	Input into North Weald Master Plan options and assessments	Re-launch master plan exercise with consultants, formal consultation due by December 2020	Achieved	=
Qualis Group	Securing of Independent Auditor	Secure, ideally a local company	Achieved	=
Qualis Group	Secure external legal support from major firm	Secure, ideally a local company	Achieved	=



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

Qualis Group	Investigate alternative funding sources	Initial evaluation of market and market prices, new funding not required until November 2020		=
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2.8 Performance Overview

Satisfactory and expected operational progress has been achieved in quarter's one and two with financial performance mirroring this operational delivery.

3. 2019/20 Qualis Business Plan and Amendments

3.1 The Qualis Business Plan and Budget have not been amended further in Q3 though additional IT expenditure and professional costs have been covered by the contingency budget.

3.2 The expectations have been reviewed at the end of Quarter 3 reflecting Board approvals, timing changes and review of employment dates and cost issues with the following changes to the initial expectations being recorded (items that are not changed are not listed).

Revised Expectation (1 st November 2019 – 31 st October 2020)	Detail
Loan agreements confirmed with EFDC, asset purchase from EFDC, £22m, asset purchase from market, £30m, working capital £5m	Minor changes to vale, £19m, £30m and £6m respectively
Loan draw downs in Qualis Year 1	Loans for £30m and £6m to be called down 21/09/2020, £18m loan to be actioned in 1 st week of October.



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

4. Cash Flow Summary

- 4.1 The Qualis Group of companies was established on a highly leveraged basis, i.e. supported by loans from Epping Forest District Council and not by equity investment. It should be noted that EFDC has the first option of providing loans to the Qualis Group of companies provided these loans are at market rate.
- 4.2 In practice the margin paid by Qualis on all its planned loans covers all EFDC's general development costs that are now envisaged.
- 4.3 This approach provided start-up security for Qualis, especially as the Covid 19 has distorted the money markets, whilst giving EFDC an income on the additional margin it charges on loans over and above the rate it can secure money for itself. This approach also in line with addressing "state subsidy" concerns.

5 Balance Sheet Summary

- 4.1 Reflecting the leveraged position of Qualis and the fact that income earning assets have yet to be purchased and the Housing Maintenance Service has yet to transfer. Please note that these are the interim balance sheets pending a review of the income and expenditure position and the finalisation of loans.

4.2 Qualis Group

		Actual £	Actual £
Assets		0	
Current Assets		1,362,087	
Current Liabilities		303,658,	
Current Assets Less Current Liabilities			1,058,428
Long Term Assets			
Long Term Liabilities			1,500,000
Total			-441,572
Profit and Loss Account			-441,572



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

4.3 Qualis Commercial

		Actual £	Actual £
Assets		0	
Current Assets		386,686	
Current Liabilities		701,448	
Current Assets Less Current Liabilities			-314,762
Long Term Assets			
Long Term Liabilities		872,000	
Total			-1,186,762
Profit and Loss Account			-1,186,762

4.4 Qualis Management

		Actual £	Actual £
Assets		0	
Current Assets		95,393	
Current Liabilities		176,835	
Current Assets Less Current Liabilities			-81,442
Long Term Assets			0
Long Term Liabilities		100,000	
Total			-181,442
Profit and Loss Account			-181,442



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

4.5 Qualis Living

		Actual £	Actual £
Assets		0	
Current Assets		79,151	
Current Liabilities		60,223	
Current Assets Less Current Liabilities			18,928
Long Term Assets			
Long Term Liabilities			25,000
Total			-6,072
Profit and Loss Account			-6,072

5 Income and Expenditure Summary

5.1 The income and expenditure summary for the individual companies that form the Qualis Group of companies is summarised below. Noting that the figures are cumulative to the end of Quarter 3 and exclude internal recharges, loans and other amendments that will be shown from Quarter 3:

5.2 Qualis Group

	Target Cumulative To Q3 £	Cumulative Actual £	Variance £
Income	0	0	
Expenditure	806,071	441,572	-364,499
Net +Profit /Loss	806,071	441,572	-364,499



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

Key issues to note:

- Only some 20% of the Qualis Group Budget relates to the shared board cost of £247,839, the balance relates to shared overhead costs for the companies and set-up and loan interest costs.
- The significant underspend arises from the late agreement of loans, £128,571 vacancies and efficiencies achieved against the original set-up cost budget.

5.3 Qualis Commercial

	Target Cumulative To Q3 £	Cumulative Actual £	Variance £
Income	0	0	0
Expenditure	360,391	130,024	-230,367
Epping Projects	1,043,107	1,056,738	-13,631
Net +Profit /Loss	1,403,498	1,186,762	-216,736

Key issues to note:

- Project director and other project costs including project manager, architects and other fees. Commercial Director costs (interim) shown in Qualis Group Board Costs.
- The majority of the fees and due to be spent by March 2021 with construction costs following this.



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

5.4 Qualis Management

	Target Cumulative Q1 and Q2 £	Cumulative Actual £	Variance £
Income	0	0	0
Expenditure	288,034	181,442	-106,592
Net +Profit / Loss	288,034	181,442	-106,592

Key issues to note:

- Project Director and set-up costs only. First service is not live until 1st October 2020.

5.5 Qualis Living

	Target Cumulative Q1 and Q2 £	Cumulative Actual £	Variance £
Income, (less hand-through)	356,783	12,572	344,211
Expenditure	2,842	18,644	15,802
Net +Profit /Loss	353,941	6,072	360,013

Key issues to note:

- Delay in acquiring properties has resulted in operational underspend and no income receipt as original assumption was that assets would be purchased from April.
- Due to this delay there is a significant saving in loan costs that will be shown in Quarter 4.



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

6 Operational Performance Summary

6.1 Key points of progress with the overarching Qualis Group of companies' business plan should be noted.

6.2 Qualis Group

- Set-up activities in terms of governance and procedures have been drafted and approved (in accordance with the shareholder agreement).
- Bankers have been appointed.
- IT office systems and email addresses have been set-up.
- Accounting and payroll systems have been set-up.
- A regular series of meetings has been set-up and operates.
- A risk and investment committee has been established

6.3 Qualis Commercial

- A planning performance agreement has been signed for the Epping sites
- An outline business case has been prepared for the Epping sites
- An optimal outline plan has been prepared for the Epping sites which is in discussion with EFDC Planning
- Options for the leisure centre re-provision have been discussed with the EFDC provider.
- Options for the Epping Town Council have been discussed.
- Project managers, quantity surveyors and architects (up to Stage 2) have been appointed for the Epping sites.
- A preliminary view of the Waltham Abbey Roundhills site has been carried out.
- A preliminary view of the Debden Pyrles Lane site has been carried out.

6.4 Qualis Management

- Progress with the TUPE plan for the housing maintenance staff has been agreed.
- Systems and processes to support the transfer are being delivered to timescale.
- A staff consultation plan has been agreed and has commenced.

6.5 Qualis Living

- Additional purchases of assets to provide cash flow have yet to occur which leads to an amber performance being recorded.
- Management of the private rented properties bought by EFDC in Loughton is being carried out



Qualis Group

Incorporating, Qualis Group, Qualis Living, Qualis Management, Qualis Developments

- A portfolio approach and financial assessment approach to the purchase of income earning assets has been agreed.
- Two potential properties to acquire have been reviewed in detail (purchase not actioned).

7 Key Actions

7.1 A final review of the budget will be undertaken for Quarter 4 and budgets are being calculated for next financial year.

7.2 Agree and call down planned loans by the 31st July 2020 (latest). A review of banking arrangements is planned and additional tax advice is being sort.

7.3A further planning performance agreement is being finalised.

7.4 Asset purchases from the market are due to be secured in early October at which time the initial asset sales from EFDC will be finalised.

End

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Report to Overview and Scrutiny Committee

SCRUTINY

Date of meeting: xx Month 2020

Portfolio: Commercial and Regulatory Portfolio – Cllr Patel



Subject: Covid-19 Update

Officer contact for further information: Andrew Small

Democratic Services Officer:

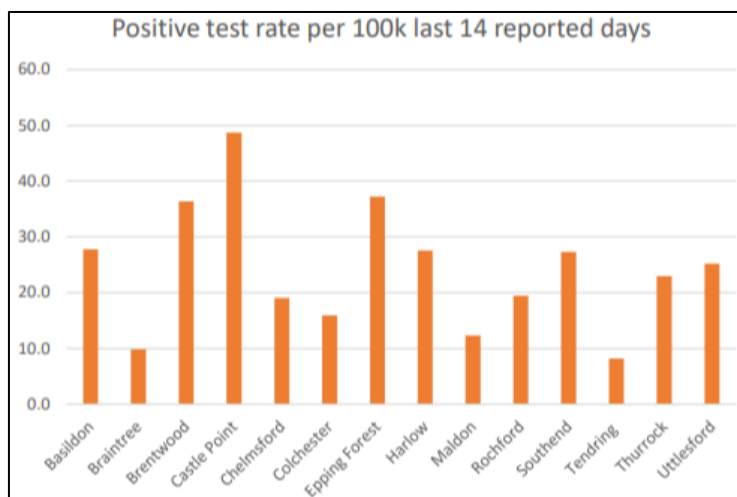
Recommendations/Decisions Required:

Consider the Council's response to the Covid19 Pandemic and make comments to the Portfolio Holder for Commercial and Regulatory on future actions and approach.

Report:

1. Executive Summary

- 1.1. Epping Forest District Council (EFDC) is responding to the national and local position in a proactive and positive way through the efforts and contribution of our staff and members. The Council is also playing an active part in the coordinated Greater Essex response, via the Strategic Co-ordination Group (SCG), comprising all public sector bodies operating within the County.
- 1.2. Whilst the initial focus of the Council was strongly focused on the Response, with the easing of lockdown this had moved to Restoration and a forward look towards Recovery.
- 1.3. Most Council services are now operating normally, but with some restrictions as necessary in order to maintain distancing and the safety of staff and residents. Safety of residents and staff remains the priority.
- 1.4. However, the continued threat of a second spike means that the Council still has an active role in monitoring current levels of infection within the Epping Forest District Council and in ensuring that individuals and premises are observing the guidance around social distancing.
- 1.5. In recent weeks the new infection rates in Epping Forest District have been elevated and some of the highest in the wider Essex area. This represents an area of significant concern and so, the focus of reinforcing adherence and clear messaging remains a high priority.
- 1.6. The following two charts present the published data on infection rates, captured via recorded positive tests in the two weeks prior to the production of this report. The position changes rapidly, but the trend is upwards mirroring the national trend position.



Positive tests by district

Row Labels	05-Sep	06-Sep	07-Sep	08-Sep	09-Sep	10-Sep	11-Sep	12-Sep	13-Sep	14-Sep	15-Sep	16-Sep	17-Sep	18-Sep	Grand Total
Basildon	4	1	9	3	3	2	9	3	2	4	6	1	2	3	52
Braintree	1	0	1	1	1	1	0	0	2	1	5	0	2	0	15
Brentwood	3	3	3	1	0	3	1	3	0	0	1	3	2	5	28
Castle Point	2	0	5	3	3	10	2	4	0	1	6	0	3	5	44
Chelmsford	5	2	3	4	2	2	3	1	2	3	1	3	1	2	34
Colchester	0	1	1	3	4	2	4	1	0	1	2	6	2	4	31
Epping Forest	1	1	2	3	5	3	2	0	2	4	9	3	9	5	49
Harlow	2	0	2	2	2	2	0	0	1	7	4	0	0	2	24
Maldon	1	0	0	2	0	0	0	0	0	2	1	1	0	1	8
Rochford	1	1	1	1	4	1	2	2	0	0	2	0	1	1	17
Southend-on-Sea	2	2	1	5	6	7	4	2	3	3	4	2	3	6	50
Tendring	0	0	0	1	1	0	0	1	1	3	1	3	1	0	12
Thurrock	4	2	5	3	1	4	4	1	3	1	3	1	6	2	40
Uttlesford	3	2	0	2	0	1	1	2	0	3	2	3	3	1	23
Grand Total	29	15	33	34	32	38	32	20	16	33	47	26	35	37	427

1.7. The majority of Council services continue to be delivered by staff working from home and no staff have been furloughed.

1.8. Through March to the end of June, responding to the impacts and supporting the residents and businesses through the crisis has been the priority focus for the Council and therefore dominated much of its activity. Furthermore, Covid19 is likely to leave a lasting economic and community legacy that will remain a priority for potentially many years to come.

1.9. The Leader nominated the role of Covid19 Lead to the Portfolio Holder for Commercial and Regulatory. In response, the Portfolio Holder, Cllr Patel, formed a cross party Portfolio Advisory Group to consider and coordinate all matters related to Covid19, including the Council's response and recovery actions around the key themes of Finance, Economy, Community.

1.10. Initially, during the peak of the lock-down phase, this PAG met weekly but has subsequently met less frequently as the nature of the Council's involvement and response has changed. The frequency of these meetings is now once again expected to increase along with the rise in cases nationally.

1.11. Cabinet considered a report in July setting out the impact of Covid19 on the Council, the actions taken to smoothly transition through the Recovery phase and an initial set of proposal around the Economic Recovery of the district.

2. Response Phase of Covid19

2.1. During the response phase the Council was largely focused on the provision of support to those isolated by lock-down and the challenges of providing core services safely in a

Covid19 environment. Some examples of impact are set out below;

- The Council has been able to keep most services running, in some cases digitally, and there has been no reason to furlough employees. The Council carried out visits where social distancing could be maintained.
- At its peak, the Customer and Revenue teams handled 2,000 calls per week. That represented a 30% increase on what would normally be the busiest time of the year.
- The Revenues and Business Service Teams provided £29.7m in Business Rate grants to over 2,450 local businesses and a further £800,000 of discretionary support.
- A total of 35 employees were redeployed to Operation Shield. The work included calls to the vulnerable list of Category A residents, welfare checks, supporting with additional calls to the Covid19 helpline, also supporting the food and distribution service.
- The Benefits Team saw a significant rise in new claims; increasing from 150 in January to 347 in April.
- Employees in Older Peoples Services made contact with over 1,500 vulnerable or shielding individuals.
- All rough sleepers were housed within 3 days in response to the Government's 'Everyone In' initiative.

3. Transition to Restoration

3.1. Considerable effort was invested in the re-opening of High Streets for non-essential retail (on 15th June) and then the hospitality sector on 4th July. With the main focus being on ensuring that people could move safely and ensuring that social distancing could be maintained, in line with Government guidance.

3.2. Work is continuing in this space, especially around ensuring that distancing is being maintained in licensed properties, hairdressers, nail bars and beauty salons, as these venues are seen as higher risk for spreading the virus.

3.3. Across the District actions have included;

- Providing social distance markers to Town and Parish Councils in the district.
- A new webpage to facilitate digital engagement and consultation using the Commonplace platform which allows the public to map where social distancing issues exist and help identify where other measures could be delivered. Posters are displayed which have the QR code linking straight to the site.
- Essex Highways have changed signal times at pedestrian crossings so that they are instantaneous to provide pedestrian priority.
- Works in Epping High Street funded by Essex County Council have taken place resulting in a speed limit reduction, widening of the pavement in places and the suspension of a limited number of parking bays
- Work continues on identifying conflict points and what improvement actions are required to other High Streets within the district.

- A bid has been submitted for European Funds earmarked for Returning High Streets Safely.
 - We have worked closely with the Police and other public bodies to ensure that the re-opening of pubs and restaurants ran smoothly, including making arrangements for the licensing of establishments using Pavements.
 - We have carried out doorstep well-being surveys in two wards across the district to understand the well-being impacts of Covid-19 on communities. The result will help to formulate future actions.
- 3.4. Test, Track and Trace has also been a focus of activity in terms of providing support to the national initiative and Essex CC. It is Essex CC who will assume the local lead and have the key powers in the event of an outbreak. The Council's has been in providing support and guidance to those within local 'hotspots', should they occur.
- 3.5. Changes in guidance continue to provide new challenges and requires the Council to work with partner organisations to provide presence, enforcement and reassurance to the community.

4. Recovery Actions

- 4.1. A full understanding of the lasting impacts of Covid19 will take time to emerge. However, it is immediately apparent that the local economy will be badly hit by Covid19, with the impacts probably lasting many months and potentially years. The impacts include permanent changes to shopping habits, a shift in the viability of office space, retail and leisure and an expected significant increase in unemployment.
- 4.2. Many of the implications are yet to be fully felt or understood as much of the economy is still holding its breath whilst waiting to see what degree of normality resumes when Covid19 ceases to be a continued risk.
- 4.3. However, at some point, either when Covid19 has continued for too long or Government support ends (e.g. Business Rates reliefs or furlough), the full impact of this event should emerge, and it will be possible to truly gauge the lasting impact.
- 4.4. In anticipation and recognising the need for affirmative action in response, the Cabinet considered an initial set of Economic Recovery proposals at its meeting in July. It is expected that more actions will follow as the understanding of the impacts matures.

5. Analysis of the Council Response

- 5.1. It is difficult to gauge how the Council performed in response to the Pandemic as there are no objective measurements or targets to assess this against. Measurement therefore tends to be via a subjective assessment of the Council's performance together with anecdotal feedback.
- 5.2. In this respect the assessment is that the Council performed well in the face of what was an unexpected and massive shift in the organisation's focus.
- 5.3. The key requirements placed on the authority were as follows;
- Protect the workforce, elected members and customers
 - Provide support for the vulnerable and shielding
 - Provide support to those elements of the economy financially impacted through lockdown

5.4. **Protect the workforce, elected members and customers**, the Council took the initiative and required all staff to work from home ahead of the national advice. Members meetings were temporarily suspended, and emergency decision-making powers were introduced to ensure that the Council could continue to function. This was quickly replaced with virtual meetings, meaning that little use was made of emergency powers. Face to face customer meetings were withdrawn and replaced with alternatives, including more support to the Council's phone lines.

5.5. **Provide support for the vulnerable and shielding**, the Council rallied and focused all staff running non-essential or suspended services on to supporting those shielding. Working closely with the County and voluntary sector we were able to quickly ensure all those in the community who required support were looked after, this included regular calls to our own vulnerable tenants. As previously mentioned, a helpline was created and advertised and operated 7 days a week. In accordance with the Government's 'everyone in' directive the Council's housing team housed all rough sleepers in the district within 3 days.

5.6. **Provide support to those elements of the economy financially impacted through lockdown**, the Council distributed £30 million of Government support to local businesses within a matter of weeks and was the first council in Essex to achieve this. This provided immediate cashflow support to those impacted businesses.

5.7. The requirement on all councils has been enormous and dynamic. Regulation, requirement and expectations have changed rapidly, and the Epping Forest District Council structured itself accordingly to cope with these demands. As a consequence, the view is that the Council responded well to the initial phase of this pandemic and has retained the structures in place to ensure that it is able to respond to the continued impact.

5.8. The Council has learnt and adapted its structures as the needs have changed and it is felt that nationally and locally the support infrastructure is now much more resilient and better able to cope with further spikes.

6. Reason for decision:

6.1. The Council response has been complex and broad, and members' views and comments are welcomed to inform future actions.

7. Options considered and rejected:

7.1. None

8. Consultation undertaken:

8.1. None

9. Resource implications:

9.1. The Council has experienced a significant financial impact from lockdown, predominantly as a result of lost income from commercial rents, car parks, leisure centres, business rates and council tax, but also has incurred cost pressures from helping the District through this crisis. As a result, the Pandemic represents one of the biggest financial issue facing the Council.

9.2. The current forecast (in line with the numbers being supplied to Government) is that the total cost to Epping Forest District could be in the order of £6 to £7 million across the General Fund and Housing Revenue Account. There are many large assumptions in arriving at this number, not least of all, the speed at which the economy recovers. Given this uncertainty, the actual cost may vary widely from this central estimate.

9.3. To date the Government has provided £1.577 million in support to the Council and announced further support on lost income from Fees and Charges and is considering support on lost Council Tax and Business Rate income. However, it is clear that the Government will not cover the full cost of the event and councils will be expected to share the cost.

9.4. The council had working balances of £7½ million at the start of 2020/21, and therefore is considered 'safe' in terms of its ability to balance its budget in the current year.

10. Legal and Governance Implications:

10.1. None

11. Safer, Cleaner, Greener Implications:

12. None

Background Papers:

Report to Overview & Scrutiny Committee

Date of meeting: 15 October 2019



Subject: UK Innovation Corridor - Scrutiny of External Organisation

Responsible Officer: Gary Woodhall (01992) 564470

Democratic Services: (01992) 564243

Recommendations/Decisions Required:

(1) That the Committee consider and agree the scope of its proposed external scrutiny with regard to the effect of the work being undertaken by the UK Innovation Corridor across the Epping Forest District.

Report:

1. Members will recall that the Committee has previously requested an opportunity to undertake appropriate external scrutiny of the effect of the work being undertaken by the UK Innovation Corridor (formerly the London-Stansted-Cambridge Consortium), to better understand the potential benefits for the Epping Forest District. This issue is included in the current work programme for the Committee.
2. Representatives of the UK Innovation Corridor have confirmed that they will be able to attend the meeting of the Committee to be held on 19 November 2020, in this regard.
3. In accordance with the procedure previously agreed by the Committee, Members are now asked to consider and agree the scope of such external scrutiny and appropriate lines of questioning for the representatives of the UK Innovation Corridor, in order that prior notice of the specific issues to be raised by the Committee can be provided, to ensure the maximum value is derived from this external scrutiny activity.
4. The identification of relevant lines of questioning to be raised with the UK Innovation Corridor will also be sought from Members through the Council Bulletin, nearer the time of the Committee's scrutiny activity.

Resource Implications:

The recommendations of this report seek to enable scrutiny activity to more effectively meet work programme requirements.

Legal and Governance Implications:

The Council's constitution sets out rules for the management of its Overview and Scrutiny responsibilities. Although external organisations are not generally required by legislation to attend before the Overview and Scrutiny Committee, it is hoped that most would be willing to engage constructively with the Council's scrutiny activity when invited to do so.

Safer, Cleaner, Greener Implications:

There are no implications arising from the recommendations of this report in respect of the Council's commitment to the Climate Local Agreement, the corporate Safer, Cleaner, Greener initiative, or any crime and disorder issues within the District.

Consultation Undertaken:

The proposed scrutiny of the UK Innovation Corridor is in the current work programme for the Committee.

Background Papers:

None.

Impact Assessments:***Risk Management***

The Council's constitution sets out rules for the management of its overview and scrutiny responsibilities.

Equality:

There are no equality implications arising from the recommendations of this report.



**Epping Forest
District Council**

THE KEY DECISION LIST

INCLUDING PROPOSED PRIVATE DECISIONS

(01 October 2020)

The Key Decision List including Proposed Private Decisions

There is a legal requirement for local authorities to publish a notice in respect of each Key Decision that it proposes to make, at least 28 days before that decision is made. There is also a similar requirement to advertise those decisions, whether they are Key Decisions or not, which it is proposed to be made in private with the public and press excluded from the meeting. This Key Decision List, including those decisions proposed to be made in private, constitute that notice. Copies of the Key Decision List are available for inspection at the Council's Civic Offices, as well as on the Council's website in the 'Your Council' section.

Any background paper listed can be obtained by contacting the relevant Officer in the first instance, or failing that the Democratic Services Officer listed below.

Key Decisions

The Council's Constitution defines key decisions as:

- (i) Any decision within budget and policy that involves expenditure/savings of £250,000 or more in the current municipal year;
- (ii) Any decision not within budget and policy that involves expenditure/savings of £100,000 or more in the current municipal year;
- (iii) Any decision that raises new issues of policy;
- (iv) Any decision that increases the Council's financial commitments in future years, over and above existing budgetary approval;
- (v) Any decision that involves the publication of draft or final schemes, which may require either directly, or in relation to objections to, the approval of a Government minister;
- (vi) Any decision that involves the passage of local legislation; and
- (vii) Any decision that affects two or more wards, and has a discernible effect on the quality or quantity of services provided to people living or working in that area.

Borrowing or lending decisions undertaken under delegated authority by the Chief Financial Officer are not defined as a key decision.

The Council has also agreed the following additional requirements in relation to key decisions:

- (a) Key decisions cannot be made by officers;
- (b) Key decisions not within budget and policy can only be made by the Council;

- (c) Key decisions within budget and policy but involving expenditure/savings in excess of £1million can only be made by the Cabinet and/or Council;
- (d) Key decisions within budget and policy but involving expenditure/savings between £250,000 and £1million can be made by the relevant Portfolio Holder;
- (e) Portfolio Holders can only make key decisions affecting their wards if the decision is based upon a recommendation by a Service Director or as one of a range of options recommended by a Service Director.

Private Decisions

Any decisions that are proposed to be taken in private will be reported as such. The paragraph number quoted relates to Part 1 of Schedule 12A of the Local Government Act 1972, and their definitions are as follows:

- (1) Information relating to any individual.
- (2) Information which is likely to reveal the identity of an individual.
- (3) Information relating to the financial or business affairs of any particular person (including the authority holding that information).
- (4) Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
- (5) Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
- (6) Information which reveals that the authority proposes:
 - (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
 - (b) to make an order or direction under any enactment.
- (7) Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

Corporate Aims & Key Objectives 2019/20

Stronger Communities

- (1) People live longer, healthier and independent lives:
 - (a) supporting healthy lifestyles; and
 - (b) promoting independence for older people and people with disabilities;
- (2) Adults and Children are supported in times of need:
 - (a) safeguarding and supporting people in vulnerable situations; and
- (3) People and Communities achieve their potential:
 - (a) enabling Communities to support themselves;
 - (b) Providing culture and leisure opportunities; and
 - (c) Keeping the District safe.

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Stronger Place

- (1) Delivering effective core services that people want:
 - (a) Keeping the District clean and green; and
 - (b) Improving the District housing offer;
- (2) A District with planned development:
 - (a) Planning development opportunities; and
 - (b) Ensuring infrastructure supports growth; and
- (3) An environment where new and existing businesses thrive:

- (a) Supporting business enterprise and attracting investment;
- (b) People develop skills to maximise their employment potential; and
- (c) Promoting retail, tourism and the visitor economy.

Stronger Council

- (1) Customer satisfaction:
 - (a) Engaging with the changing needs of our customers;
- (2) Democratic engagement:
 - (a) Robust local democracy and governance;
- (3) A culture of innovation:
 - (a) Enhancing skills and flexibility of our workforce; and
 - (b) Improving performance through innovation and new technology; and
- (4) Financial independence with low Council Tax:
 - (a) Efficient use of our financial resources, buildings and assets; and
 - (b) Working with commercial partners to add value for our customers.

Cabinet Membership 2019/20

Chris Whitbread	Leader of the Council
John Philip	Finance & Economic Development
Aniket Patel	Commercial & Regulatory Services
Sam Kane	Customer & Corporate Support Services
Nigel Bedford	Planning & Sustainability
Holly Whitbread	Housing & Community
Nigel Avey	Environmental & Technical Services

Contact Officer

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Democratic Services Officer

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WORK PROGRAMME - 1 OCTOBER 2020 TO 31 JANUARY 2021

PORTFOLIO - LEADER

ITEM	DESCRIPTION	KEY DECISION	DATE OF DECISION	DECISION MAKER	PRIVATE DECISION	REPRESENTATION ARRANGEMENTS	BACKGROUND PAPERS
LGA Peer review - Position Statement	Draft Position Statement for the LGA Peer review.	No	20 April 2021	Cabinet		Georgina Blakemore 01992 56 4233	
Peoples Strategy - Ongoing	To establish the Council's new Common Operating Model as part of the People Strategy. To consider further details for the next stage of the Common Operating Model.	Yes		Cabinet		Georgina Blakemore 01992 564233	PID P170 - Peoples Strategy Common Operating Model - Management Structure
Epping Sites, St John's Road and Roundhills - Ongoing	To proceed with the new Leisure Centre in partnership with Places Leisure and to seek expressions of interest for the Cinema. Ongoing Reporting. Item to be taken to an informal workshop to discuss.	Yes				Georgina Blakemore 01992 564233	
Qualis Monitoring - Ongoing Quarterly	Financial reporting plan update.	Yes	19 October 2020	Cabinet		Andrew Small 01992 564278	

WORK PROGRAMME - 1 OCTOBER 2020 TO 31 JANUARY 2021

PORTFOLIO - PLANNING AND SUSTAINABILITY

ITEM	DESCRIPTION	KEY DECISION	DATE OF DECISION	DECISION MAKER	PRIVATE DECISION	REPRESENTATION ARRANGEMENTS	BACKGROUND PAPERS
Implementatio n of the Local Plan	Quarterly update report on progress.	Yes	19 October 2020	Cabinet		Alison Blom-Cooper 01992 564066	
Green Infrastructure Strategy	Green Infrastructure Strategy (for endorsement as a material planning consideration following consultation on the draft strategy).	Yes	3 December 2020	Cabinet		Alison Blom-Cooper 01992 56 4066	
Sustainability Guidance	Draft for consultation.	Yes	19 October 2020	Cabinet		Alison Blom-Cooper 01992 56 4066	
Planning White Paper	To report on proposals contained in the Planning White Paper and agree the Council's response to the current consultation.	Yes	19 October 2020	Cabinet		Alison Blom-Cooper 01992 56 4066	

ITEM	DESCRIPTION	KEY DECISION	DATE OF DECISION	DECISION MAKER	PRIVATE DECISION	REPRESENTATION ARRANGEMENTS	BACKGROUND PAPERS
Financial Planning 2020/21 to 2025/26		No	3 December 2020	Cabinet		Andrew Small 01992 56 4278	

ITEM	DESCRIPTION	KEY DECISION	DATE OF DECISION	DECISION MAKER	PRIVATE DECISION	REPRESENTATION ARRANGEMENTS	BACKGROUND PAPERS
Strategic Review of Waste Management	Review of the Waste and Recycling service and the end of first ten year term of Biffa Contract in 2024.	Yes	3 December 2020	Cabinet		James Warwick 01992 564350	
Charging for EIR	To consider charging for Environmental Information Regulation requests.	Yes	11 February 2021	Cabinet		Mandy Thompson 01992 564705	
Procurement Strategy	The Procurement Strategy sets out the Council's procurement objectives and principles and describes the contribution that effective procurement will make to the achievement of Epping Forest District Council's vision and corporate priorities.	Yes	3 December 2020	Cabinet		Shane McNamara 01992 56 4331	
Transfer of Services to Qualis	Consider feasibility study by ARK Consultants on the transfer of Grounds Maintenance and Fleet Operations Service also the transfer of North Weald Airfield Operations from EFDC to Qualis.	Yes	19 October 2020	Cabinet		Qasim Durrani, Andrew Small 01992 56 4055,	

WORK PROGRAMME - 1 OCTOBER 2020 TO 31 JANUARY 2021

PORTFOLIO - HOUSING AND COMMUNITY

ITEM	DESCRIPTION	KEY DECISION	DATE OF DECISION	DECISION MAKER	PRIVATE DECISION	REPRESENTATION ARRANGEMENTS	BACKGROUND PAPERS
Mason Way - Development	Approval to apply for full planning and funding approval for Mason Way development project.	Yes	3 December 2020	Cabinet		Deborah Fenton 01992 56 4221	
Parking Provision of New Development		Yes	8 September 2020	Council Housebuilding Cabinet Committee		Deborah Fenton 01992 56 4221	
RTB Disposals Policy	New policy presenting the options for disposing of RTB receipts.	Yes	3 December 2020	Cabinet		Deborah Fenton 01992 56 4221	
Review of Service Charges	Finding and recommendations following the review of service charges.	Yes	3 December 2020	Cabinet		Deborah Fenton 01992 56 4221	
New Policy - Disposal of Assets	Disposal of assets to meet strategic planning/management of HRA assets.	Yes	3 December 2020	Cabinet		Kurtis Lee 01992 56 4000 (2681)	
Review of Tenancy Strategy - update on Changes		No	3 December 2020	Cabinet		Deborah Fenton 01992 56 4221	
Initial Feasibility on Providing Community Facilities and Residential Accommodation at St John's Church	To give full details of the proposed scheme including financial appraisal highlighting the internal rate of return and the net present value.	Yes	3 December 2020	Cabinet		Deborah Fenton 01992 56 4221	
Mason Way - Affordable Housing Opportunities	To give full details of the proposed scheme including a financial appraisal highlighting the internal rate of return and the net present	Yes	3 December 2020	Cabinet		Deborah Fenton 01992 56 4221	

	value.						
Approve to process with 'More than Bricks and Mortar'	Approval to use service charge income over the next 4 years to fund tenant lead improvements on HRA estates.	Yes	3 December 2020	Cabinet		Rachel Smith 01992 564000 (2710)	
Review of Service Charges	Findings and recommendations following the review of Service Charges.	No	3 December 2020	Cabinet		Deborah Fenton 01992 56 4221	
Income recovery strategy and policy	The strategy has been updated and a policy developed to reflect updated practice.	Yes	3 December 2020	Cabinet		Deborah Fenton 01992 56 4221	
Bin Stores	Paper requesting funding for a 3 year plan to replace bin stores – meeting Fitness for Human Habitation Act (2018).	Yes	3 December 2020	Cabinet		Deborah Fenton 01992 56 4221	
Acceptance of Tender - Contract 102, Controlled Door Entry Systems	In order to undertake planned installation, upgrade and maintenance repairs of controlled door entry systems to council owned properties.	Yes	3 December 2020	Cabinet		Kurtis Lee 01992 56 4000 (2681)	

ITEM	DESCRIPTION	KEY DECISION	DATE OF DECISION	DECISION MAKER	PRIVATE DECISION	REPRESENTATION ARRANGEMENTS	BACKGROUND PAPERS
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ITEM	DESCRIPTION	KEY DECISION	DATE OF DECISION	DECISION MAKER	PRIVATE DECISION	REPRESENTATION ARRANGEMENTS	BACKGROUND PAPERS
North Weald Airfield Masterplan	To report back on the interest to develop the identified Masterplanning area on North Weald Airfield. Item to be taken to a Cabinet workshop for discussion.	Yes				Sacha Jevans 01992 56 4229	

Overview and Scrutiny Committee Work Programme 2020/21

Chairman: Councillor M. Sartin

#	ITEM	REPORT DEADLINE	PROGRESS/COMMENTS
1.	Cabinet Business	Ongoing	To review the Executive's programme of Key Decisions at each meeting, to identify appropriate matters for the work programme and provide an opportunity for the overview of specific decisions. To consider any call-ins as and when they arise.
2.	Group Company Structure	Ongoing. Added to work programme by Agenda Planning Group (29-Oct-19).	To review progress regarding the establishment and operation of the Council's Group Company Structure at each meeting of the Committee.
3.	Accommodation Strategy	Ongoing. Added to work programme by Agenda Planning Group (29-Oct-19).	To review progress regarding the implementation of the Council's Accommodation Strategy at each meeting of the Committee.
4.	People Strategy	Ongoing. Added to work programme by Agenda Planning Group (29-Oct-19).	To review progress regarding the implementation of the Council's People Strategy at each meeting of the Committee.
5.	Covid-19 Response & Recovery	Ongoing. Added to Work Programme by OSC 22-Jun-20	To review progress of the Covid-19 Response and Recovery Plan.

6.	Overview and Scrutiny Work Programme 2020/21	22 June 2019	To agree the work programmes for the Overview and Scrutiny Committee and each of the select committees for 2020/21. (First meeting of each municipal year)
7.	Select Committee Memberships	22 June 2020	To consider nominations for membership of and appoint the Chairman & Vice-Chairman for each Select Committee. (First meeting of each municipal year)
8.	Corporate Priorities 2020/21	22 June 2020	Leader of Council to present the Council's corporate priorities for 2020/21 to the Committee. (First meeting of each municipal year)
9.	Customer Services	16 July 2020 (Annual Report)	Service Director (Customer Services) to report on customer service initiatives and performance, including compliments and complaints and call-handling.
10.	Epping Forest Youth Council	16 July 2020	Annual Report from Youth Council on completed and proposed activities. <i>Carried forward from the postponed meeting on 17 March 2020.</i>
11.	Waste Management Task & Finish Panel Review – Final Report	16 July 2020	To consider the options recommended by the Task & Finish Panel for the Waste Management Review. <i>Carried forward from the postponed meeting on 17 March 2020.</i>
12.	Corporate Plan Year 2 – Q4 Performance Review	16 July 2020	To review Q4 performance by exception in relation to the Key Performance Indicators & Work Programmes within the Corporate Plan.

13.	Local High Streets – Viability & Regeneration	16 July 2020 (Carried forward from the Reserve Work Programme for 2018/19)	Proposed Task and Finish Panel agreed by the Committee on 19 November 2019. Terms of Reference and Work Programme for the Task and Finish Panel agreed on 28 January 2020. Original Schedule: <ul style="list-style-type: none"> - 24 February 2020 (meeting held) - 19 March 2020 (meeting postponed) - 15 April 2020 (meeting postponed) - 14 May 2020 (meeting postponed) ⇒ Report back to Overview & Scrutiny in June 2020. To consider whether the Terms of Reference are still relevant following the Covid-19 lockdown, and the future of this Task & Finish Panel.
14.	Local Mental Health Services – Scrutiny of External Organisation	15 October 2020 (Carried forward from Reserve Work Programme for 2018/19)	To review the provision of local mental health services. Scope/focus of scrutiny activity and appropriate lines of questioning to be agreed. Approach made to West Essex Clinical Commissioning Group and Essex Partnership University NHS Foundation Trust. Briefing to be provided to frontline staff on 16 July 2019 by Essex Partnership University NHS Foundation Trust. All members invited to attend briefing. Possibility of further session for members to be investigated. <i>Carried forward from the postponed meeting on 17 March 2020.</i>
15.	Corporate Plan Year 3 – Q1 & Q2 Performance Review	15 October 2020	To review Q1 & Q2 performance by exception in relation to the Key Performance Indicators & Work Programmes within the Corporate Plan.
16.	UK Innovation Corridor – Scrutiny of External Organisation	19 November 2020	Formerly the London – Stansted – Cambridge Consortium. Approach to be made. Scope/focus of scrutiny activity and appropriate lines of questioning to be agreed.

17.	Corporate Plan Year 3 – Q3 Performance Review	2 February 2021	To review Q3 performance by exception in relation to the Key Performance Indicators & Work Programmes within the Corporate Plan.
20.	North Essex Parking Partnership – Scrutiny of external organisation	2 February 2021	Approach to be made. Scope/focus of scrutiny activity and appropriate lines of questioning to be agreed.
18.	Epping Forest Youth Council	15 April 2021	Annual Report from the Epping Forest Youth Council on completed and proposed activities.
19.	Corporate Plan Year 3 – Q4 Performance Review	15 April 2020	To review Q4 performance by exception in relation to the Key Performance Indicators & Work Programmes within the Corporate Plan.

RESERVE PROGRAMME ITEMS

ITEM	REPORT DEADLINE/PRIORITY	PROGRESS/COMMENTS
Essex County Council (Children's Services) (Scrutiny of External Organisation)	Carried forward from reserve work programme for 2017/18 and 2018/19.	Recommendation arising from Children's Services Task and Finish Panel requires the Committee to meet with Essex County Council in respect of children's services on an annual basis. The Director of Children's Commissioning attended the meeting in April 2016. To be considered further at a later date. Scope/focus of scrutiny activity and appropriate lines of questioning to be agreed if/when added to ongoing work programme;
Epping Forest Sixth-Form Consortium (Scrutiny of External Organisation)	Carried forward from reserve work programme for 2017/18 and 2018/19. Placed back on Reserve Work Programme by OSC on 22-Jun-20.	(PICK submission) To review the progress of the Sixth Form Consortium established in September 2015. Scope/focus of scrutiny activity and appropriate lines of questioning to be agreed if/when added to ongoing work programme;

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**Stronger Communities Select Committee
Work Programme 2020/21
Chairman: Councillor D Sunger**

No.	Item	Meeting Date	Progress and Comments	Programme of Meetings
1.	Presentation from the Loughton based group GROW Community Garden who help people who are socially isolated	21 July 2020	Organised by Cllr D Wixley Completed	21 July 2020 15 September 2020 14 January 2021 30 March 2021
2.	Impact of Covid-19 on EFDC's Housing Communities	21 July 2020	Deborah Fenton Completed	
3.	"What are our customers telling us?"	Q1 - 21 July 2020 Q2 - 14 January 2021 Q3 - 30 March 2021 Q4 - 2021/22	Quarterly report of customer satisfaction and feedback Q1 - Completed	
4	Health and Wellbeing Strategy – To consider outcomes for the district	21 July 2020	Fabrizio Ferrari / Gill Wallis Completed	
5.	Universal Credit and its impact on our customers and services	15 September 2020 30 March 2021	Initial findings and recommended actions from the officer working group 6 monthly report Rob Pavey	
6.	Customer Service Strategy	15 September 2020 30 March 2021	Update on Key objectives 6 monthly report	

7.	Six-month report on the work of the Council-funded Police Officers	15 September 2020 30 March 2021	Caroline Wiggins	
8.	Digital Inclusion	14 January 2021	Report on project progress and future strategy	
9.	Presentation from the District Police Commander	30 March 2021 - TBC	Annual Report	
10.	Community Safety Partnership annual report and review of the district Strategic Intelligence Assessment	30 March 2021 - TBC	Annual Report	
11.	Data insight led review of customer service outlets	30 March 2021	Report to deferred until the next municipal year. Options and recommendations for short, medium and long-term options	
12.	Service reviews as a result of performance concerns	TBC		
13.	A Group/Organisation to give a presentation on Post Traumatic Stress Disorders and who it affected	TBC	Gill Wallis	

**Stronger Council Select Committee
Work Programme 2019/20
Chairman: Councillor P Bolton**

No.	Item	Deadline	Progress and Comments	Programme of Meetings	Lead Officers
1.	Corporate Plan Action Plan (KPI's by exception) – performance scrutiny	Corporate Action Plan KPI's, Q1 Apr, May, Jun – 14 July 2020 meeting Q2 Jul, Aug, Sept - 13 Oct 2020 meeting Q3 Oct, Nov, Dec - 19 Jan 2021 meeting Q4 Jan, Feb, Mar – 13 Apr 2021 meeting Live system reporting – by exception. No pre- distributed reports, projection of live data on the night.		14 July 2020 13 October 2020 19 January 2021 13 April 2021	Louise Wade
2.	People Strategy	14 July and 13 October 2020 – 19 January 2021 & 13 April 2021 Project reporting, issues focussed.			Paula Maginnis Jo Budden
3.	Digital Enablement	Prioritisation of Council Technology strategy. Outcome focussed 19 January 2021			Paula Maginnis Christine Ferrigi
4.	Accommodation	14 July and 13 October 2020 - Project reporting, issues focussed			Sacha Jevans

					Victoria Wright
5.	Financial Issues Paper	14 July 2020 Scrutiny of MTFS 20/21 onwards			Andrew Small Christopher Hartgrove
6.	Draft budget scrutiny	2021/22 budget setting 19 January 2021			Andrew Small
7.	Asset Management Strategy	Council asset strategy (new)	Approved by the Cabinet 13/06/19 and referred to Council 30/07/19 for adoption.		Andrew Small
8.	Review of Polling Places, Polling Districts & Polling Stations	July 2020			G Woodhall
9.	Review of Local Elections 2019	October 2020			

**Stronger Place Select Committee
Work Programme 2020/21
Chairman: Cllr R Bassett**

Stronger Place Corporate Programme Alignment focuses on corporate objectives and our response to Covid-19 recovery.

No.	Item	Deadline	Progress and Comments	Programme of Meetings
1.	Covid-19 – Place	July 2020	COMPLETED - To include reference to: (a) Business support – grant (b) Safer spaces (c) General economic measures and support (d) Local economic business recovery	9 July 2020 29 Sept 2020 12 Jan 2021 29 March 2021
		September 2020	COMPLETED (a) Covid-19 recovery update (b) Safer place (c) Current statistics	
		January 2021	(a) Covid-19 recovery update	
2.	Economic Development: Growth/skills/employment programme	September 2020	COMPLETED ? a) Local economic business recovery and resources	
		January 2021	a) Local economic business recovery and resources (b) Economic improvements (c) Town centre regeneration (d) Digital enablement and gateway	
3.	North Weald Airfield Masterplan Local Plan – update (previously)	July 2020	COMPLETED - To include: (a) Progress / update	
		July 2020	(a) Local Plan progress report including Garden Town and Latton Priory (b) Green Infrastructure consultation update	
	Planning Development and Improvement programme	September 2020	COMPLETED (a) North Weald Airfield Masterplan progress report ? (b) Local Plan progress report	
		January	(a) Local Plan progress report (b) Green Infrastructure Strategy (c) North Weald Airfield Masterplan progress report	
4.	Climate Change (previously)	July 2020	COMPLETED (a) Climate Change and Sustainable Travel update including recruitment	

			(b) Update on tree planting initiatives
	District Sustainability programme	September 2020	COMPLETED (a) Draft Sustainability Guidance for the District and Harlow Garden Gilston Town
		January 2021 (tbc)	
5.	Epping Town sites (previously)	July 2020	COMPLETED - Progress / update
	Town Centre Development	September 2020	(a) Progress Report (re. Council as the landowner)
		January 2021 (tbc)	(a) Leisure Management Contract - performance and progress update (b) Waste Management Contract - performance and progress update
6.	Sheltered Housing Review (previously)	July 2020	COMPLETED - Report and update
	Community Health and Wellbeing Programme	September 2020	COMPLETED - (a) Service charges review
		January 2021	(b) Sheltered Housing
7.	Council Housebuilding programme	July 2020	COMPLETED - Provide plan for 2020/21
		September 2020	COMPLETED - (a) Council housebuilding progress report (and link to creating Great Places programme)
		January 2021	Draft Housing Revenue Account (HRA) Capital Programme 2021/22 to 2025/26