



**CABINET**  
**Monday, 12th July, 2021**

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

**Conference Suite - Civic Offices**  
on **Monday, 12th July, 2021**  
at **7.00 pm** .

**G. Blakemore**  
Chief Executive

**Democratic Services**  
**Officer**

A. Hendry (Democratic Services)  
Tel: (01992) 564246 Email:  
democraticservices@eppingforestdc.gov.uk

Members:

Councillors C Whitbread (Leader of the Council & Leader of the Conservative Group) (Chairman), , N Avey, N Bedford, L Burrows, A Patel, J Philip, S Kane, D Sunger and H Whitbread

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

**1. WEBCASTING INTRODUCTION**

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

(b) The Chairman will read the following announcement:

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

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

You should be aware that this may infringe your human and data protection rights. If you have any concerns then please speak to the Webcasting Officer.

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

**2. APOLOGIES FOR ABSENCE**

To be announced at the meeting.

**3. DECLARATIONS OF INTEREST**

To declare interests in any item on this agenda.

**4. REPORTS OF PORTFOLIO HOLDERS**

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

**5. PUBLIC QUESTIONS AND REQUESTS TO ADDRESS THE CABINET**

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

**(a) Public Questions**

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

**(b) Requests to Address the Cabinet**

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

**6. OVERVIEW AND SCRUTINY**

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

**7. IMPLEMENTATION OF THE LOCAL PLAN: UPDATE ON PROGRESS (Pages 5 - 42)**

Planning and Sustainability (C-007-2021-22) - to provide members with regular updates on the progress of Masterplans and Concept Frameworks within Epping Forest District to ensure that members are kept fully up to date.

**8. ESSEX AND HERTS DIGITAL INNOVATION ZONE - ANNUAL REPORT (Pages 43 - 62)**

Finance, Qualis Client and Economic Development (C-008-2021-22) - The DIZ Annual Progress Report sets out the partnership's work programme over the last twelve months, highlighting key achievements and challenges, as well as initiating a discussion on future priorities.

**9. QUALIS 4 YEAR BUSINESS PLAN - 2021/22 TO 2024/25 (Pages 63 - 114)**

Finance, Qualis Client and Economic Development (C009-2021-22) - It is a requirement of the Shareholder agreement that each year Qualis produce and present to the Council a one year and a 4 year Business Plan for the Council to consider and sign-off.

**10. ANY OTHER BUSINESS**

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

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

**11. EXCLUSION OF PUBLIC AND PRESS**

Exclusion

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

<b>Agenda Item No</b>	<b>Subject</b>	<b>Exempt Information Paragraph Number</b>
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

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

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

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





**Epping Forest  
District Council**

## **Report to the Cabinet**

**Report reference: C-007-2021/22**

**Date of Meeting: 12 July 2021**

**Subject: Implementation of the Local Plan: Update on progress**

**Responsible Officer: Nigel Richardson (01992 564110)**

**Democratic Services: Adrian Hendry (01992 564246)**

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### **Recommendations/Decisions Required:**

- (1) That the progress of Masterplans and Concept Frameworks, including the use of Planning Performance Agreements and the progress of other proposals at pre-application and application stage be noted (see Appendices A – D) together with the positive progress being made on the Local Plan as it reaches the next stage of Main Modification Consultations;**
- (2) To approve the Housing Action Plan and its publication (See Appendix E).**

### **Executive Summary**

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

This report is prepared by the Policy & Implementation Team to provide members with an update on the progress of Strategic Masterplans, Concept Frameworks and Planning Performance Agreements (PPAs) within the District, including major projects and planning applications dealt with by the team. Scheduled meetings and workshops continue to take place with site promoters and developers in accordance with project plans agreed within PPAs. Consideration is being given to whether some workshops/meetings could take place in person later this year, subject to COVID restrictions. The majority of community engagement is still taking place virtually and this will be reviewed periodically.

The District's emerging Local Plan is progressing well and at an advanced stage. As such, the Local Plan is being given substantial weight in the assessment of planning applications. The Local Plan Inspector is close to finalising the Main Modifications Schedule which will be published for consultation on 8<sup>th</sup> July, 2021. Preparation includes a member briefing session, presentation of all consultation materials and guidance on the Council's website, communication via the consultee database, press releases, information at libraries and on social media. Following the consideration of the representations, the Inspector will determine if the Local Plan is 'sound' and if so, is likely to be adopted by the District Council

in later 2021.

Annually, MHCLG publishes a Housing Delivery Test (HDT) measurement which calculates the number of new homes built in the past 3 financial years and divides this by the number of new homes required. The latest Housing Delivery Test (HDT), published in January 2021, calculates the HDT measurement for Epping Forest between April 2017 to March 2020 as 49%. As the HDT is below 95%, the Council is required to prepare a Housing Action Plan. The Action Plan will set out reasons for under delivery in the District and actions to accelerate delivery in the future and will build upon the Council's Housing Implementation Strategy 2019.

### **Reasons for Proposed Decision**

To ensure that members are kept fully up to date on the progress of Masterplans and Concept Frameworks and other major proposals being promoted within the District.

To comply with the Council's general obligations as a local planning authority and the requirements set out in national planning guidance.

### **Other Options for Action:**

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

To not prepare or to delay the publication of the Housing Action Plan would be contrary to advice contained within NPPF and NPPG.

### **Report:**

#### **Strategic Masterplans, Concept Frameworks and other allocated sites**

1. [The Local Plan Submission Version 2017](#) (LPSV) promotes a joined up, collaborative and proactive approach to the planning and implementation of key strategic sites across Epping Forest District. The production of Masterplans and Concept Frameworks will ensure that development proposals are brought forward in accordance with the Council's priorities and policies and facilitate the delivery of necessary infrastructure.
2. Strategic Masterplans and Concept Frameworks provide an overarching framework to ensure that development is brought forward in a coordinated and coherent way in accordance with high quality place making principles. The planning applications which follow must demonstrate general conformity with an endorsed Masterplan or Concept Framework. As set out in the [18 October 2018 Cabinet Report](#), the Council's Local Plan Cabinet Committee (LPCC) has the authority to approve Draft Strategic Masterplans and Concept Frameworks for consultation. Following the six-week consultation period, Strategic Masterplans will then be taken to Cabinet for formal endorsement as a material planning consideration. The process for Concept Frameworks is broadly similar, however owing to their smaller scale, these will only be taken to LPCC once for formal endorsement.

3. As set out in paragraph 15 of the report to Cabinet on 18 October 2018 a commitment was made to provide members with regular updates on the progress of masterplans and concept frameworks within Epping Forest District to ensure that members are kept fully informed of the progression of each plan.

## **Current progress on the masterplans**

### **Garden Town masterplans**

4. EFDC officers are liaising with key stakeholders across the 5 Garden Town authorities and relevant site promoters. EFDC and Harlow District Council (HDC) are meeting regularly with John Lawson Partnership (JLP) working on behalf of Princess Alexandra Hospital (PAH) to discuss the masterplanning proposals. As part of the project programme set out in the PPA, topic based workshop meetings have been held during June and July with PAH, the Garden Town authority partners and key stakeholders to discuss technical matters. The initial proposals for the hospital redevelopment were reviewed by the HGGT Quality Review Panel on 4 December 2020 and again on 25<sup>th</sup> June 2021. These discussions are to inform the preparation of a joint position statement between PAH and the Garden Town authority partners that is required to support the submission of the outline business case (OBC) that Public Health England will need to make to the Treasury in October 2021. The interim position statement was agreed by EFDC and Harlow Officers in January 2021 and is currently being refreshed.
5. The next phase of workshops in relation to the Latton Priory Masterplan Area are taking place between May and July 2021 to discuss the sustainable transport corridor (STC) and Suitable Alternative Natural Green Space (SANG) provision, in addition to masterplanning/design, landscape, sustainability etc. These workshops are seeking to assess the draft masterplan against the HGGT's most up to date guidance and strategies. Meetings have been held with the site promoters/agent for Water Lane in February to discuss SANG and STC matters as well as agree the proposed work programme for developing the masterplans. A further workshop to discuss the form and design of the STC through Water Lane was held in April 2021. Officers are liaising with Garden Town Partners on the potential for open space provision outside the masterplan area and the implications of STC routing on the masterplan framework and land assembly.
6. The Implementation Team has been proactively engaging with relevant site promoters to progress the other Strategic Masterplan and Concept Frameworks in the District. Some strategic sites are more advanced than others, but good progress has been made bearing in mind the impacts of Covid which meant that many site promoters/developers furloughed staff for a period last year.

### **Waltham Abbey masterplan**

7. A Planning Performance Agreement has been signed by the Waltham Abbey site promoters/developers, EFDC and Essex CC. Regular meetings are being held to discuss the masterplan. The initial proposals will be reviewed by the Council's Quality Review Panel.

### **North Weald Airfield and North Weald Bassett masterplans**

8. Officers are discussing the project programme with site promoters for North Weald Bassett and topic based meetings and masterplanning discussions have commenced. The draft masterplan will be referred to the QRP for review in August 2021. The Implementation Team has also been engaged in discussions with the Council's consultants in respect of the North Weald Airfield masterplan as they prepare initial draft options. Soundings on behalf of the Council as landowner has undertaken consultation in November/December 2020 and early this year. Officers await the feedback from the consultation and will be working with the Council's consultants to develop the masterplan options.

### **South Epping masterplan**

9. EFDC officers met with the site promoters for the South Epping masterplan area in September to discuss the Inspector's concerns regarding the proposed level of housing on the site. The subsequent technical evidence prepared by their consultants has been reviewed and was used to inform the preparation of a position statement that has fed into the proposed Main Modifications for the emerging Local Plan.
10. Discussions on the two Concept Frameworks are still at an early stage in the process.

### **Other allocated sites**

11. Alongside the Strategic Masterplan and Concept Framework sites, work has been progressing on other sites proposed for allocation within the emerging local plan that are not strategic allocations but constitute major development in the District. As with the strategic sites, some of these proposed allocations are further advanced than others, but officers are encouraged by the progress which has been made to date and work continues to progress their delivery in accordance with the Housing Trajectory of the Local Plan.
12. The development proposals for the five Epping town centre sites (St John's, Cottis Lane, Bakers Lane, Civic Centre, Hemnall Street) that Qualis are promoting are the subject of a Planning Performance Agreement and regular meetings have been held between Qualis and planning officers to discuss the development proposals coming forward across the town. Two planning applications were submitted for commercial development proposals on the Bakers Lane and Cottis Lane sites in December 2020 and public consultation was open until the end of January 2021. Officers are liaising with the applicant regarding amendments to the proposals, the air pollution mitigation required in relation to the Epping Forest SAC and target committee date. Furthermore, the three residential applications at St John's, Hemnall Street and Civic Centre were submitted and registered at the beginning of April. Officers are liaising with the applicant regarding the design, air quality considerations and responses from statutory consultees that will need to be addressed.
13. The revised planning application for the Next development proposals on land at Dowding Way was referred to the District Development Management Committee on 21

December 2020. This was referred to Full Council for determination and was refused at the meeting on 28<sup>th</sup> June 2021. Ahead of the committee, a Member Briefing took place on 10<sup>th</sup> June to provide to present the proposals and provide the opportunity for questions. The Council had negotiated the removal of the Highways England holding objection and undertook an additional piece of transport modelling work to demonstrate that the proposed right-hand turn ban from Honey Lane East into Forest Side would not have a detrimental impact on air quality in the Epping Forest Special Area of Conservation. The proposed mitigation measures were endorsed by Highways England and Natural England.

### **Interim Air Pollution Mitigation Strategy**

14. As previously reported the Council has continued to work actively to resolve the current situation that has restricted housing and economic development coming forward in the District since June 2018. Following the report to Cabinet on 20 July 2020 setting out the Approach to Managing the Effects of Air Pollution and the potential mitigation measures and consultation with Natural England and the Conservators of Epping Forest. Natural England advised on 10 December that the strategy contained measures that would manage and mitigate the effects of new development on the Epping Forest SAC in relation to air quality if the measures identified in the Interim Air Pollution Mitigation Strategy are secured through appropriate policy wording within the emerging Local Plan. This will provide the necessary link with the Habitat Regulations Assessment. The Interim Air Pollution Mitigation Strategy has now been adopted by the Council. As agreed by Full Council on 8 February 2021 the Council hereby declares that:

(i) it will determine planning applications only on the basis of the law, including the National Planning Policy Framework (NPPF) and other National Planning Guidance, the 1998 Local Plan, and the latest iteration of the new Local Plan;

(ii) that the Cabinet Member for Planning and Sustainability will form a cross party Portfolio Holder Advisory Group in no more than 1 month from the date of this resolution; and

(iii) the Group is formed to support the Portfolio Holder in the delivery of the Interim Air Pollution Mitigation Strategy and provide oversight of the work of the Technical Stakeholder Group. This could include working with officers to identify where further initiatives not identified in the APMS could be brought forward to advance Air Quality Improvements with the objective of removing the need to introduce a Clean Air Zone (CAZ). Alongside the acceleration and enhancement of mitigation measures the Portfolio Holder Advisory Group will provide democratic oversight of the development of any CAZ scheme prior to its consideration through the Council's formal decision-making processes and public consultation on it in the event that future air quality monitoring and modelling continues to demonstrate that, even after the acceleration and enhancement mitigation measures, a CAZ is required.

15. The Council will be proposing Main Modifications to Policies DM 2 and DM 22 to the Inspector to address the matter and will be submitting an updated HRA to take account of the latest evidence.
16. Officers will be reviewing all of the undetermined applications in terms of policy and other material planning considerations and the Council is proposing to release decisions on applications which have been held in abeyance in accordance with the following sequence:
  - Applications with a Committee resolution to grant permission;
  - Allocated or designated sites that comply with the ambitions of the emerging Local Plan;
  - All other applications in order of validation date

### **Update on Examination of the Emerging Local Plan**

17. The Local Plan Inspector is close to finalising the Main Modifications Schedule. The Main Modifications are changes to the published Local Plan Submission Version (2017) which are required to remedy issues of soundness. The Inspector published an updated position statement on the Plan Examination website (ED119) on 08 June 2021 which outlines this progress and confirms that the Council is aiming for consultation on the Main Modifications to commence on or around 05 July 2021. The current working assumption is the consultation will commence on 8<sup>th</sup> July for a 10 week period.
18. The Council is busy preparing for the Main Modifications consultation. Specific elements will include a District Member briefing session, presentation of all consultation materials and guidance on the Plan Examination/Council website, ensuring the availability of hardcopy materials at points within the District (taking into account any COVID19 restrictions), communication with the consultee database, a series of Council press releases and communication via social media.
19. Following the consultation, the Council will share all representations to the Planning Inspector for her consideration. Once the Inspector has considered the responses, including the evidence presented throughout the duration of the Examination, she will determine whether the Local Plan is 'sound' and produce a written report outlining her final recommendations. Following receipt of the Inspector's report and providing she determines it 'sound', the Plan can be formally adopted by the Council if it makes the Main Modifications she recommends.

### **Housing Action Plan**

20. NPPF introduced the Housing Delivery Test (HDT) and sets out specific measures that an authority must take where housing delivery falls short of the housing requirement. The HDT should not be confused with the 5 year housing land supply test which is a separate national policy relating to the future supply of housing. The Ministry for Housing, Communities & Local Government (MHCLG) has calculated a HDT 'measurement' figure for every plan area in England. To calculate the HDT

measurement for the district, the number of new homes built in the past three financial years is divided by the number of new homes required in the same period. The HDT figure is expressed as a percentage.

21. Where the HDT measurement indicates that housing delivery is less than 95% the local authority housing requirement, it should prepare an Action Plan which assesses the cause of under delivery and identifies actions to increase delivery in the future years. Where the HDT measurement is less than 85% the district must add a 'buffer' equivalent to one year's supply (20%) when calculating the 5 year housing land supply calculation. Where the HDT measurement is less than 75% for applications involving the supply of housing, the Local Plan policies most important for determining the application will be considered out of date. In such circumstances, planning applications will be determined in accordance with the NPPF's 'presumption in favour of sustainable development'. The 'presumption' measure applies to the district currently due to the lack of a 5 year housing land supply.

22. The Housing Delivery Test Result for 2020 is detailed below.

Number of homes required			Total no. of homes required	Number of homes delivered			Total no. of homes delivered	HDT 2019 measurement
2017/18	2018/19	2019/2020		2017/18	2018/19	2019/20		
667	937	864	2,468	564	426	223	1,213	49%

23. The latest HDT publication in January 2021 calculates the HDT measurement for Epping Forest for the period April 2017 to March 2020 as 49% and therefore all three sanctions set out in paragraph 21 above will apply including the need to prepare an Action Plan.

24. The Action Plan (Appendix E) sets out reasons for under delivery in the District and actions to accelerate delivery in the future. The reasons for under delivery include the impact of the Natural England's advice which has resulted in planning applications being held in abeyance pending the identification of an acceptable air quality mitigation strategy. It also includes the delayed submission of the Local Plan (LPSV) and the consequential delay to the adoption of the Local Plan, which has impacted upon the delivery of Local Plan allocations and commitments.

25. This Housing Action Plan builds upon the Council's Housing Implementation Strategy (HIS) Update 2019 (EB410A) which details how the Council will maintain a 5-year supply of deliverable housing land against the Local Plan housing requirement.

26. To ensure that the Action Plan is as useful as possible the action plan should be published within 6 months of the publication of the Housing Delivery Test measurement. In this instance 19th July 2021. Members are asked to approve the Housing Action Plan included within the Appendix E and its publication.

### **Resource Implications:**

As set out in the 18 October 2018 Cabinet Report, the successful delivery of the Garden Town and the other strategic sites within Epping Forest District will require considerable commitment of officer time from EFDC. The noting of the contents of this report do not give rise to additional resource implications.

The successful delivery of Infrastructure in the District and Harlow and Gilston Garden Town will require a significant commitment of officer time. The Council's Developer Contributions Strategy includes provision for developers to contribute towards the cost of monitoring the compliance of S106 Agreements.

### **Legal and Governance Implications:**

The work on the Strategic Masterplans, Concept Frameworks and Housing Action Plan has been developed in accordance with Government policy (NPPF and NPPG) and Planning Law.

### **Safer, Cleaner, and Greener Implications:**

The Local Plan contains a policy designed to promote the notion of making good places to live, work and visit. This will include safer by design principles, sustainable development, the provision of alternatives to the car, energy efficiency and environmental considerations as well as sustainable drainage systems and quality green infrastructure. Strategic Masterplans and Concept Frameworks will be the mechanism for these place-making measures to be delivered in identified Masterplan Areas.

### **Consultation Undertaken:**

Some of the Strategic sites have been the subject of informal public consultation and engagement. However as set out in the Councils Masterplan and Concept Framework Plan Briefing note, these sites will be subject to public consultation in accordance with an endorsed Statement of Community Involvement.

### **Background Papers:**

C-015-2018/19: Governance arrangements for Local Plan Implementation, 18 October 2018

Inspector's advice after hearings (ED98) 2 August 2019

Housing Implementation Strategy EB401A and B January 2019

Habitat Regulations Assessment (EB209) January 2019

Methodology review for the HRA for the Local Plan (ED105) February 2020

Update on progress of Inspector's actions in her Advice after Hearings (ED106) April 2020

C-013-2020-21 Approach to Managing the Effects of Air Pollution on the Epping Forest Special Area of Conservation (EB150) 20 July 2020

PLS-003-2020/21 Portfolio Holder Report (EB154) 4 December 2020



C-028-2020/21 Implementation of the Local Plan update on progress (EB153) 19 October 2020

Report to Full Council on 8 February 2021

**Risk Management:**

If the Council was not to take a pro-active stance on the delivery of Masterplans and major applications arising from the Local Plan, there is a real risk of or development occurring of a type that does not extract maximum value for the provision of social infrastructure and poor quality development may occur.

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<b>Section 1: Identifying details</b>
Your function, service area and team: Planning Service
If you are submitting this EqIA on behalf of another function, service area or team, specify the originating function, service area or team: <i>N/A</i>
Title of policy or decision: Update on the progress of strategic masterplans, concept frameworks, planning performance agreements, the Quality Review Panel and contributions from developers towards infrastructure
Officer completing the EqIA: Lydia Grainger Tel: 01992 564275 Email: lgrainger@eppingforestdc.gov.uk
Date of completing the assessment: 30/06/2021

<b>Section 2: Policy to be analysed</b>	
2.1	Is this a new policy (or decision) or a change to an existing policy, practice or project? No
2.2	Describe the main aims, objectives and purpose of the policy (or decision):  <i>The report is to update members on the progress of Strategic site allocations in the emerging Local Plan and to fulfil the requirement to publish an Infrastructure Funding Statement by 31 December each year.</i>  What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)?  <i>To ensure members are fully briefed on the progress made on strategic planning issues.</i>
2.3	Does or will the policy or decision affect: <ul style="list-style-type: none"> <li>• service users</li> <li>• employees</li> <li>• the wider community or groups of people, particularly where there are areas of known inequalities?</li> </ul> <i>No</i>
2.4	Will the policy or decision involve substantial changes in resources?  <i>No – the report is for information only.</i>

2.5	<p>Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes?</p> <p><i>It fulfils a commitment made to Cabinet in the report of 18 October 2018 to keep members updated on the progress of masterplans, concept frameworks and other site allocations and the requirement to produce an Infrastructure Funding Statement.</i></p>
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### Section 3: Evidence/data about the user population and consultation<sup>1</sup>

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

3.1	<p>What does the information tell you about those groups identified?</p> <p><i>This is not applicable – the report is for noting only.</i></p>
3.2	<p>Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision?</p> <p><i>N/A – as above</i></p>
3.3	<p>If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary:</p> <p><i>N/A for reason noted in 3.1</i></p>

## Section 4: Impact of policy or decision

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

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

## Section 5: Conclusion

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

No actual or likely adverse impacts have come to light.

## Section 6: Action plan to address and monitor adverse impacts

What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.



## **Section 7: Sign off**

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

Signature of Head of Service: Nigel Richardson

Date: 30<sup>th</sup> June 2021

Signature of person completing the EqlA: Lydia Grainger

Date: 30<sup>h</sup> June 2021

### **Advice**

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

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**Appendix A - Masterplan and Concept Frameworks**

Masterplan Area / Concept Framework Area	Local Plan policy and site reference	Description of proposed allocation	PPA status	Delivery due to commence (Housing Implementation Strategy 2019)	QRP	Timescales / progress update	Proposal stage	Section 106	Case officer
Latton Priory	Policy SP 4 & SP 5: SP 5.1	New Garden Town Community consisting of approximately 1,050 homes, 2 hectares of employment land, up to 5 traveller pitches, a new primary and secondary school and a local centre.	Reviewed 2021	2022/23	11/10/2018 and 05/04/2019	A series of masterplanning meetings have been held (May to July 2021) and are ongoing between key stakeholders including EFDC, the main site promoters (Commercial Estates Projects Ltd and Hallam Land), ECC (Highway and Education), and HDC. Workshops are based on a new PPA looking to further test masterplan against HGGT Vision and Sustainability Guidance to ensure readiness for endorsement of masterplans by end of 2021. This will pave the way for subsequent planning applications.	Masterplan	Not commenced	Anna Rowell
Water Lane	Policy SP 4 & SP 5: SP 5.2	New Garden Town Community consisting of approximately 2,100 homes, up to 5 traveller pitches, a new primary school and a local centre.	West Sumners signed -July 2018 West Katherines signed - May 2019	2022/23	28/03/2019 - joint 06/09/2019 - West Sumners	Series of masterplanning meetings have been held and are ongoing between key stakeholders including EFDC, the main site promoters (a consortium of housebuilders including Persimmon, Taylor Wimpey and Martin Grant Homes - West Katherines, and Manor Oak Homes - West Sumners), ECC (Highway), and HDC. Representatives of the smaller sites contained within Tylers Cross have recently begun to engage in the Masterplanning process and engagement has begun with representatives of Redwings. Garden Town Team liaising with site promoters to arrange an STC workshop in Summer 2021.	Masterplan	Not commenced	James Rogers
East of Harlow	Policy SP 4 & SP 5: SP 5.3	New Garden Town Community consisting of approximately 750 homes, up to 5 traveller pitches, a new primary school, a local centre, and a potential new secondary school and potential relocation of PAH.	PPA signed January 2021 with PAH, ECC, HC	2024/25	N/A	The land promoters are in the process of securing a master developer for the project. This process is being lead by CBRE and Sworders. A number of PPA workshops have been held for the new Princess Alexandra Hospital on their sustainability strategy, sustainable drainage, MMC and transport strategy. A Masterplan Update workshop was held on the 10th of June, followed by a second QRP session on the 25th of June. The Trust will then be seeking an update on the PPA addendum to the Planning Position Statement.	Masterplan	Not commenced	Richard Schunemann
North Weald Bassett	Policy P 6: NWB.R1, NWB.T1, NWB.R2, NWB.R3, NWB.R4 and NWB.R5	Provision of approximately 1,050 homes and 5 traveller pitches, a new local centre including retail, community and health facilities and the erection of a new primary school.	Advanced stage of discussion	2022/23	14/07/2019	The draft PPA is now at an advanced stage of negotiation between the parties and expected to be signed by July 2021. To date, meetings have taken place on transport issues, green infrastructure, SANGS provision, urban design and land drainage. In addition, workshops have been held with the North Weald Bassett Neighbourhood Plan Steering Group. The site promoters are due to submit the latest version of their draft masterplan and this will be considered by the QRP in August 2021..	Masterplan	Not commenced	James Rogers
North Weald Airfield	Policy P 6: NWB.E4	Provision of new B1/B2/B8 employment uses on NWB.E4 and retention and expansion of aviation uses to the west of the main runway.	Advanced stage of discussion	2022/23	N/A	The Council's consultants who are preparing the NWA masterplan are meeting regularly with the Implementation Team to discuss the proposed approach to the draft masterplan options, preparing technical supporting data and liaising with site promoters on the adjoining site (NWB). Member workshops have been held between October 2020 and February 2021 to discuss the consultants initial approach to this work. The PPA programme has been agreed in principle but the timetable is being updated to include the technical work that has been commissioned.	Masterplan	Not commenced	James Rogers
South Epping	Policy P 1: EPP.R1 and EPP.R2	Provision of approximately 950 homes, a new neighbourhood centre to include community facilities, employment, health facilities and retail uses as well as a new primary school and early years childcare provision.	Not commenced	2023/24	N/A	The Local Plan Inspector's advice from August 2019 raised concerns regarding the potential impact of development on landscape character, Green Belt and the EFSAC. EFDC and the site promoters liaised to prepare and submit a technical capacity note to the Local Plan Inspector to address the actions raised (submitted in September 2020). The Main Modifications for the Local Plan, including those relating to SEMPA are expected to go out to consultation on 8th July 2021.	Masterplan	Not commenced	James Rogers
Waltham Abbey North	Policy P 3: WAL.R1, WAL. T1, WAL.R2 and WAL.R3	Provision of approximately 740 homes and 5 traveller pitches as well as a new local and community centre.	PPA signed November 2020	2022/23	Feb-21	QRP held in February 2021 . The applicant has prepared a community engagement strategy that and informal consultation commenced on 28th June 2021. Following this, an update on the masterplanning process is expected to see what effect the consultation process has had over decisions within the masterplan framework. This then will be followed by a second QRP in September 2021.	Masterplan	Not commenced	Richard Schunemann
Jessel Green	Policy P 2: LOU.R5	Provision of approximately 154 homes.	Not commenced	2028/29	N/A	Following the advice received from the Local Plan Inspector, the proposed allocation is to be deleted from the plan via Main Modification.	Not commenced	Not commenced	N/A
Limes Farm	Policy P 7: CHIG.R6	Regeneration led development to provide an additional 100 homes on the site as well as new community and local service facilities.	Not commenced	2028/29	N/A	Following the advice received from the Local Plan Inspector, the proposed allocation is to be deleted from the plan via Main Modification.	Not commenced	Not commenced	N/A

Masterplan Area / Concept Framework Area	Local Plan policy and site reference	Description of proposed allocation	PPA status	Delivery due to commence (Housing Implementation Strategy 2019)	QRP	Timescales / progress update	Proposal stage	Section 106	Case officer
West Ongar Concept Framework Area	Policy P 4: ONG.R1 and ONG.R2	Provision of approximately 234 homes	Initial discussions	2022/23	N/A	Discussions regarding a PPA and a project plan are at an early stage (September 2020)	Concept Framework	Not commenced	James Rogers
South Nazeing Concept Framework Area	Policy P 10: NAZE.R1, NAZE.R3 and NAZE.R4	Provision of approximately 93 homes.	Initial discussions	2021/22	N/A	Discussions regarding a PPA and a project plan are at an early stage (June 2021)	Concept Framework	Not commenced	TBC
Epping Town Centre Sites	EPP.R6 (Cottis Lane) + EPP.R7 (Bakers Lane)	Comprehensive redevelopment of the sites.	ETCS Strategy PPA signed March 2020; ETCS Details PPA at an advanced stage of discussion		Multiple	The two planning applications were registered in December 2020. Negotiations have continued with officers and the applicant on design matters, public realm, transport issues and neighbouring amenity issues. The air quality assessment in relation to the SAC was completed in June 2021 and negotiations are taking place with the Council's air quality consultant regarding the mitigation package.	Planning Applications x2	Not commenced	Nick Finney

**Appendix B - Allocated Sites**

Site	Local Plan site Reference	Description of proposal	PPA status	Delivery due to commence (Housing Implementation Strategy 2019)	Application Stage	Local Plan Implementation Forum	Development Management Forum	Quality Review Panel	Timescales / progress update	Section 106 status	Case officer	Team responsible
<b>Pre application proposals</b>												
Former Waltham Abbey Swimming Pool, Roundhills, Waltham Abbey	WAL.R6	Redevelopment of the site to provide residential development.	N/A	2028/29	Pre application ref: EF\2018\ENQ\01422	Sep-19	TBC	12-Jul-19	Discussions ongoing regarding revisions following QRP. Public consultation carried out by the Site Promoters in September 2019. Qualis liaising with Implementation Team regarding pre-app and subsequent topic based meetings. Submission of planning application expected July 2021.	Not commenced	Nick Finney	Implementation
Land at Forest Drive, Theydon Bois	THYB.R1	Mixed development up 39 dwellings.	N/A	2021/22	Pre application ref: EF\2018\ENQ\00400	Jun-19	N/A	N/A	Under consideration.	Not commenced	Marie Claire Tovey	Development Management
Greensted Croft, Greensted Road, Ongar	ONG.R5	Erection of up to 115 residential units.	Agreed and signed	2022/23	Pre application ref: EF\2018\ENQ\01132	Nov-18	TBC - Was intended for Apr 20 but shelved due to Covid-19	1st review - 28 Mar 19. 2nd review - 17 Apr 20	Full application submitted and registered in November 2020	Not commenced	Ian Ansell	Development Management
Chigwell Convent	CHIG.R7	Redevelopment of site for various residential uses , 3.4 hectares 136 -194 dwellings.	N/A		Pre application ref: EF\2019\ENQ\00562	Jul-19	TBC	TBC	Heritage considerations under discussion between applicant and Conservation Officer	Not commenced	Ian Ansell	Development Management
Stanford Rivers Road, Ongar	ONG.R6	Erection of 39 residential units.	Discussions ongoing		Pre application ref: EF\2019\ENQ\00630	Feb-20	N/A	TBC	Pre-app meeting held September 2020	Not commenced	Ian Ansell	Development Management
<b>Planning applications submitted awaiting decision</b>												
Land North of Dowding Way	WAL.E8	Hybrid Planning Application: Phase 1 - Erection of large scale distribution warehouse and phase 2 - Outline application for other employment uses.	Agreed but not yet signed	2026/27	EPF/2503/19	Oct-18	15/05/2018	26-Apr-18 Oct-18 and Aug-19	Application referred to DDMC on 21st December 2020 who recommended refusal. The application was referred to Full Council with this recommendation on 24th June 2021 and planning permission was refused.	Draft S106 Heads of Terms	James Rogers	Implementation
Land west of Frogghall Lane, Chigwell	CHIG.R4	Proposed assisted living development to provide apartments and communal and support facilities.	N/A	Site allocated for C2 use	Planning application - EPF/1182/18	Nov-18	N/A	N/A	Pending consideration	Not commenced	Ian Ansell	Development Management
Land Corner of Mill Lane / Millfield, High Ongar	HONG.R1	Erection of 8 three bedroom houses including new access from Millfield, provision of parking spaces, amenity space and landscaping.	N/A	2020/21	Planning application - EPF/1718/18	Jul-17	N/A	N/A	Pending consideration	Not commenced	Ian Ansell	Development Management
Lake View, Moreton	MORE.T1	Application for variation of condition 10 on planning application EPF/1356/98 (allowed on appeal) (Use of land for Showmen's permanent quarters (relocation of existing established overcrowded site) to enable up to 62 caravans to be located within the site).	N/A	Regularisation of existing use	Planning application EPF/0499/18	Jun-18	N/A	N/A	Pending consideration	Existing use	Ian Ansell	Development Management
Gypsy Mead, Ongar Road, Fyfield	FYF.R1	Proposed development of x 24 no. new homes with associated parking facilities, cycle stores and rubbish disposal.	N/A	2022/23	Planning application - EPF/0016/19	Apr-19	Awaiting further information on wider issues	22-Nov-18	Pending consideration	Not commenced	Ian Ansell	Development Management
St Thomas More Church, Willingale Road, Loughton	LOU.R16	Demolition of redundant church and associated buildings and erection of 16 house, 10 flats and a new community hall.	N/A	2021/22	Planning application - EPF/0304/19	Nov-18	N/A	N/A	Held in abeyance due to SAC	Not commenced	Marie Claire Tovey	Development Management
Unit 20, Oakwood Hill Industrial Estate	LOU.E1	Proposed new 5 storey office building with associated parking.	N/A		Planning application - EPF/1908/19	No	N/A	N/A	Held in abeyance due to SAC	Not commenced	Marie Claire Tovey	Development Management
Land rear of 287-291 High Street, Epping	EPP.R10	1 no. 3 storey and 1 no. 2 storey buildings for five residential units with creation of a communal open space, landscaping and associated works.	N/A		Planning application - EPF/1080/19	No	N/A	28-Mar-19	Held in abeyance due to SAC	Not commenced	Caroline Brown	Development Management
Nazeing Glassworks	NAZE.E3	Redevelopment of the site to provide approximately 5,000sqm of employment space and 230 residential dwellings.	Payment received	Not an allocated site for housing	Planning application: EPF/2712/19	May-18	TBC	16-Aug-18	Refused permission dated 16 January 2021	Not commenced	Sukhi Dhadwar	Development Management
Oak Hill Green, Oak Hill Road, Stapleford Abbots	STAP.R1	Residential development around 40 units and community facilities.	N/A	2021/22	Planning application: EPF/0216/20	May-18	N/A	Second review 17-May-19	Design review progressing following identification of gas pipe line under site requiring a no build zone	Not commenced	Ian Ansell	Development Management
13-15a Alderton Hill, Loughton	LOU.R14	Alderton Hill Loughton Essex IG10 3JD Demolition of houses at 13, 15 and 15a Alderton Hill, and the erection of linked blocks of elderly persons apartments, with integrated care facilities (Use Class C2) with supporting amenity facilities, landscaping, 64 car spaces in undercroft parking at the rear and south side of the block, and associated ground works. (Second application)	N/A	2028/29	Planning application EPF/2115/18	No	N/A	N/A	Pending consideration	Not commenced	Sukhi Dhadwar	Development Management
<b>Applications awaiting S106 to be signed (excluding S106 only relating to the SAC)</b>												
JW Fencing, Pecks Hill, Nazeing	NAZE.R2	Outline planning application for the demolition of all existing buildings on the site and erection of 25 dwellings.	N/A	2022/23	Outline Planning application	Jul-18	No	No	Will be presented to the next available West Area Planning committee	Awaiting signature	Sukhi Dhadwar	Development Management
<b>Proposals at appeal</b>												
Epping Forest College, Borders Lane, Loughton	LOU.R9	Redevelopment of the site to provide x139 no. residential units in 3 buildings ranging from 3-5 storeys, car parking spaces, communal landscaped amenity areas, secure cycling parking & other associated development.	Pre-app PPA signed, Planning application PPA under negotiation	2023/24	Planning application - EPF/2905/19	Jun-19	TBC	09-Aug-19	Allowed at appeal	Not commenced	Marie Claire Tovey	Development Management

Site	Local Plan site Reference	Description of proposal	PPA status	Delivery due to commence (Housing Implementation Strategy 2019)	Application Stage	Local Plan Implementation Forum	Development Management Forum	Quality Review Panel	Timescales / progress update	Section 106 status	Case officer	Team responsible
Epping Forest Playing Fields, Loughton			N/A		EPF/0379/20	No	N/A	N/A	Allowed at appeal	Not commenced	Marie Claire Tovey	Development Management

**Appendix C - Non allocated Sites**

Site	Description of proposal	PPA status	Application Stage	Local Plan Implementation Forum	Development Management Forum	Quality Review Panel	Timescales / progress update	Section 106 status	Case officer	Team responsible
<b>Pre application submissions</b>										
Warlies Nurseries, Horseshoe Hill, Waltham Abbey	18 retirement dwellings within walled garden	N/A	Pre-application ref EF\2019\ENQ\00958	Dec-19	N/A	N/A	In abeyance at applicants request	Not commenced	Ian Ansell	Development Management
<b>Planning applications awaiting decision</b>										
North Weald Park (Quinn)	Erection of up to 690 dwellings, including new access route, vehicle parking, landscaping and associated infrastructure.	Signed 18/05/18	Planning application - EPF/1413/18	Jul-18	08/09/2018	27-Sep-18 and 05-Apr-2019	Awaiting comments from ECC Highways	Not commenced	Sukhi Dhadwar	Development Management
Pickerells Farm, Dunmow Road, Fyfield	Change of use of existing building to form 6 no. dwellings with associated amenity space, parking space bin store, bike store, passing bays and skip enclosure.	N/A	Planning application - EPF/0537/19	No	N/A	N/A	Application registered - 12/04/2019.	Not commenced	Alastair Prince	Development Management
Netherhouse Farm, Sewardstone Road, Waltham Abbey	Change of use of land to a woodland cemetery and crematorium with the erection of a meeting hall and associated buildings. (Variation to previously approved application ref. EPF/0526/17).	N/A	Planning application - EPF/0599/19	No	N/A	N/A	Withdrawn	Not commenced	Graham Courtney	Development Management
Low Hill Nursery, Sedge Green, Nazeing	Replacement of existing caravans with permanent building containing accommodation for 10 nursery workers.	N/A	Planning application - EPF/3339/18	No	N/A	N/A	Held in abeyance due to SAC.	Not commenced	Muhammad Rahman	Development Management
Woodredon House, Woodredon Farm Lane, Waltham Abbey	Conversion and change of use of former care home including the removal of side extensions and replacement with one storey side extension to provide x 10 no. apartments (C3) with cart-lodge style garaging.	N/A	Planning application - EPF/0729/19	No	N/A	N/A	Approval granted 13/11/2020	Not commenced	Graham Courtney	Development Management
New Barns Farm, Epping Road, Roydon	Conversion of redundant farm buildings to seven residential (C3) units, demolition of sections of buildings and associated works.	N/A	Planning application - EPF/3120/18	No	N/A	N/A	Held in abeyance due to SAC.	Not commenced	Graham Courtney	Development Management
Chigwell Garden Centre, High Road, Chigwell	Demolition and removal of existing dwelling, storage buildings, associated commercial structures and car park, and the erection of a 100 bedroom high-quality care home with associated access, vehicle parking, hard and soft landscaping, structural landscaping and site infrastructure.	N/A	Planning application EPF/3195/18	Apr-19	N/A	17-May-19	Applicants reviewing options through local plan process, application held pending outcome	Not commenced	Ian Ansell	Development Management
Mossford Green Nursery, Abridge Road, Theydon Bois	Demolition of existing buildings, clearance of open storage and dwelling and erection of 19 dwellings (8 x 3 bed, 11 x 4 bed).	N/A	Planning application EPF/3379/18	2019	N/A	N/A	Held in abeyance due to SAC. Applicants looking at alternative scheme on part of site and likely to withdraw current application.	Not commenced	Ian Ansell	Development Management
113 Church Hill, Loughton	Residential development of x10no. apartments with associated parking and external amenity space. (Revised application to EPF/0610/18).	N/A	Planning application - EPF/1471/19	Sep-19	N/A	N/A	Held in abeyance due to SAC.	Not commenced	Ian Ansell	Development Management
51 High Road, Loughton	Demolition of existing dwelling and erection of 9 new apartments.	N/A	Planning application EPF/1860/19	Dec-19	N/A	N/A	Held in abeyance due to SAC.	Not commenced	Muhammad Rahman	Development Management
Threeways Nursery Sedge Green Roydon Essex CM19 5JS	Demolition of a part of existing glasshouses; change of use, conversion and extension of remainder to form x 12 no. units of mixed light industrial and storage use. (Amendment to EPF/2278/17).	N/A	Planning application - EPF/2041/19	No	N/A	N/A	Class B1/B8 Use - Waiting for SAC to be sorted.	Not commenced	Caroline Brown	Development Management
Moor Hall Stables Moor Hall Road North Matching Essex CM17 0LP	Proposed replacement of stable buildings with new dwellings along with new dwellings to provide 6 new units with associated parking and landscaping.	N/A	Planning application - EPF/1305/19	Sep-19	N/A	N/A	No decision made due to prematurity in relation to masterplan sites.	Not commenced	Sukhi Dhadwar	Development Management
1-6 Shernbroke Road Hostel, Shernbroke Road, Waltham Abbey	Erection of 26 flats with associated parking and landscaping following demolition of the former Shernbroke Hostel.	N/A	Planning Application EPF/2609/19	Dec-19	N/A	N/A	Awaiting viability review	Not commenced	Ian Ansell	Development Management
75, 75a-c, 77 Queens Road, Buckhurst Hill	Demolition of No. 75, 75a-c, 77 Queens Road and the construction of fifteen new dwellings with a ground floor retail units.	N/A	Planning Application EPF/2514/19	No	N/A	N/A	Refused consent 08/04/2020	Not commenced	Natalie Price	Development Management
69 Farm Hill Road, Waltham Abbey	Demolition of bungalow and erection of two, two storey linked blocks to provide 4 x 1 bedroomed flats and 2 x 2 bedroomed flats with associated car parking, bin and bike stores, amenity and landscaping.	N/A	Planning application - EPF/3381/18	No	N/A	N/A	Was held in abeyance due to SAC, but part of first tranche that has had decisions released on 28/05/21	In progress	Graham Courtney	Development Management
Garden Centre, Crown Hill, Waltham Abbey, EN9 3TF	Construction of 8 flats	N/A	EPF/1255/20	No	N/A	N/A	Recommended for refusal.	Not commenced	Sukhi Dhadwar	Development Management
233 - 235 Fencepiece Road, Chigwell	Demolition of two existing semi-detached dwellings and replacement with single structure containing 10 new apartments.	N/A	EPF/0633/20	No	N/A	N/A	Held in abeyance due to SAC.	Not commenced	Marie-Claire Tovey	Development Management
Hill House, Waltham Abbey	New build independent living scheme comprising 48 no. 1 bed flats and 12 no. 2 bed flats, communal facilities and dining cafe area. Landscaped ground and parking for 30 no. cars including 3no. disabled spaces.	Signed 04/01/2021	EPF/0491/20	No	N/A	N/A	Awaiting amended plans	Not commenced	Sukhi Dhadwar	Development Management

Site	Description of proposal	PPA status	Application Stage	Local Plan Implementation Forum	Development Management Forum	Quality Review Panel	Timescales / progress update	Section 106 status	Case officer	Team responsible
143 High Road, Loughton	Application for Prior Approval for a Proposed provision of x 8 no. flats at first floor level	N/A	EPF/0789/20	No	N/A	N/A	Requires writing notification from the Council in line with Para 75 – 78 of the Habitats Regulations 2017, before works can proceed.	Not commenced	Muhammad Rahman	Development Management
Upper Clapton RFC	New all weather pitch, alterations to function hall, improved drainage to pitches, alterations to car park and relocation of floodlights, together with enabling development comprising 9 residential dwellings.	N/A	EPF/1400/20	No	N/A	N/A	Held in abeyance at applicants request.	Not commenced	Ian Ansell	Development Management
24-26 Bridge Garage High Street Ongar CM5 9DZ	Demolition of existing car showroom and servicing bays and construction of nine, 2-bed apartments, bin and cycle stores, private open space, parking spaces and provision of foul and surface water drainage and landscaping.	N/A	EPF/1385/20	No	N/A	N/A	Refused – new scheme for 9 units (EPF/1114/21) under consideration.	Not commenced	Ian Ansell	Development Management
High House Farm, Stapleford Road, Stapleford Abbots	Construction of x20 no. new dwellings with associated infrastructure, parking, public open space & landscaping	N/A	EPF/0524/20 (revised from EPF/2708/18)	No	N/A	N/A	Reporting to DDMC in August.	Not commenced	Ian Ansell	Development Management
Taw Lodge Epping Lane Stapleford Tawney	Demolition of existing buildings; and erection of 6 residential dwellings and associated landscaping and infrastructure.(Revised application to EPF/0511/20).	N/A	EPF/1673/20	No	N/A	N/A	Refused and appeal dismissed. Permission subsequently granted for 2 additional units, new application (EPF/1339/21) for revised 2 unit scheme under consideration.	Not commenced	Ian Ansell	Development Management
Tylers Cross Nursery, Epping Road, Nazeing	Demolition of part of existing glasshouses; change of use and conversion of remainder to form 20 units in mixed light industrial and storage use (Class B1/B8).	N/A	Planning application - EPF/1619/18	No	N/A	N/A	Held in abeyance due to SAC.	In progress	Graham Courtney	Development Management
Land at Burleigh Lodge	Proposed erection of x10 no. semi-detached residential dwellings.	N/A	EPF/0208/20	No	N/A	N/A	Recommended for refusal.	Not commenced	Sukhi Dhadwar	Development Management
Marshfield Service Station Sewardstone road	Demolition of petrol station, workshops, existing bungalow and the provision of a	N/A	EPF/2198/20	No	N/A	N/A	Refused 19th January 2021	Not commenced	Sukhi Dhadwar	Development Management
1-3 Coopersale Common	Demolition of existing semi detached houses and replacment with 6 houses	n/a	EPF/2696/20	Jan-21	n/a	n/a	Refused 15th January 2021	Not commenced	Sukhi Dhadwar	Development Management
177 High Road, Chigwell	Proposed mixed-use development to provide 40 residential dwellings (Use Class C3) and 500 sqm of commercial floorspace (Use Class E) together with cycle and car parking, landscaping, provision of new pavement and loading bay on Brook Mews and associated infrastructure	Yes	EPF/2868/20	No	N/A	N/A	Under consideration	Not commenced	Marie-Claire Tovey	Development Management
<b>Applications awaiting S106 to be signed</b>										
1 Tomswood Road, Chigwell	Demolition of existing and proposed apartment block (seven flats).	N/A	Planning application EPF/0840/18	No	N/A	N/A	Awaiting Section 106 (SAC recreation and air quality).	In progress	Ian Ansell	Development Management
Land at Gainsborough House, Sheering Lower Road, Sheering	Change of use of Gainsborough House from offices to residential and erection of a two and a half storey extension to create 10 no. flats and revised parking layout.	N/A	Planning application - EPF/0438/19	No	N/A	N/A	Awaiting agreement completion	In progress	Ian Ansell	Development Management
Chigwell Primary School, High Road, Chigwell	Construction of new Chigwell Primary Academy school, followed by demolition of existing buildings and creation of new playing field and playground, together with residential development comprising 59 number dwellings, together with car parking, garden spaces, vehicular access from High Road (A113), external landscaping & associated development.	N/A	Planning application - EPF/1681/19	Pre-app March 2019	No	TBC	Permission granted, awaiting commencement.	In progress	Ian Ansell	Development Management
Land at the former Chimes Garden Centre, Old Nazeing Road	Proposed erection of x 14 no. dwellings (4 flats and 10 dwellings). (Phase 2).	N/A	Planning Application EPF/3040/19	No	N/A	N/A	Likely to be refused planning consent. Discussions ongoing with agent.	Not commenced	Graham Courtney	Development Management
<b>Planning applications determined</b>										



Site	Description of proposal	PPA status	Application Stage	Local Plan Implementation Forum	Development Management Forum	Quality Review Panel	Timescales / progress update	Section 106 status	Case officer	Team responsible
Former Duke Of Wellington Wellington Hill Loughton	Proposed demolition of existing buildings & construction of x2 no. apartment blocks, consisting of 8 flats , provision of ancillary car & cycle parking, electric vehicle charging points, amenity space, landscaping & boundary treatment.	n/a	EPF/1533/20	No	n/a	n/a	Final approval issued on 01/04/21	Not commenced	Francis Saayeng	Development Management
<b>Proposals at appeal</b>										
Rolls Park, Rolls House, High Road, Chigwell	Redevelopment of the site to provide 7 houses, comprising 2no. 4 bed detached, 4no. Semis three bedroom semis, and 1No. 3 bed detached.	N/A	EPF/1044/20	No	N/A	N/A	Refused 16/06/2020 - decision dismissed on 25/02/21	Not commenced	Honey Kojouri	Development Management

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**Appendix D - Quality Review Panel**

Scheme reviewed	Epping Forest District Council (EFDC) / Harlow and Gilston Garden Town (HGGT) review	Pre-application/ Application/ Other	Date of review	Scheme Type	Local Plan reference	Type of review	Report: Confidential/ On website	Lead Officer	Team responsible
Land North of Dowding Way	EFDC	Pre-application	26/04/2018	Commercial Site	WAL.E8	Formal	Confidential	James Rogers	Implementation
HGGT Spatial Vision	HGGT	Other	24/05/2018	Strategy document	n/a	Formal	On website	HGGT	HGGT
HGGT Design Charter	HGGT	Other	19/07/2018	Strategy document	n/a	Formal	On website	HGGT	HGGT
Gilston Masterplan	HGGT	Pre-application	19/07/2018	Strategic Masterplan	n/a	Formal	n/a	East Herts	East Herts
HGGT Sustainable Transport Corridor Study	HGGT	Other	26/07/2018	Evidence-base document	n/a	Formal	Confidential	HGGT	HGGT
Nazeing Glassworks	EFDC	Pre-application	16/08/2018	Mixed use masterplan	NAZE.E3	Formal	Confidential	Graham Courtney	Implementation
North Weald Park	EFDC	Application	27/09/2018	Mixed use masterplan	Not allocated	Formal	On website	Sukhi Dhadwar	Development Management
Land North of Dowding Way	EFDC	Application	11/10/2018	Commercial Site	WAL.E8	Second Formal	Confidential	James Rogers	Implementation
Latton Priory	EFDC / HGGT	Pre-application	11/10/2018	Strategic Masterplan	SP 5.1	Formal	Confidential	Graham Courtney	Implementation
HGGT Design Guide	HGGT	Other	11/10/2018	Strategy document	n/a	Chair's Review	On website	HGGT	HGGT
HGGT Transport Strategy	HGGT	Other	11/10/2018	Strategy document	n/a	Formal	Confidential	HGGT	HGGT
13-15a Alderton Hill	EFDC	Application	02/11/2018	Specialist Housing	LOU.R11	Formal	On website	David Baker	Development Management
Gypsy Mead site	EFDC	Pre-application	22/11/2018	Housing (under 50 units)	FYF.R1	Formal	Confidential	Nigel Richardson	Development Management
Land at Oak Hill Road	EFDC	Pre-application	14/12/2018	Housing (under 50 units)	STAP.R1	Formal	n/a	Jonathan Doe	Development Management
Harlow Town Centre AAP	HGGT	Other	11/01/2019	Policy document	n/a	Formal	Confidential	Harlow	Harlow
Hill House	EFDC	Pre-application	24/01/2019	Specialist Housing	Previous Outline application	Formal	Confidential	Ishita Sheth	Development Management
Gilston Village 7	HGGT	Pre-application	22/02/2019	Strategic Masterplan	n/a	Formal	n/a	East Herts	East Herts
Gilston River Crossings	HGGT	Pre-application	22/02/2019	Infrastructure	n/a	Formal	n/a	East Herts	East Herts
287-291 High Street, Epping	EFDC	Pre-application	28/03/2019	Housing (under 50 units)	EPP.R10	Chair's Review	Confidential	Ishita Sheth	Development Management
Land at Greensted Road	EFDC	Pre-application	28/03/2019	Housing (50+ units)	ONG.R5	Formal	Confidential	Ian Ansell	Development Management
Water Lane	EFDC / HGGT	Pre-application	28/03/2019	Strategic Masterplan	SP 5.2	Formal	Confidential	Graham Courtney	Implementation
Latton Priory	EFDC / HGGT	Pre-application	05/04/2019	Strategic Masterplan	SP 5.1	Second Formal	Confidential	Graham Courtney	Implementation
North Weald Park	EFDC	Application	05/04/2019	Mixed use masterplan	Not allocated	Second Formal	On website	Sukhi Dhadwar	Development Management
HGGT Healthy Town Framework	HGGT	Other	03/05/2019	Framework document	n/a	Chair's Review	Confidential	HGGT	HGGT
Chigwell Nursery Site	EFDC	Application	17/05/2019	Specialist Housing	Not allocated	Formal	On website	Ian Ansell	Development Management
Land at Oak Hill Road	EFDC	Pre-application	17/05/2019	Housing (under 50 units)	STAP.R1	Second Formal	Confidential	Ian Ansell	Development Management
Harlow Town Centre AAP	HGGT	Other	17/05/2019	Policy document	n/a	Chair's Review	n/a	Harlow	Harlow
North Weald Bassett Masterplan	EFDC	Pre-application	14/06/2019	Strategic Masterplan	NWB.R1-R5, NWB.T1	Formal	Confidential	James Rogers	Implementation
Round Hills, Former Swimming Pool site	EFDC	Pre-application	12/07/2019	Housing (under 50 units)	WAL.R6	Formal	Confidential	James Rogers	Implementation
Borders Lane Playing Fields	EFDC	Pre-application	09/08/2019	Housing	LOU.R4	Formal	Confidential	Michael Johnson	Development Management
Land North of Dowding Way	EFDC	Pre-application	19/08/2019	Commercial Site	WAL.E8	Formal	Confidential	James Rogers	Implementation
Land at former Epping Forest College site	EFDC	Pre-application	09/08/2019	Residential	LOU.R9	Formal	Confidential	Marie Claire	Development Management
Water Lane - West Sumners	EFDC / HGGT	Pre-application	06/09/2019	Strategic Masterplan	SP 5.2	Formal	Confidential	Graham Courtney	Implementation
St John's Road	EFDC	Pre-application	04/10/2019	Mixed use masterplan	EPP.R4	Formal	Confidential	Graham Courtney	Implementation
Gilston Area Charter	HGGT	Other	15/11/2019	Strategy document	n/a	Chair's Review	Confidential	East Herts	East Herts
Borders Lane Wellness Centre	EFDC	Pre-application	14/01/2020	Leisure	LOU.R4	Second Formal	Confidential	Michael Johnson	Development Management
HGGT Sustainability Guidance and Checklist	HGGT	Other	24/01/2020	Guidance document	n/a	Chair's Review	On website	Tara Gbolade	HGGT
Hunsdon, Eastwick & Gilston Neighbourhood Plan	HGGT	Other	20/02/2020	Neighbourhood Plan	n/a	Formal Review	Confidential	Adam Halford	HGGT
EFDC Green Infrastructure Strategy	EFDC	Other	06/03/2020	Strategy document	n/a	Chair's Review	On website	Rosie Sargen	Implementation / Policy
Epping Town Centre Sites Strategy	EFDC	Pre-application	20/03/2020	Strategy	EPP.R4, EPP.R5, EPP.R6, EPP.R7, EPP.R8	Formal Review	Confidential	Nick Finney	Implementation/Policy
Land at Greensted Road	EFDC	Pre-application	17/04/2020	Housing (50+ units)	ONG.R5	Chair's Review (Second)	Confidential	Ian Ansell	Development Management
Gilston Villages 1-6 Outline Application	HGGT	Application	17/04/2020	Strategic Masterplan	n/a	Second Formal	n/a	East Herts	East Herts
North-Centre STC	HGGT	Pre-application	17/04/2020	Infrastructure	n/a	Chair's Review/ Workshop	Confidential	Paul Wilkinson	HGGT

Scheme reviewed	Epping Forest District Council (EFDC) / Harlow and Gilston Garden Town (HGGT) review	Pre-application/ Application/ Other	Date of review	Scheme Type	Local Plan reference	Type of review	Report: Confidential/ On website	Lead Officer	Team responsible
EHDC Gilston Workshop	HGGT	Application	05/06/2020	Strategic Masterplan	n/a	Chair's Review/ Workshop	n/a	Kevin Steptoe	East Herts
Epping Town Centre Sites Strategy (2nd)	EFDC	Pre-application	10/07/2020	Strategy	EPP.R4, EPP.R5, EPP.R6, EPP.R7, EPP.R8	Formal Review	Confidential	Nick Finney	Implementation/Policy
Gilston Village 7 (2nd)	HGGT	Application	17/09/2020	Strategic Masterplan	n/a	Formal	n/a	East Herts	East Herts
Epping Town Centre Sites Strategy (3rd)	EFDC	Pre-application	17/09/2020	Strategy	EPP.R4, EPP.R5, EPP.R6, EPP.R7, EPP.R8	Formal Review	Confidential	Nick Finney	Implementation/Policy
EFDC Green Infrastructure Strategy (2nd)	EFDC	Other	18/09/2020	Strategy document	n/a	Chair's Review	On website	Rosie Sargen	Implementation / Policy
St John's Road (2nd)	EFDC	Pre-application	16/10/2020	Strategy	EPP.R4	Workshop Review	Confidential	Nick Finney	Implementation / Policy
Epping Sports Centre/Hemnal St	EFDC	Pre-application	16/10/2020	Strategy	EPP.R5	Workshop Review	Confidential	Nick Finney	Implementation / Policy
Epping Civic Offices	EFDC	Pre-application	16/10/2020	Strategy	EPP.R8	Workshop Review	Confidential	Nick Finney	Implementation / Policy
Cottis Lane, Epping	EFDC	Pre-application	30/10/2020	Strategy	EPP.R6	Workshop Review	Confidential	Nick Finney	Implementation / Policy
Bakers Lane, Epping	EFDC	Pre-application	30/10/2020	Strategy	EPP.R5	Workshop Review	Confidential	Nick Finney	Implementation / Policy
North of Harvey Centre, Harlow	HGGT	Pre-application	30/10/2020	Strategy	n/a	Formal Review	Confidential	Patricia Coyle	Harlow
Princess Alexandra Hospital, Harlow	EFDC/HGGT	Pre-application	04/12/2020	Strategic Masterplan	N/A	Formal Review	Confidential	Claudia Nicolini	Implementation/Policy
North Weald Airfield Masterplan	EFDC	Pre-application	04/12/2020	Masterplan	NWB.E4	Formal Review	Confidential	James Rogers	Implementation/Policy
North of Harvey Centre, Harlow	HGGT	Pre-application	22/01/2021	Strategy	n/a	Second Review	Confidential	Patricia Coyle	Harlow
Land North of Dowding Way	EFDC	Application	22/01/2021	Commercial Site	WAL.E8	Chair's Review	On website	James Rogers	Implementation/Policy
4 Wych Elm Harlow	HGGT	Pre-application	19/02/2021	Residential	n/a	Formal Review	Confidential	Gavin Cooper	Harlow
Round Hills, Former Swimming Pool site (2nd)	EFDC	Pre-application	19/02/2021	Residential		Formal Review	Confidential	Nick Finney	Implementation/Policy
St John's Road (3rd)	EFDC	Pre-application	05/03/2021	Residential	EPP.R4	Formal Review	Confidential	Nick Finney	Implementation/Policy
Epping Sports Centre/Hemnal St (2nd)	EFDC	Pre-application	05/03/2021	Residential	EPP.R5	Formal Review	Confidential	Nick Finney	Implementation/Policy
Epping Civic Offices (2nd)	EFDC	Pre-application	05/03/2021	Residential	EPP.R8	Formal Review	Confidential	Nick Finney	Implementation/Policy
Waltham Abbey North Masterplan Area	EFDC	Pre-application	19/03/2021	Residential	WAL.R1, WAL.R1, WAL.R3	Formal Review	Confidential	Claudia Nicolini	Implementation/Policy
Harlowbury School	HGGT	Pre-application	14/05/2021	Major	n/a	Formal Review	Confidential	Gavin Cooper	Harlow
Playhouse Quarter - Harlow Levelling Up Fund	HGGT	Pre-application	28/05/2021	Major	n/a	Chair's Review	Confidential	Adam Halford	Harlow
Princess Alexandra Hospital (2nd)	EFDC/HGGT	Pre-application	25/06/2021	Infrastructure / Strategic Masterplan	N/A	Formal Review	Confidential	Richard Schunemann	Implementation/Policy
Princess Alexandra Hospital - Transport	EFDC/HGGT	Pre-application	25/06/2021	Transport Strategy	N/A	Chair's Review	Confidential	Richard Schunemann	Implementation/Policy
Princess Alexandra Hospital - Sustainability	EFDC/HGGT	Pre-application	02/07/2021	Sustainability Strategy	N/A	Chair's Review	Confidential	Richard Schunemann	Implementation/Policy
North of Harvey Centre, Harlow (3rd)	HGGT	Pre-application	02/07/2021	Residential	n/a	Chair's Review	Confidential	Patricia Coyle	Harlow
5 Wych Elm, Harlow (1st)	HGGT	Pre-application	09/07/2021	Masterplan / Residential	n/a	Formal Review	Confidential	Gavin Cooper	Harlow
10 Wych Elm, Harlow (1st)	HGGT	Pre-application	09/07/2021	Masterplan / Residential	n/a	Formal Review	Confidential	Gavin Cooper	Harlow

## **Epping Forest District Housing Action Plan 2021**

### **Introduction**

The Government seeks to accelerate the delivery of new homes as part of its drive to support 300,000 new homes per year. As part of its initiatives to support housing growth, the National Planning Policy Framework (NPPF) introduced the Housing Delivery Test (HDT) in 2018, updated in 2019, and sets out specific measures that an authority must take where housing delivery falls below its housing requirement.

The Ministry for Housing, Communities & Local Government (MHCLG) calculates a Housing Delivery Target 'measurement' figure for every plan area in England. To calculate the HDT measurement for each plan area, the number of new homes built in the past three financial years is divided by the number of new homes required in the same period. The HDT figure is expressed as a percentage. For example, if the number of new homes built in a plan area is equal to the number of new homes required (over the past three years), the HDT measurement will be 100%. HDT results are published annually.

The NPPF applies sanctions to local authorities where they do not perform in line with Government expectations. Where the HDT measurement indicates that housing delivery is less than 95% of the local authority housing requirement, the authority is required to prepare an Action Plan which assesses the causes of under delivery and identifies actions to increase delivery in the future years. Where the HDT measurement is less than 85% the district must add a 'buffer' equivalent to one year's supply (20%) when calculating the 5 year housing land supply calculation. Where the HDT measurement is less than 75% for applications involving the supply of housing, the Local Plan policies most important for determining the application will be considered out of date. In such circumstances, planning applications will be determined in accordance with the NPPF's 'presumption in favour of sustainable development.

This Action Plan builds upon the Council's Housing Implementation Strategy (HIS) Update 2019 ([EB410A](#)) which details how the Council will maintain a 5-year supply of deliverable housing land against the Local Plan Submitted Version housing requirement.

### **Epping Forest 2020 Housing Delivery Test**

Currently, for the purposes of the Housing Delivery Test, Epping Forest has a high housing requirement based upon population projections and a high affordability ratio. The method for calculating the HDT is set out in the Housing Delivery Test Rulebook and the Housing Delivery Test Technical Notes.

The result of the 2020 Housing Delivery Test for Epping Forest District Council is presented in Table 1 below. The latest HDT result published in January 2021 calculates the HDT measurement for Epping Forest for the period April 2017 to March 2020 as 49% and therefore all three sanctions set out above apply.

The 2019 HDT measurement was 50% of the housing requirement whilst the 2018 HDT was 49% over the preceding 3 year period. Therefore, the HDT measurement remains consistent with previous years. However, the number of dwellings completed has fluctuated between 149 dwellings in 2016/17 and 564 units in 2017/18.

Table 1 Housing Delivery Test Result 2020

Number of homes required			Total no. of homes required	Number of homes delivered			Total no. of homes delivered	HDT 2019 measurement
2017/18	2018/19	2019/2020		2017/18	2018/19	2019/20		
667	937	864	2,468	564	426	223	1,213	49%

This Housing Action Plan is required to comply with Sanction 1. The District Council has acknowledged that there is under delivery against the government’s housing requirement and applies 20% to its 5 year housing land supply calculations. As the HDT measurement currently also falls below the 75% target, the presumption in favour of development will also apply. The District Council will continue to apply the 20% until the adoption of the Local Plan.

Once the Local Plan is adopted, the housing requirement figures will reflect the stepped trajectory set out in the Local Plan. It is anticipated that the HDT measurement will be tested against the new Local Plan housing requirement in future MHCLG publications when the Local Plan is adopted. It is important that the Council continues to robustly implement the delivery of its housing strategy.

The results of future HDT measurement will be dependent upon the number of homes completed in the 2020/21 financial year and the adoption of the Local Plan in time to inform MHCLG’s preparation of its 2021 HDT measurement. The Policy Team monitoring analysis will confirm the number of homes completed in 2020/21 in late summer 2021.

**National Requirements for preparing an Action Plan**

Paragraph 75 of the National Planning Policy Framework (NPPF) states that:

‘To maintain the supply of housing, local planning authorities should monitor progress in building out sites which have permission. Where the Housing Delivery Test indicates that delivery has fallen below 95% of the local planning authority’s housing requirement over the previous three years, the authority should prepare an action plan in line with national planning guidance, to assess the causes of under delivery and identify actions to increase delivery in future years’.

The key areas that the Action Plan should address are set out in National Planning Policy Guidance:

- barriers to delivery on sites identified as part of the 5 year land supply (such as land banking, scheme viability, affordable housing requirements, pre-commencement conditions, lengthy section 106 negotiations, infrastructure and utilities provision, involvement of statutory consultees etc.);
- whether sufficient planning permissions are being granted and whether they are determined within statutory time limits;
- whether the mix of sites identified is proving effective in delivering at the anticipated rate;
- whether proactive pre-planning application discussions are taking place to speed up determination periods;
- the level of ongoing engagement with key stakeholders (for example, landowners, developers, utility providers and statutory consultees), to identify more land and encourage an increased pace of delivery; and
- whether particular issues, such as infrastructure or transport, could be addressed at a strategic level - within the authority, but also with neighbouring and upper tier authorities where applicable.

There is no statutory requirement to prepare an Action Plan but policy guidance to do so. However, to ensure the Action Plan is as useful as possible it should be published within 6 months of the publication of the Housing Delivery Test measurement. In this instance this means publication by 19<sup>th</sup> July 2021.

### **An analysis of Housing delivery in Epping Forest**

The analysis below is broadly set out in response to the advice contained within the National Planning Policy Guidance on the reasons for under delivery.

#### **Barriers to delivery on sites identified as part of the 5 year land supply**

As a matter of definition, if a site is included in the 5 year housing land supply calculations then there should be no barriers to the site being delivered.

#### **Whether sufficient planning permissions are being granted and whether they are determined within statutory time limits**

The Council has undertaken a high-level analysis on the progress of some 19 major development schemes (ranging from 10 units to 105 units) across the District approved in the last five years. The result of the analysis shows that on average it takes 36 weeks between validation and the granting of planning permission. The data also suggests that 16 out of 19 sites have either been commenced or completed within four years from when the planning application was first validated by the Council.

NLP's report 'Start to Finish: How quickly do large scale housing sites deliver?' indicates that on average it takes 3.9 years from first formal identification of the site for housing (e.g. in a LPA policy document) to the submission of the initial planning application, although the report does acknowledge that the sample size in this case is too small to reach any conclusive findings, and that there are significant variations between different sites.

The conclusions of the Council's own analysis are consistent with the NLP report.

The NLP report also found that the larger the site in terms of housing number, the longer it takes from planning approval to first delivery. On average, it takes less than five years for smaller sites (less than 500 units) to come forward, this increases to between 5.3 to 6.9 years for sites larger than 500 units. Again, the report indicates that there are significant variations between sample sites with some coming forward under two years and some others taking upwards of 15-20 years.

#### **Impact of Epping Forest Special Area of Conservation (EFSAC)**

Epping Forest covers a large area of land within the District and much of the Forest is designated as a Special Area of Conservation (SAC) under the EU Habitats Directive (92/43/EEC).

Under the Habitats Regulations, the EFSAC is classified as a 'European site' and, as the competent authority, before deciding to undertake, or give any consent, permission or other authorisation for, a plan or project which is likely to have a significant effect on the SAC (either alone or in combination with other plans or projects), the Council must make an Appropriate Assessment of the implications of the plan or project for the EFSAC in view of that site's conservation objectives.

For the purposes of assessment, as a competent authority the Council must consult Natural England and have regard to any representations made by Natural England in response.

The advice from Natural England is that proposals for new development anywhere within the District that may lead to an increase in vehicle movements on roads within 200m of the EFSAC are likely to have an in combination effect on the EFSAC and advise that any impacts arising from atmospheric pollution are best dealt with by way of a strategic solution.

This has resulted in planning applications being held in abeyance pending the identification of an acceptable air quality mitigation strategy to manage the adverse effects of atmospheric pollution arising from additional vehicles using roads in the vicinity of the EFSAC. Since June 2018 the Council has not been able to lawfully grant planning permission for new development that would result in a net increase in vehicle movements through the EFSAC.

However, in Spring 2021, the Council adopted an Interim Air Pollution Mitigation Strategy. The recent adoption of this strategy and an agreement of an approach to assessing the impact of development on the SAC has meant that longstanding applications held in abeyance are now being released to be assessed for planning consent, subject to appropriate mitigation measures.

### **Whether the mix of sites identified is proving effective in delivering at the anticipated rate?**

The Council acknowledges that slow build out rates on large sites could be a potential risk to the timely delivery of large-scale housing allocations in the Local Plan Submission Version (LPSV). A conclusion outlined in the Letwin Review which looked at how to close the significant gap between housing completions and the amount of land allocated or permissioned. To improve delivery rates, the LPSV already requires all new development to maximise densities on housing sites, whilst recognising that different density levels will be appropriate for different sites in different locations. Policy H 1 of the LPSV requires new development to provide a range of house types and sizes to address local need which is in line with the recommendations from the Letwin Review.

Additionally, through the Local Plan, the Council identified and allocated a large number of smaller sites in the LPSV, sites with capacity less than 50 units. Collectively, the LPSV, as it stands, represents a well-balanced strategy for the district which include an appropriate mix of larger and smaller housing sites.

### **Whether proactive pre-planning application discussions are taking place to speed up determination periods?**

The Development Management Service Charter sets out how the Council operates its Development Management Service in an equitable, timely, consistent and open manner. Epping Forest aims to facilitate and influence development within the district to achieve high quality, sustainable outcomes and protect and improve the countryside and built environment.

The District Council is keen to encourage positive development in the District and seeks to work collaboratively with applicants on large scale developments that accord with the Epping Forest Local Plan.

Epping Forest District Council encourages that a Planning Performance Agreements (PPA) is entered into for major developments. A PPA is a project management tool that can be used to agree timescales, actions and resources for handling applications. Through a PPA a bespoke service can be offered that provides specialist support and expertise relevant to the proposal. The cost of the service is calculated on the basis of hourly rates of the officers and experts who provide the advice.



**The level of ongoing engagement with key stakeholders (for example, landowners, developers, utility providers and statutory consultees), to identify more land and encourage an increased pace of delivery?**

The Council is working closely with partners to facilitate timely (and where possible accelerated) delivery of allocations that form part of identified Masterplan Areas which will contribute significantly to the Council housing supply in the middle to long term. The Council also holds Developers Forums where representatives from all sites allocated in the Local Plan come together to discuss implementation and delivery of sites.

**Whether particular issues, such as infrastructure or transport, could be addressed at a strategic level - within the authority, but also with neighbouring and upper tier authorities where applicable.**

The Council is now at an advanced stage of the Local Plan process and Examination Hearings took place between February and June 2019. The Council has been working to respond to the Inspector's Actions and a Schedule of Main Modifications is being prepared which will be agreed with the Inspector. Consultation will begin on 8<sup>th</sup> July with the consultation period ending on 16<sup>th</sup> September 2021.

Due to the delayed submission of the Local Plan Submission Version 2017 (LPSV) and the consequential delay to the adoption of the Local Plan, this has impacted upon the delivery of Local Plan allocations and commitments. Between 20 March and 20 September 2018, a High Court Injunction Order restricted the Council from submitting the LPSV for examination, thereby delaying the adoption considerably.

The Local Plan Submission Version 2017 (LPSV) seeks to provide 11,400 new homes over the plan period and proposes a number of sites for residential allocation which will provide the majority of future housing supply for the District. The adoption of the Local Plan is therefore essential to allow some sites to be released from the Green Belt to provide the land for much needed homes. 92% of the District is designated as Green Belt and some of the allocations in the LPSV are currently constrained by the Green Belt. Notwithstanding the advanced stage reached in preparing the Local Plan, it is likely to be difficult to deliver homes on allocated land within the Green Belt until formal adoption of the Plan.

Upon adoption of the Local Plan, the Council's housing delivery target will be in line with the stepped trajectory set out in the plan and the Council will no longer be tested against the higher standard method figure allowing the Council to score more positively against the Housing Delivery Test.

This is in line with the Planning Practice Guidance which states that 'A stepped requirement may be appropriate where there is to be a significant change in the level of housing requirement between emerging and previous policies and/or where strategic sites will have a phased delivery or are likely to be delivered later in the plan period. Strategic policy-makers will need to set out evidence to support using stepped requirement figures, and not seek to unnecessarily delay meeting identified development needs....( Paragraph: 034 Reference ID: 3-034-20180913)'.

The LPSV is also clear that the Council will monitor housing delivery against the housing trajectory (Appendix 5 and Housing Implementation Strategy) for the District using the indicators specified in the Monitoring Framework set out in the Local Plan. The LPSV states that if the Authority Monitoring Report (AMR) demonstrates that annual housing delivery is less than 75% of the annualised

requirement or the projected completion rate (whichever is the lower) for three consecutive years, the Council will undertake a partial review of the Adopted Local Plan.

Market conditions within the District would appear buoyant with relative value for money compared to London with accessibility, Quality of Life, Health and Wellbeing opportunities seen as an important part of the market offer. However, there remains some industry wide concerns relating to the increasing cost of materials and supply change disruptions.

## **Conclusions**

Barriers to housing delivery within Epping Forest District focus on two key issues: the delay in the adoption of the Local Plan and the embargo placed on development in the district which restricts granting planning permission where it would increase vehicle movements within 200m of the Epping Forest Special Area of Conservation.

The Local Plan is at an advanced stage in the plan making process and the Council anticipates being in a position to adopt the plan later this year which will facilitate the release of housing allocations and accelerate housing development. Additionally, the Council is now able to determine planning applications that were embargoed through the adoption of an Interim Air Pollution Mitigation Strategy and agreement with Natural England.

## **Housing Action Plan**

Our Local Plan will help shape future development in the District up to 2033 and sets out the level and distribution of planned growth, including new homes and businesses. The consultation on the main modifications seeks views on changes being proposed to the 2017 Local Plan Submission Version which is currently under independent Examination. These are changes that the Local Plan Inspector considers necessary before the Plan can be adopted.

In reaching the final stages of the Local Plan the plan has addressed many of the actions raised in the NPPG to accelerate the planning process. This includes updates to the Housing Land Availability Assessment, analysis of the potential to subdivide sites, the Local Plan revision itself, revision of site allocation policies and encouraging smaller sites.

As demonstrated the Council is proactive in bringing forward PPAs and now prioritising the release of planning application that were held in abeyance due to the embargo on decisions that impact upon the Epping Forest SAC.

Additionally, the Council has introduced measures to secure the implementation of its housing strategy and Local Plan notably:

- A dedicated Implementation Team has also been established to ensure that there are resources and expertise in processing and delivering larger and more complex allocations in a timely manner.
- The Council House Building Programme also seeks to increase the Council's housing stock through the construction of new well designed affordable rented homes on the Council's own land and the purchase of good quality affordable rented housing from private developers.
- The Council has set up its own development company – Qualis. This will enable the delivery of homes on sites the Council has transferred to the development company which are allocated in the emerging Local Plan.

The Council identifies a number of measures that it will take to boost the delivery of housing in the District. These actions are set out in the below table.

Table 2. Actions to boost delivery of housing in the District

<b>Action</b>	<b>How</b>	<b>Who</b>	<b>When</b>
Adoption of the Local Plan to enable the delivery of residential allocations and housing policies	Take the Local Plan through Main Modifications consultation and through to adoption. Following the consultation, the Plan Inspector will determine whether the plan, as amended, is sound. If it is found sound, the Council can move to adoption.	EFDC Planning Policy, PINS	Consultation to 16 <sup>th</sup> September 2021 and adoption anticipated late 2021
Bring forward sites earlier	To provide planning certainty, EFDC agreed to apply significant material weight to policies in the LPSV in decision making, and a number of allocations have received planning permission. As the Local Plan moves to Main modifications the plan carries significant weight in the planning balance.	EFDC, developers	Ongoing
Duty to Co-operate	The Council sought assistance from neighbouring authorities through Duty to Cooperate discussions in order to address identified undersupply within the next five years. Discussions prior to the Regulation 19 publication with other LPAs in the same Housing Market Area i.e. Harlow, Uttlesford and East Herts District Councils confirmed that that none of the them were able to contribute towards EFDC's undersupply as they too need to achieve a challenging housing requirement through their Local Plans and are likely to struggle to meet their own undersupply. We consulted with neighbouring authorities again in December 2018 and their position remains unchanged	EFDC, district councils within HMA	Ongoing
Adoption of the Approach to Managing the Effects of Air Pollution on the Epping	The Council is working proactively to resolve the situation that has restricted housing and economic development coming forward in the District since 2018. Working	EFDC Planning Policy, PINS, Natural England, Conservators of Epping Forest.	May 2021 onwards

Action	How	Who	When
Forest Special Area of Conservation	<p>with Natural England, EFDC has identified potential opportunities to address the backlog of underdetermined applications in accordance with the adoption of the interim approach to managing atmospheric pollution impacts on the EFSAC.</p> <p>The Council is currently accelerating the determination of the 'embargoed' planning applications.</p>		
Speeding up decision making	The Council will continue to actively encourage developers to engage in pre-application discussions to ensure any planning and delivery issues can be addressed early in the process.	EFDC Planning Policy, Development Management and Implementation Teams and developers	Ongoing. Regular progress reports provided to Council's Cabinet
Master Planning	<p>Masterplans, Concept Frameworks, and the Quality Review Panel will continue to be utilised to frontload the planning process and streamline decision-making.</p> <p>The Council has been engaging with the promoters of the sites that collectively comprise the Masterplan areas. All parties have agreed to work together to produce a Strategic Masterplan to guide and shape development across the district</p> <p>This includes the sites at North Weald Bassett, South Epping, Waltham Abbey, North Weald Airfield, West Ongar and South Nazeing.</p>	EFDC Planning Policy, Development Management and Implementation Teams and developers	Ongoing. Regular progress reports provided to Council's Cabinet
Developer Forums	Two developer forums have been established for site allocations around Harlow and one for the rest of the allocations in Epping Forest. Infrastructure providers and statutory agencies are invited. It provides a mechanism for ongoing	EFDC Planning Policy, Development Management and Implementation	Ongoing. Regular progress reports provided to

Action	How	Who	When
	discussions with relevant landowners, site promoters and stakeholders and for the long-term planning and implementation of sites identified for allocation. The Developer Forum provides a basis to produce and agree Statements of Common Ground and/or Memorandum of Understanding and provide an overview of progress and programming of Strategic Masterplans.	Teams and developers	Council's Cabinet
Implementation Team	A dedicated Implementation Team has been set up to ensure that there is the required resource and expertise in processing and delivering larger and more complex allocations in a timely manner.	Implementation Team	Ongoing. Regular progress reports provided to Council's Cabinet
Harlow and Gilson Garden Town	<p>Epping Forest District Council is part of a partnership to bring forward significant growth in the District as part of the Harlow and Gilston Garden Town. This will deliver approximately one third of the Council's housing need.</p> <p>The Garden Town Member Board and Garden Town Officer Group meets monthly.</p>	Implementation Team, Garden Town Partners	Ongoing
Council's Housebuilding Programme	<p>The Council seeks to increase the Council's housing stock through the construction of new well designed affordable rented homes on the Council's own land (predominantly difficult to let garage sites) and the purchase of good quality affordable rented housing from private developers.</p> <p>To date, 118 new units have been completed. These are owned and managed by the Council, and let at affordable rents. 38 units are currently under construction. A further 146 units are in the pipeline, with these schemes at</p>	Funded through one to one right to buy capital receipts, S106 agreements, Homes and Communities Agency Funding, The Housing Revenue Account, Loans from the Public Works Loan	East Thames and their consultants, EFDC, Parish and Town Councils

Action	How	Who	When
	various stages in the planning process.		
Council's development company	The Council has set up its own development company – Qualis. This will enable the delivery of homes on sites the Council has transferred to the development company which are allocated in the emerging Local Plan.  Currently there are planning applications by Qualis at St Johns Road, Hemnall Street / Leisure Centre and Civic Office/ Condor Epping totalling 270 new homes with commencement expected on St Johns Road in Q2 2022.	Qualis Commercial, Implementation team, Housing Team	Ongoing
Locality Board	Locality Board set up by Essex County Council with district councils and local MPs to discuss strategic issues	Local Authorities	
Monitoring	Engaging regularly with key stakeholders to obtain up-to-date information on build out of current sites, identify any barriers, and discuss how these can be addressed	EFDC, developers	Annually

### **Consultation**

This has been no direct consultation on this Housing Action Plan. However, in order to inform the production of the updated HIS, the Council prepared a trajectory setting out the projected rates of housing delivery on committed housing sites and Local Plan allocations, as well as a number of underlining assumptions behind the projections. It also included measures undertaken by the Council to seek to boost short-term housing supply and the Council's proposed approach to formulating a new stepped housing trajectory for the Local Plan which reflects current policy guidance, best practice and local circumstances. This trajectory is reviewed as part of the Main Modification consultation on the Local Plan.

The HIS was developed in consultation with the Development Forum and included a series of questions on which stakeholders were invited to comment. The Developer Forum consists of representatives from all sites allocated in the Local Plan. The trajectory paper was also issued to neighbouring authorities within the Housing Market Area and the Home Builders Federation for comment. A summary of comments received on the discussion paper and the Council's responses to those comments are provided in the Housing Implementation Strategy.

## **Report to the Cabinet**

**Report reference:** C-008-2021/22

**Date of meeting:** 12 July 2021



**Epping Forest  
District Council**

**Portfolio:** Finance, Qualis Client & Economic Development – Cllr. Philip

**Subject:** Essex + Herts Digital Innovation Zone Annual Report

**Senior Leadership Team:** Nick Dawe (07939 449512)

**Responsible Officers:** John Houston / Mike Warr (01992 564472)

**Democratic Services:** Adrian Hendry (01992 564246)

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### **Recommendations/Decisions Required:**

- (1) To receive and comment on the Annual Progress report of the Essex & Herts Digital Innovation Zone; and**
- (2) To provide guidance on the district's longer-term digital ambition around place-making.**

### **Executive Summary:**

The award-winning Essex + Herts Digital Innovation Zone (DIZ) was established by Epping Forest DC and is supported and led by EFDC officers and members. The key roles of the DIZ are to make this area the best connected place of its type in the UK, attract and deploy investment in digital infrastructure from the public and private sectors and to encourage that the greatest value is derived from this investment through using it to allow; more flexible business activity, increased community engagement and skills and knowledge sharing, and specific purposes such as the GP practices and Hospitals being better connected.

The DIZ Annual Progress Report sets out the partnership's work programme over the last twelve months, highlighting key achievements and challenges, as well as initiating a discussion on future priorities.

Members comment and feedback on priorities for the future work programme of the DIZ are sought.

### **Other Options for Action:**

Not to comment on longer-term digital ambitions.

Not to refer the report to the Stronger Place Select Committee.

## Report:

1. Digital is now the critical infrastructure for business and every-day life. The pandemic has caused a massive shift and increase in the transformation of how business and life is conducted including across health, education, shopping, home working, social networking etc. The work of the DIZ throughout the pandemic to support public service delivery and business response and recovery, as well as work to address digital exclusion, is highlighted in the attached DIZ Annual Progress Report (Appendix 1).
2. The district's previous investment through the Superfast Essex programme in superfast broadband infrastructure and, particularly, the investment in gigabit capable fibre broadband put the district in a healthy position to be able to work through this transformation. With projected superfast coverage of +99% this also includes over 70% of gigabit capable coverage against a national average of 36%. Officers are continually monitoring the take-up figures for these new improved services which remain lower than anticipated. Whilst responsibility for maximising take-up remains with the commercial operators and Superfast Essex, the DIZ will be looking at learning from other places and, in discussion with partners, how we can support an enhanced take-up programme.
3. The full implications of the recent transformational changes are not yet fully understood and joint work through the DIZ is still required to understand the challenges and opportunities they will bring. Further member guidance on prioritisation and approaches in the longer-term to influence the joint work programme is sought and it is recommended that the DIZ Annual Progress Report also be taken to the Stronger Place Select committee for additional review and comment.
4. The Ultrafast GPs Local Full Fibre Network project is an exemplar project that perfectly illustrates the DIZ approach to infrastructure investment, enabling an area such as the DIZ to attract funding for investment that brings benefits for more than one sector but which individual sectors could not have attracted working alone. Led by Epping Forest DC the project secured £1.7m of DCMS funding and will serve 76 GP surgeries, including 20 in Epping Forest District, with future-proofed gigabit capable connectivity. This will underpin the future delivery of digital healthcare but will also uplift the level of high capacity digital infrastructure in the areas around the surgeries, bringing 40,000+ premises within scope of 'fibre on demand' making these areas more attractive to businesses and residents.
5. The DIZ has also secured £188,000 of NHS Charities funding to deliver an innovative digital inclusion project across west Essex. Led by DIZ partners from the Voluntary and Community Sectors with support from health and local authority partners, the project will explore the creation of an all-encompassing digital platform including a 'databank' model of community contribution towards the provision of digital connectivity to those most in need.
6. A DIZ Special Interest Group for Town Centres, led by DIZ partners Broxbourne BC and Uttlesford DC, has been formed to examine and recommend potential digital high street interventions that will support the recovery of our local town centres beyond COVID-19 and equip our high street businesses with the tools and skills they need in order to thrive over the next few years. EFDC has already undertaken significant work on new digital platforms, particularly in town centres, using central Government funding. 'Click-It-Local' and 'Loyal Free' programmes have been purchased and work



is ongoing on the deployment of the 'Maybe\*' platform

7. The attached DIZ Annual Progress Report (Appendix 1) captures the key achievements of the DIZ over the last twelve months and provides further details on the key projects that have been and continue to be delivered.

**Resource Implications:**

The DIZ approach is to lever in significant external investment on digital infrastructure so that these costs do not fall primarily on the district council. To date, this has enabled approximately £20m+ of infrastructure investment to the district unlocked by EFDC direct contributions of approximately £434,000. The district council's annual contribution to the DIZ remains at £10,000 per annum. An additional £80,000 of external core support is received from four other district councils and two county councils.

**Legal and Governance Implications:**

None

**Safer, Cleaner and Greener Implications:**

The work on infrastructure and new ways of working demonstrates that digital enablement has a crucial role to play in the council's ambitions for a safer, cleaner greener district. New opportunities and applications are coming ot market rapidly in all these areas and are enabled by the council's and partners' previous and current investment in infrastructure.

**Consultation Undertaken:**

None

**Background Papers:**

Available from the DIZ Programme Manager

**Risk Management:**

None

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# Essex + Herts Digital Innovation Zone

Page 47

## Annual Progress Report 2020/21



ESSEX+HERTS  
digital  
innovation  
zone

# Essex + Herts Digital Innovation Zone

## Annual Progress Report 2020/21

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This is the second DIZ annual progress report to be produced since the formation of the DIZ. We hope that you find it interesting.

This and all subsequent progress reports will be circulated to all DIZ Board members and made available to download from the DIZ website.

If you would like to receive an email copy of this or any past or future progress reports, please contact the DIZ team using the details shown below.



For further information on the DIZ and its work programme visit the DIZ website at [www.diz.org.uk](http://www.diz.org.uk)

Alternatively, you can contact a member of the DIZ team:

Mike Warr, Programme Manager on [mwarr@eppingforestdc.gov.uk](mailto:mwarr@eppingforestdc.gov.uk)

Tel: 01992 564472

John Houston, Programme Director on [jhouston@eppingforestdc.gov.uk](mailto:jhouston@eppingforestdc.gov.uk)

Tel: 01992 564094

You can also follow the DIZ on Twitter [@DIZ\\_Matters](https://twitter.com/DIZ_Matters)



# Foreword



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In a shocking, sad and enormously disruptive year the UK and the DIZ has shown great resilience and innovation to continue to serve our people better and be better connected. Our health partners in particular have risen wonderfully to this challenge, supported by local and central government, the private sector and, of course, our invaluable partners in the voluntary and community sector.

Commentators have remarked on the scale of digital transformation in response to the pandemic in order to maintain our service provision, together with keeping our economy rolling in the face of rapid and profound change. Some have characterised this period as seeing five years of planned digital transformation occurring in in five months.

While many of the digital approaches that we have evolved throughout the pandemic will be scaled back, it is clear that greater digital working, whether because of its efficiency, effectiveness or flexibility will be with us forever. The DIZ will be working with all its partners to make sure we get the balance right putting the end user, citizen and customer at the centre of everything we do.

**Councillor Alan Lion, DIZ Chair and Digital Member Lead, Epping Forest DC**

**Councillor Linda Haysey, DIZ Vice-Chair and Leader, East Herts DC**



# Introduction





## Introduction

The DIZ has experienced, along with everyone else in society, a tumultuous period that, one year ago, no-one would have predicted.

In the last twelve months, with much of everyday life shut down, increasing periods of time spent at home and enforced separation from families, friends and work colleagues we have seen digital technology, infrastructure and applications become front and centre in all of our lives.

Throughout this period of uncertainty and change the DIZ has sought to continue its journey of digital innovation and exploration. It has worked to ensure not only that our residents and businesses were equipped to cope with the challenges they faced but also that they are given the support they need to recover from the impacts of the COVID-19 pandemic, embrace the opportunities that digital continues to offer and maximise the benefit to the DIZ area of continual digital innovation, investment and inclusion.

This report seeks to capture the progress and achievements of the DIZ over the last twelve months and to set out how we will continue to push at the boundaries of innovative technology to future-proof our economies and healthcare services.



## Infrastructure - LFFN and digital healthcare

Having successfully secured £1.7m of funding from Department of Digital, Culture, Media & Sport in 2019/20 a key focal point for the DIZ in 2020/21 has been on getting the contractual arrangements in place with partners and then kicking-off the physical delivery of the infrastructure that will transform the connectivity of our GP surgeries across the DIZ,

both in terms of download and upload speeds and in terms of network resilience. The network will enable our hard-pressed outstanding health partners to deliver more-effective and efficient services that wrap themselves around the patient.

Beyond the physical installation, it was always the intention of the DIZ to work with health partners to demonstrate the value and benefit that could be derived from this investment, however, that business case has become self-evident as health partners have increasingly sought to rely upon digital connectivity to relieve some of the pressures on frontline health services brought on by the COVID-19 pandemic.

The LFFN network will connect up 77 GP surgeries to gigabit capable fibre-to-the-premise broadband networks that will enable even more healthcare provision to be moved away from single-point acute locations such as town-centre hospitals to a more community-based model. There have been challenges to the delivery, not least the impact of



COVID-19, and the pressures of delivering infrastructure within a health environment facing unprecedented demands on its resources, but working through these challenges with our health partners, delivery partners and DCMS strengthened these relationships and has given us greater appreciation of the complexities and requirements of such a multi-layered project.

76 GPs to be connected



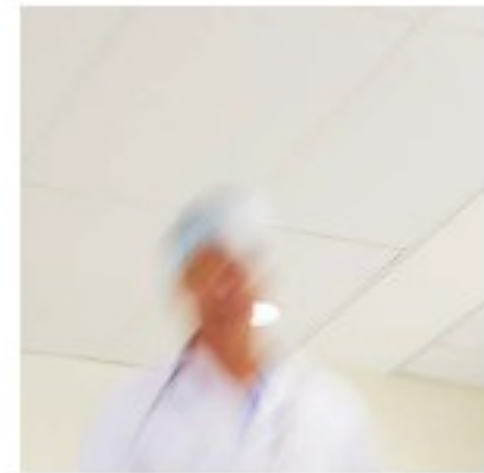
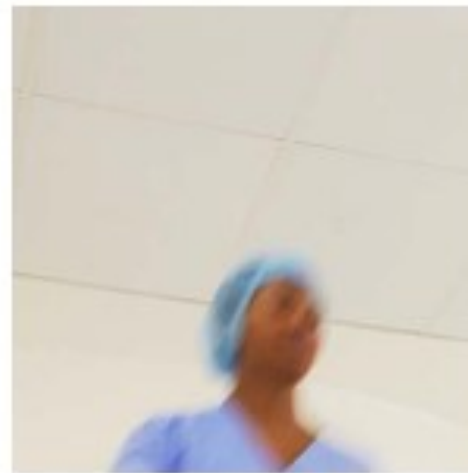
£1.6m DCMS funding investment



170,000+ metres of fibre infrastructure



40,000+ premises in scope for fibre on demand



In becoming the first area in the country to follow-through on the national government's pledge to deliver fibre connectivity to every GP surgery, the DIZ network will be able to support initiatives that would otherwise have been impractical.

Use of wearable technology, real-time monitoring of patient health data and signals, online case reviews across multiple health partners and increasing use of digital for both the booking and delivery of appointments are among the avenues we will explore with our health partners over the coming year as we move from focus on the delivery of the infrastructure to the realisation of the benefits it can deliver.

STRETCHING

£

£188,000 funding  
from NHS Charities



Page 54

Developing a  
mobile 'databank'



Support for the most  
excluded with devices,  
data and training

Inclusion

## Inclusion

Leaving no-one behind in a digital transformation, at a time when more and more critical public and private sector services are being pushed online, is vitally important so that our residents, service users and our more vulnerable communities do not miss out. The DIZ continues to work with its CVS partners in both Hertfordshire and Essex to explore how this can best be achieved.

Building on experience gained collectively amongst partners through initiatives such as the Living Smart Homes Project, work with Citizens Online and the Digital Inclusion Smart Places Seminars, the DIZ has begun to develop an all-encompassing, web-based digital inclusion platform. Working closely in collaboration with CVS and health partners led to the award of £188,000 from the NHS Charities Fund to fund this critical piece of work in west Essex.

The project will seek to address digital exclusion through four workstreams:

- Providing reconditioned or new devices
- Providing digital skills support, building upon the local digital buddies scheme
- Providing mobile data and fixed line broadband connectivity to support use of the devices provided

- Delivering a web platform to enable support to be requested, training arranged and devices or data donated.

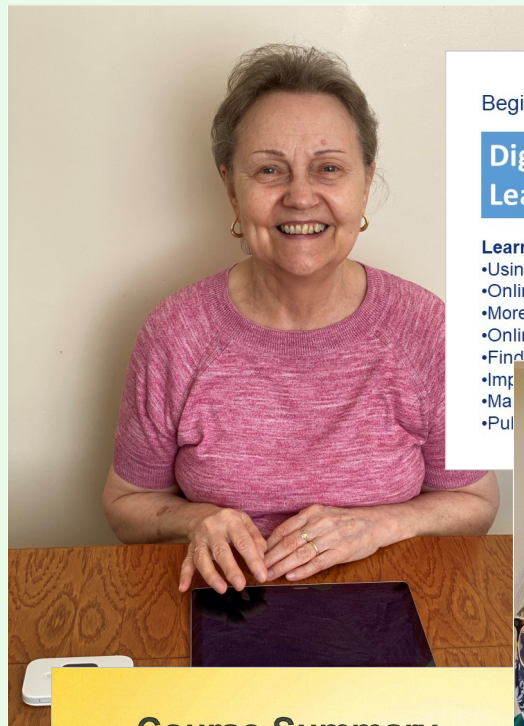
The key USP of the project is the development of a 'databank'. The thinking behind the initiative is to build on the proven model of foodbanks and explore the potential for people to not only donate money towards the purchase of mobile data and connectivity for others but to also facilitate the donation of unused or unwanted mobile phone data for reuse by those who cannot afford their own mobile data packages.

The project is being delivered on behalf of the DIZ by our community and voluntary sector partners at WECAN, led by CVS Uttlesford. The funding will enable the team, to recruit a full-time project manager to plan and deliver all aspects of the project over the course of the next two years. For more details on the west Essex project you can contact Clive Emmett on [clive.emmett@cvsu.org.uk](mailto:clive.emmett@cvsu.org.uk)



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Beginners computer training

### Digital Learners

Learners develop skills related to:

- Using your computer or device
- Online basics (using the internet, online form, email, internet safety)
- More internet skills
- Online safety
- Finding a job online
- Imp
- Ma
- Pu



### Course Summary

This **Basic Computing for Work** course tips to help you stay safe online and an in that are commonly found in the workplace. We will cover the following modules:

- ✓ Smarter Job Search, your Internet Profile & Social Media
- ✓ Apps: Word Processors & Spreadsheets
- ✓ Safer use of Email & Internet Security
- ✓ Intro to Database, the Cloud, Information Systems, DPA & GDPR



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Search for stores or products

Essentials Treats Gifts Basics



How Busy is Town  
https://howbusyistoon.com

How Busy Is...

# Can Digital Save the High Street?

Michael Warr

Information centre.

digital distancing

They're located of the video feed are taken on the

2020-10-16 11:03:2

10 tactics Dunmow Emporium

Maybe\*

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WHERE WE ARE

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SHOPS & MARKETS

## WELCOME TO BROXBORNE

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Waltham Cross, Cheshunt and Hoddesdon are the three main shopping hotspots in the Borough of Broxbourne, boasting an attractive blend of historic and modern architecture and

### Councils join forces to help region's shops survive, shop local

Published 25th November 2020

## 10 tactics Dunmow Emporium's wonderful social media success for yourself

Here we show you Dunmow Emporium's wonderful social media success for yourself.

Written by Amy Rountree  
Updated over a week ago

Dunmow Emporium is a wonderland of interior stylings and homeware. The business has been busy through lockdown finding alternative ways to serve customers. Dunmow Emporium has a beautiful social media presence which perfectly reflects the business and its product. Here we show you the ten steps you can take to replicate



# Epping Forest

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# Supporting Recovery of Our High Streets and Town Centres

As soon as the COVID-19 pandemic had caused all of the high streets in the DIZ to close for in-person business, the DIZ and its local authority partners began exploring options to support their recovery once lockdown was lifted. At an early stage, the DIZ Executive Board established the recovery of our high streets through digital as a key priority in the work programme and established a Town Centre Special Interest Group to make recommendations for digital high street interventions. Open discussion and debate at DIZ Advisory Board meetings enabled the sharing of best practice for town centre support and coordination of approaches among partners.

In conjunction with Digital Leaders and as part of the DLWeek event, the DIZ delivered an online seminar 'Can Digital Save the High Street?' with contributions from Enterprise Nation, Maybe\* Tech, Newcastle City Council and Anglia Ruskin University. The event shared some of the most exciting and up to date ways in which the high streets can use digital to drive footfall, upskill businesses and enable residents to return to the high street with confidence. The linkup with Newcastle CC has also enabled the DIZ to share in the learning from their MHCLG funded 'How Busy Is Toon' project and led to a pilot project being developed in Epping High Street to repurpose the CCTV network to provide a footfall monitor that can let residents, via a web platform, know how busy the high street is.

A number of online shopping portals have also been established over the course of the last 12 months to support the businesses of the DIZ to trade online whilst physically closed as well as accessing the social media guidance and best practice that can encourage residents to return to shopping in-person once lockdown is lifted.



5 new mobile retail platforms



Pilot project on CCTV & Footfall



290+ High Street online event registrations



# Partnership and Funding

In what has been a particularly challenging time, the DIZ partnership has gone from strength to strength over the last year. New organisations from a variety of sectors have been keen to support and attend the DIZ Advisory Board meetings which, early on in the first period of lockdown were pivoted to be more responsive, more informative and more relevant to the emerging global pandemic. Held amid real-life challenges, they focused on what works digitally and, of equal importance, where gaps remained and failures occurred.

The DIZ has created a space for collaboration and engagement, breaking down sectoral and organisational silos and attracting and coordinating investment. This has been enhanced by regular guest speaker slots at DIZ Board meetings on a wide range of digital issues and initiatives with speakers from organisations such as Jacobs (digital consultants), Redcentric (digital infrastructure providers) and EELGA (regional local government) as well as DIZ partners such as CGI, Anglia Ruskin University, Essex CC and Princess Alexandra Hospital.

One of the most significant events held as lockdown eased was an important review, among partners in the private sector, health, education and community sectors, of the last year and how they had evolved their digital offer as well as what more needed to be achieved moving forward.

The DIZ is currently funded and governed by the local authority partners of the Executive Board (including Hertfordshire CC with effect from 2021/22), although we continue to explore appropriate potential funding and partnership opportunities with a number of public sector partners.



7 x local authority funding partners

3 x VCS partners

4 x health partners

3 x FE colleges

1 x university

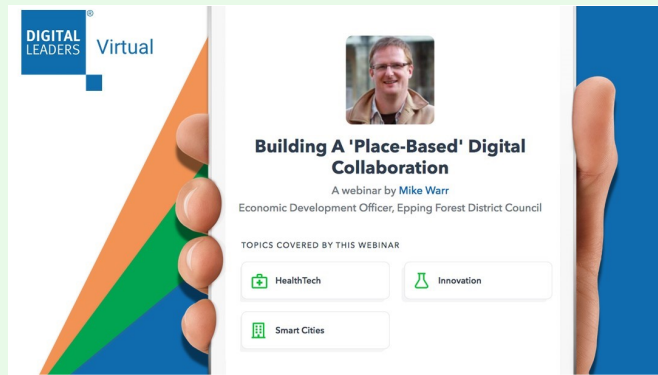
3 x private sector



## Can Digital Save the High Street?



This is our Newcastle



## A cross-sector look back at COVID-19 and the impact of digital



# Knowledge Leadership, Innovation and Reputation

The reputation of the DIZ - established and grown through its unique collaborative approach to place-based innovation, a regular programme of external engagement and the continual delivery of its ongoing work programme - has seen numerous external organisations approach the partnership to explore how the DIZ approach might be applied in other areas and across other sectors. Combined authorities, regional and national health institutions and key digital innovation funders and accelerators have been among the organisations that have contacted the DIZ to both better understand the DIZ approach to place-based collaboration and to discuss the potential for joint working on specific digital projects.

This external face of the DIZ has been highlighted and promoted through regular involvement in key online digital events and conferences. The DIZ has taken part in three Digital Leaders events presenting the 'Building A Place-Based Digital Collaboration', 'Can Digital Save the High Street?' and 'A Cross-Sector look back at COVID-19 and the Impact of Digital', webinars always bringing in a fantastic line-up of national, regional and local specialists to speak. The DIZ Programme Manager also took part as a featured speaker in the UK Authority 'Smart Places Conference'.



Delivered 3 x Digital Leaders online events



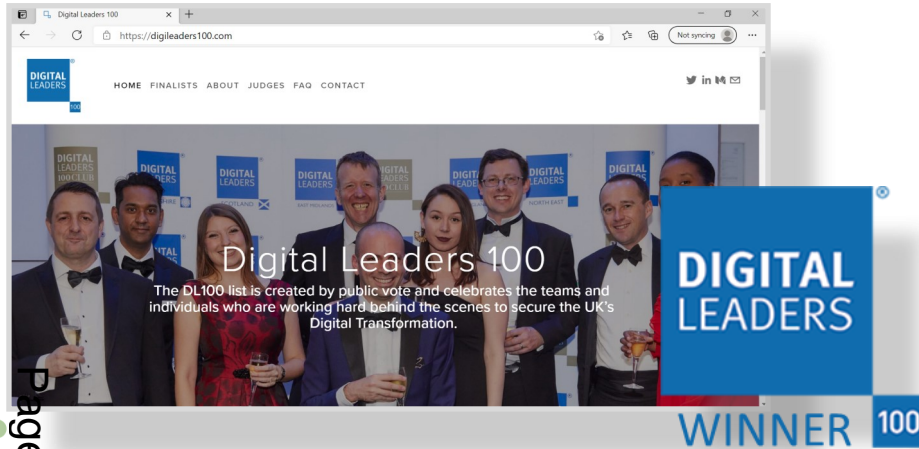
Featured speaker at UK Authority Smart places



Approached by national / regional health organisations



## Recognised in Digital Leaders #DL100 List & Winner! 'Cross-Sector Digital Collaboration of the Year'



## Awarded iese 'Certificate of Excellence'



Certificate of Excellence Award to mark significant innovations in transforming local public services



## Recognition

2020/21 has brought forward recognition for the work of the DIZ that could only have been wished for when first setting out to explore digital opportunities in our place.

The delivery of digital initiatives across the DIZ that have a very real and tangible impact on, and benefit for, our residents and businesses is reward itself and remains the primary focus of the DIZ. However, it is both rewarding and a validation to have those efforts recognised by peers and colleagues also working towards similar goals.

Being selected as one of the Digital Leaders #DL100 List was a hugely exciting achievement but to follow that up by being placed in the top 3 and the category final by a public vote and then awarded as the 'Cross-Sector Digital Collaboration of the Year' was enormously rewarding and further recognition of the value in our place-based approach. Digital Leaders said that the DIZ had demonstrated **“great breadth of**

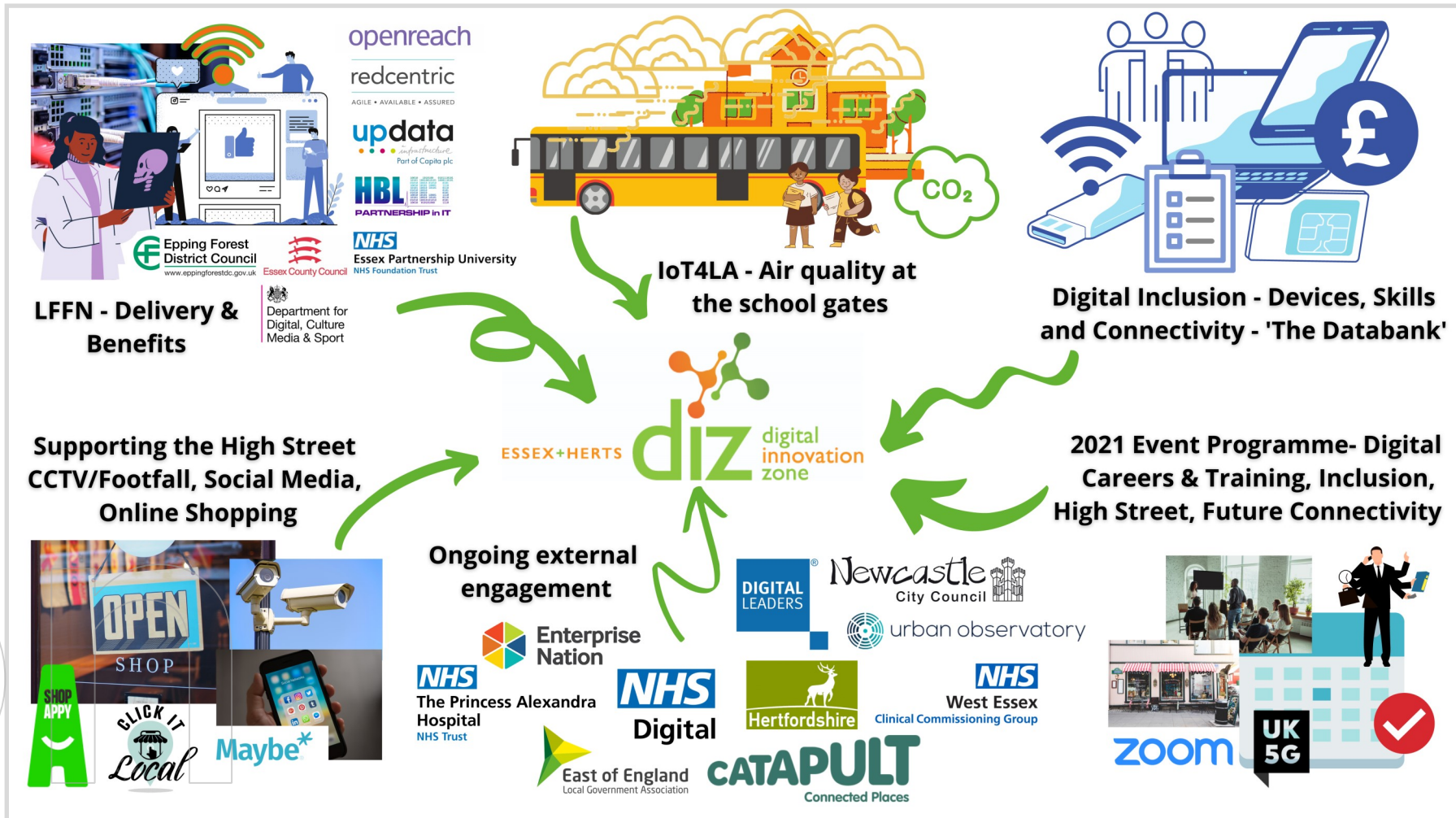
**engagement across both public and private sectors”** and had established an **“exemplar for regional development and collaboration”** that could be usefully replicated by local authority organisations across the UK.

Since that award the DIZ has also gone on, following its submission to the iese Public Sector Transformation Awards 2021, to be recognised with an iese 'Certificate of Excellence', recognising **“...the exemplary standard of the work demonstrated by your submission in the difficult climate of the past year”**



# Future Plans

Looking ahead to 2021/22, the DIZ already has an exciting programme of work in place. We will continue to explore new opportunities for funding, applications and initiatives that will bring a direct benefit to the residents and businesses across the DIZ. If you would like to work with us on this journey or just share learning as we go, please do get in touch. We would be delighted to hear from you.



## Our Mission

While the partners of the DIZ, individually and collectively, are committed to innovate and flex an approach to deliver a better-served, better connected place, our mission statement remains the same:

To be the best connected place of its type in the UK.

A place of innovation and inclusion.

A place where the benefits of digital investment are harnessed, maximised and shared across residents, commuters, businesses and borders.



## Contact:

Mike Warr, DIZ Programme Manager: [mwarr@eppingforestdc.gov.uk](mailto:mwarr@eppingforestdc.gov.uk)

John Houston, DIZ Programme Director: [jhouston@eppingforestdc.gov.uk](mailto:jhouston@eppingforestdc.gov.uk)

## **Report to the Cabinet**

**Report reference:** C-009-2021/22

**Date of meeting:** 12 July 2021



**Epping Forest  
District Council**

**Portfolio:** Finance, Qualis Client and Economic Development – Cllr J. Philip

**Subject:** Qualis 4 Year Business Plan - 2021/22 to 2024/25

**Responsible Officer:** Andrew Small (07548 145665).

**Democratic Services:** Adrian Hendry (01992 564246).

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### **Recommendations/Decisions Required:**

- (1) To consider the views expressed by Overview and Scrutiny Committee and making any amendments considered necessary to recommend to Council;**
- (2) The approval of the 4 Year Qualis Business Plan, including the specific permission set out within this covering report.**

#### **1. Executive Summary**

- 1.1. It is a requirement of the Shareholder agreement that each year Qualis produce and present to the Council a one year and a 4 year Business Plan for the Council to consider and sign-off.
- 1.2. The Cabinet was presented with the Qualis single year Business Plan at its meeting in December 2020. However, at that time, the newly appointed Board of Qualis needed time to consider its medium and longer term strategy and requested an extension of a few months to work-up their plans.
- 1.3. This report presents the 4 Year Qualis Business Plan and seeks the Council's permission to adopt this as its direction and focus.
- 1.4. Qualis was initially created by the Council to solve a number of specific problems including the housing maintenance contract re-let and to progress a number of council owned regeneration sites. The work jointly undertaken by Qualis and the Council to develop this 4 year plan has helped to explore and better define its core purpose as a property development and management arm of the council and to highlight the wider aligned opportunities that this presents.
- 1.5. The Council is asked to consider and reflect on the detail, as set out in the attached 4 year business plan, and either approved the plan or make such suggested amendments as the shareholder considers necessary.

#### **2. Introduction**

- 2.1. The ownership structure of Qualis was specifically defined in a way to reserve certain key decision for the Shareholder to make. These include certain matters of Governance, Risk and Strategic Direction.
- 2.2. The detail is set out in the Shareholder Agreement and Governance arrangements agreed by Cabinet in February 2020. This sets out the decision-making framework for Qualis and the ways in which the Council can influence or control Qualis activities in its capacity as Shareholder.
- 2.3. Broadly, the principal control will be through the approval of the annual Business Plan. Qualis presents its proposals each year within the Business Plan and only if the Council agrees this can Qualis implement them. This represents the critical control over the activities of Qualis and appropriate and detailed consideration should be given to the sign-off accordingly.
- 2.4. If Qualis wishes to undertake an activity that was not included within the Business Plan then under the 'Reserved Matters' part of the Shareholder Agreement it must ask for the Council's permission.
- 2.5. 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 performance and the finances of Qualis are as expected.
- 2.6. The Shareholder agreement requires a 1 year plan for the forthcoming year and a longer looking 4 year plan, setting out direction of travel and broad intent. As the actions included in the 4 year plan become imminent, they are included in the 1 year plan and seek Council approval at that point. Inclusion in the plan and the Council's agreement to it, gives Qualis the permission to proceed without further recourse to the Shareholder, unless the permission is qualified thereby requiring that it should.
- 2.7. Since Qualis appointed the permanent Board at the end of last year they have been working on their medium term plan in order to present it to the Council (as Shareholder) for agreement. Whilst working on this plan they presented a single year 'interim' plan to the Council last December and it is the commitments contained in this that they are currently working to for the 2020/21 trading year.
- 2.8. The 4 year Plan complements and updates the existing single year plan and in order to align the preparation cycles of the 1 and 4 year plans, some additional permissions are sought which might normally be in the single year plan, thereby removing the need for another 1 year plan in a few months' time.
- 2.9. A commentary on the key elements of the attached plan is set out below divided into the respective elements.

### **3. 4 Year Business Plan**

- 3.1. Originally the council created Qualis to solve specific problems around redevelopment and housing maintenance but potentially also a wider set out ambitions. The work of the past few months has helped to clarify in the mind of Qualis that the core function for the company should be property development and management. By reaching this conclusion it has helped Qualis to better define what should be included in their business model what should not.
- 3.2. Consequently, the Qualis business plan expands on these elements and considers

how these should grow over the business plan period to the benefit of the Council and Qualis. Areas are broken down into their respective groupings, such as service management functions, development functions and investment functions. Consideration of the business case is set out below taking each of the core functions in turn.

#### Commentary

- 3.3. The work undertaken to explore and clarify the core purpose of Qualis is also helpful to the Council in that it allows the Council to consider how Qualis can complement and better align to its own functions and priorities without the need to duplicate and repeat activity.
- 3.4. The governance structure, including members and officer board representation, gives the Council considerable control over direction and performance and allows it to directly benefit from the successes of Qualis. This position of confidence can be exploited to allow for complementary working and specialism without the requirement for duplication. For example, the Council doesn't need its own property advisors when Qualis also has a team of property advisors, similarly this applies with maintenance functions. Duplication is expensive and inefficient for the taxpayer when the Council could equally utilise its close relationship with Qualis to deliver these functions.
- 3.5. Allowing Qualis to specialise and grow its activity in the property area enables the council to delegate or transfer those aligned activities and associated risks to Qualis at an appropriate time in the future, (subject to the appropriate checks, balances and performance measures), allowing for better outcomes, better returns and greater efficiency. In turn, higher profits will be returned to the council from these activities, whilst enabling the council to reduce its cost base and allowing it to concentrate on its key priority activities.

#### **Specific Permissions Required from Epping Forest District Council**

- 3.6. To agree the 4 year Business Plan as attached as Appendix A.

#### **4. Qualis Living**

##### **Key Priorities Identified by Qualis**

- Secure new debt facilities from the market to grow the investment portfolio.
  - Take interim management responsibility for the EFDC investment assets.
  - Complete the due diligence exercise in connection with the proposed transfer of investment assets from EFDC.
  - Complete the transfer of investment assets from EFDC.
  - Establish a fit-for-purpose internal property asset management function to manage the property portfolio and reduce outsourcing.
- 4.1. At the point of creation Qualis was loaned £30 million by the Council to acquire commercial property, the income from which would underpin the Qualis Business Plan. The ambition being that this was only the first step in building a much larger portfolio of commercial property with the Council being the primary lender.
  - 4.2. In recent years many councils have been building portfolios of commercial property funded by cheap government borrowing purely for revenue return, (termed Debt for

Yield). The Government has expressed concern at the value of local authority debt being amassed in this way and in November 2020 changed the PWLB borrowing rules to penalise councils who borrow for this purpose. The professional institute which governs Local Government accounting (CIPFA) has also changed the code of practice thus further restricting access to this funding stream.

- 4.3. Combined, these changes significantly constrain the ability of the Council to lend to Qualis for this purpose without compromising the Council's ability to borrow from PWLB for its own purposes. Qualis has been informed and the Business Plan now proposes to pursue commercial acquisitions with funding of £75 million obtained directly from the market. The Shareholder Agreement requires that Qualis must approach the Council first for any new borrowing requirements and may only approach the market if the Council declines to lend. Because the Council has security over all Qualis assets for the loans previously awarded Qualis will also need to seek agreement to allow an external funder to charge any new commercial assets acquired by Qualis.
- 4.4. The Council also has significant holdings of commercial assets (approximately £148 million) which it relies on to produce a rental income stream that underpins large elements of the Council's core spending. This has enabled the Council to keep its Council Tax charges low in recent years.
- 4.5. Qualis investments in commercial, income producing, assets have built a portfolio of £30 million, (subject to completing the transaction for the latest acquisition). The Business Plan includes proposals to expand this further to £105 million.
- 4.6. With both the Council and Qualis currently having teams which specialise in property management both organisations have identified the obvious duplication and propose an opportunity to combine the operations under Qualis.
- 4.7. There are two potential options in this respect, the transfer of the management function only (contracting out) or the transfer of both assets and management, (via a sale agreement). The latter potentially gives the greatest opportunity to utilise the redevelopment and income generating opportunities to the greatest extent.
- 4.8. Recognising that the Council is heavily dependent on the income produced by its portfolio of commercial property and that the Council's priority is the continued certainty of receiving this income, any transfer or sale contract would need to be underpinned by robust service standards, performance guarantees and / or net income guarantees generated for the Council.
- 4.9. The Qualis Business Plan considers this and recognises that any promises made at this time around income security or performance standards would be done so without a firm understanding of the portfolio nor the risks and opportunities inherent in it. By way of a potential solution the Qualis Business Plan proposes that they work together with the Council to develop a business case over the next year. To facilitate the gathering of knowledge over a period of the next year the Business Plan proposes that they undertake the Asset Management function on behalf of the Council and that the team is seconded to Qualis to support this.
- 4.10. At the end of the year Qualis will present to the Council a Business Case that either supports transfer of the Asset Management Team and / or Asset Sale by setting out the clear benefits and risks to the Council, or which recommends that the Council continues to provide this service itself.

### **Commentary**

- 4.11. As the Council and Qualis are now both managing commercial assets for financial return it would make sense if just one party continued to develop this specialism and their expertise in this area so that duplicated costs can be avoided.
- 4.12. Whilst the function is not core to the Council, the income generated from the portfolio certainly is, so in any arrangement the Council would need to be assured that its income was guaranteed. Without a much deeper understanding of the Council's portfolio Qualis is unable and unwilling to give such guarantees and so a solution is required that will enable Qualis to gain this richer understanding of the properties, tenants, rents, lease terms, etc. which make up the portfolio.
- 4.13. With the Council currently holding vacancies in its Asset Management Team this supports Qualis temporarily taking on the management of this function allowing them to better understand the portfolio and the opportunities that exist. The staff would be seconded and would work through the Qualis equivalent team, with key portfolio decisions being referred back to the Council to make (subject to a scheme of delegated decision making), thus retaining the Council sovereignty and final say on how the portfolio is managed.
- 4.14. Through gaining a deeper understanding of the portfolio Qualis will be able to present a more detailed and robust business case to the Council that contains options on how the Council may maintain and potentially grow its income in the future.
- 4.15. At a point in time where the state and direction of the future economy is uncertain options to protect the Council's income need to be explored and whilst this exploration takes place the Council will also benefit from Qualis experience in this field.

### **Specific Permissions Required from Epping Forest District Council**

- 4.16. To permit Qualis to borrow from the market £75 million for the acquisition of new commercial property and to defer its option to securitise any assets acquired behind that of the lender.
- 4.17. To contract with Qualis for the temporary management of investment and commercial property portfolio and to second the staff in the Asset Management team for a period of up to 14 months.
- 4.18. To request Qualis, working with officers from Epping Forest District Council, to explore the option for the transfer of all investment and commercial assets to Qualis.
- 4.19. It is expected that funding will be required to facilitate this work, which will in the first instance be met from existing professional fee budgets and underspending within the approved budget. If further funding is required a separate report will be brought forward.

## **5. Qualis Commercial**

### **Key Priorities Identified by Qualis**

- Secure Planning Permission for the five Town Centre Sites

- Commence development of these five sites
  - Establish a sales brand to manage this process and the customer experience
  - Secure planning permission for Roundhills and Pyrles Lane
  - Increase the pipeline at a minimum rate of 120%
- 5.1. The Business Plan sets out the existing regeneration schemes that Qualis is currently progressing, specifically, Cottis Lane, Bakers Lane, St John's Road, Conder Building, Hemnall Street and Roundhills. With the exception of Roundhills, these sites are currently awaiting a planning decision, but it is intended these will move to construction later this calendar year.
  - 5.2. A Business Case is in development for the acquisition and redevelopment of Pyrles Lane. Early proposals for the site have been scrutinised by the Council with the promise of a full business case being presented to the Council. It is expected this will require loan funding from the Council in order to develop out the site and this is covered within the request made of the Council below.
  - 5.3. Beyond these existing specific sites the Qualis Business Plan is predicated on the identification and development of a pipeline of similar sites which would aid the district by bringing forward potentially difficult sites for regeneration and development of new private, affordable and rented housing, thereby addressing the housing shortage in the district and capturing potential developer profits for re-investment or for the benefit of the Council.
  - 5.4. Regeneration has always been a priority for the Council as standing still ultimately results in falling behind and post Pandemic the need for investment in communities is expected to become greater than ever. The regeneration work encompasses not only housing, but will also include the creation of new leisure, retail and job opportunities. The investment undertaken by Qualis will complement the Town Centre and other 'Place based' investment work of Epping Forest District Council.
  - 5.5. To progress this agenda Qualis has requested access to a new loan facility of £35 million that they can utilise when suitable opportunities arise. The need to progress quickly with acquisition once suitable sites come to market requires that such a facility should be readily and quickly accessible and so are asking that the loan facility be pre-authorised by Council with delegation given to the S151 officer in consultation with the Portfolio Holder for Finance and Economic Development.
  - 5.6. If the Council were prepared to provide this facility access to it would mostly likely be in tranches and the Council would look for adequate security against each tranche.

### **Commentary**

- 5.7. The original vision for Qualis was around redeveloping some of the Council's more challenging sites for the benefit of the district (providing housing, retail, leisure and jobs). Once those original sites are completed the question arises whether the Council would like Qualis to seek new regeneration opportunities or stop there.
- 5.8. In practice one of the Council's core priorities is the ongoing development of 'Place' and this challenge never ends. Qualis provides a strategic vehicle with which to focus on regeneration by acquiring and bringing forward those sites that the market is unwilling to respond to, either because margins are too low or because of local challenges.



- 5.9. Qualis provides an armlength vehicle that can focus on this agenda without the strong private sector imperative of minimum returns so can tackle sites that would otherwise be left undeveloped. This includes a choice around the share of affordable housing targeted for each site, as with the Council ultimately being the beneficiary of developer profit it can potentially chose to sacrifice these in return for higher affordable housing.
- 5.10. This ongoing ambition requires pump-priming by the Council until Qualis has sufficient equity of its own to either raise capital directly from the market or use sales proceeds to re-invest. In the meantime, as lender, the Council's revenue position will benefit from loan margins and risk can be mitigated provided the Council seeks suitable security for loans made.

### **Specific Permissions Required from Epping Forest District Council**

- 5.11. Approval of a new £35 million loan facility in order to pump prime new regeneration opportunities within the Epping Forest District area, with specific delegated permission given to the Council's S151 officer in consultation with the Cabinet Member for Finance and Economic Development to release sums to Qualis when backed by suitable security. The release of sums will be reported to the Council via the Quarterly board reports on Qualis performance.

## **6. Qualis Management**

### **Key Priorities Identified by Qualis**

- Successfully manage service transfers
  - Generate productivity and efficiency savings
  - Explore opportunities for external income generating work
  - Explore other areas of service which could add value to EFDC, residents and the community
- 6.1. Through joint working between the officers of Council and Qualis opportunities for specialism through either the Council or Qualis have been identified and consideration has been concentrated around those services which clearly or logically align to the Property development and management focus of Qualis.
- 6.2. In addition to Asset Management, the other services which are closely aligned to property development and property management are;
- Ground Maintenance
  - Residential Asset Management and Facilities
- 6.3. After working closely with officers from the Council, the Business Plan sets out an ambition to explore and develop detail business cases for these areas with the aim of demonstrating to the Council potential savings, improvements in performance, income generating opportunities and any risks in achieving this.
- 6.4. Once developed, these will be presented to Scrutiny and Cabinet for consideration and potential agreement. The Business Plan envisages that this would be around the Autumn.

- 6.5. In order for the Council to properly consider the business cases it is expected that these will broadly follow the format and address the question set out in the template attached as Appendix B to this report.

### **Specific Permissions Required from Epping Forest District Council**

- 6.6. Agreement for Qualis to develop Business Cases for the potential transfer of Ground Maintenance and Residential Asset Management and Facilities broadly following the format set out in the template attached as Appendix B. The completed Business Case to be presented to Scrutiny and Cabinet for decision later in the year.

## **7. Risk Analysis**

- 7.1. The Business Plan sets out its own interpretation, analysis and mitigations proposed for the risks faced by Qualis in Section 10. Some of these are common with those faced by the Council whilst others are unique. The risk which are seen as key to the Council are those set out below;
- 7.2. Qualis failure to repay loans – the Council has already invested heavily in Qualis with loans already made totalling £60 million and existing approvals given for a further £59 million. With the new request of £35 million the indebtedness of Qualis to the Council will rise to £148.5 million by 2023 with £136 million directly borrowed by the Council from external lenders. The cost of borrowing to the Council remains at near historic lows but even so interest charges will be in the order of £3 million per annum (plus amortisation) which the Council will have to pay whether Qualis meets its loan obligations or not. The Council needs to be confident that Qualis business model is sufficiently robust in order that it can meet its obligations. The Council has sought to protect its own interests by taking security over all Qualis assets and bank balances so that in the unlikely event of default the Council can liquidate and repay its debts.
- 7.3. Qualis ability to raise finance in the market – the Business Plan assumes that Qualis Living will continue to grow its Commercial Property portfolio by borrowing a further £75 million from the market. The return generated by Qualis Living from this portfolio in 2024/25 is forecast to be nearly £2.3 million and this is almost 50% of the expected combined profits generated by Qualis in that year. A significant element of the expected return is dependent upon Qualis sourcing competitive finance from the market with reasonable terms. The Business Plan highlights that Qualis (at least in the early years of the plan) has little equity and almost no security to offer to lenders, beyond the assets it intends to purchase and identifies this as a risk to obtaining finance. In order to enable Qualis to offer security to the market the Council may be asked to place its own claim to any security over equity behind that of an external lender, thereby increasing the risk to the Council in order to reduce the risk to a market lender. If Qualis is unable to secure external market finance, then its ability to achieve the returns contained in the Plan are significantly reduced.
- 7.4. Optimism Bias – the Business Plan forecasts are dependent upon a number of actions and plans coming to fruition in accordance with timelines set out. In practice events may happen sooner than planned or be delayed as a result of events outside of the control of Qualis; achieving Planning permission and the Covid19 Pandemic being good examples. Sourcing external finance, finding suitable development sites, achieving planning permission and sales values holding up as expected are all identified as risks in the plan and any one of these may materially impact upon the level and timing of returns to Qualis and the Council.

## Commentary

- 7.5. There are risks inherent in any commercial venture, whether run by the Council or carried out within an armlength company. These can never be fully hedged off and the need for councils to find new income streams and efficiencies means that doing nothing represents an even greater risk of failure.
- 7.6. Therefore, the Council needs to proceed by not trying to avoid all risk, but by understanding the risks and ensuring it has mitigations in place. The Council's commitment to Qualis is underpinned by security over property and cash held by Qualis, and whilst this creates its own problems (such as the risk of a property price crash) if suitable diversified and managed the absolute risk to the Council remains fairly low.
- 7.7. The Council's control over the risks are through the regular and robust monitoring of quarterly performance, the Council representation on the Board of Qualis, the annual review and monitoring of Business Plan updates and through the Council's democratic process.

## 8. Resource Implications

- 8.1. Qualis was created partly to resolve operational and development challenges being faced by the Council but the Council was also attracted to the significant financial upside, (as shareholder and lender), of benefiting from returns and development profits which would normally have been returned to lenders or the private sector.
- 8.2. The returns and margins delivered by Qualis are central to the Council's Medium Term Financial Plans which allow the continued delivery of core and value added services to the residents, whilst at the same time minimising Council Tax increases.
- 8.3. At a time when local government is facing massive financial challenges brought about by the Government funding reductions over the past 15 years, forecast future reforms and, latterly, the far reaching and potentially enormous impact of the Coronavirus Pandemic. Qualis represents the Council's biggest financial hope for mitigating the severe financial challenges it faces.
- 8.4. Section 5 of the Business Plan sets out in the financial plans for Qualis in some detail. Key elements are reproduced here for members' information and a commentary is provided.
- 8.5. The table below sets out the combined Profit and Loss account for Qualis.

Qualis Total	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Total Income	13,856,889	53,037,987	142,002,340	32,565,499
Total Expenditure	13,549,327	48,689,496	130,661,526	27,179,690
Profit/-Loss before Tax	307,561	4,348,492	11,340,814	5,385,809
Return	2.3%	8.9%	8.7%	19.8%

- 8.6. The predicted Profit and Loss Account in the Business Plan shows fast growth in

income, expenditure and profits across the 4 years of the Plan. In 2023/24 the numbers include expected sales of residential properties from the Epping Development sites, which explains the bulge in that year.

- 8.7. The figures include expected returns from the growth in the Qualis commercial property portfolio (funded from market borrowing), development profits from new sites which have yet to be acquired (funded by loans from the Council) and the transfer of Council services, specifically Grounds Maintenance and the Asset Management Team, but excludes any opportunity derived from the potential transfer to Qualis of the Council's commercial asset portfolio.
- 8.8. The Profit and Loss forecasts are therefore dependent the Council approving all elements of the Business Plan (with the current exception of asset transfer), including approving the loan request for a further £35 million of regeneration finance, and Qualis being successful in sourcing the assumed £75 million from the market.
- 8.9. The figures are stated before Tax and it should be noted that profits are not the same as dividends paid to the shareholder, (the Council). Qualis is assuming that in the specific timeframe of this Business Plan all profits are retained in order to build equity and therefore resilience into the business model.
- 8.10. As Shareholder the Council is entitled to a view on this assumption.
- 8.11. The Balance Sheet for the from the Business Plan is reproduced in the table below;

	2021/22	2022/23	2023/24	2024/25
Fixed Assets	35,000,000	45,000,000	65,000,000	105,000,000
Work in Progress	64,575,491	75,957,758	5,298,953	3,442,508
Debtors	70,000	77,000	84,700	93,170
Cash	24,565,406	47,198,298	126,031,253	132,106,841
Trade Creditors	-70,000	-77,000	-84,700	-93,170
Loan Balances	-123,833,333	-163,500,000	-180,333,333	-219,166,667
Net Assets and Liabilities	307,564	4,656,056	15,996,873	21,382,682
Share Capital	3	3	3	3
Profit and Loss	307,561	4,656,053	15,996,870	21,382,679
	307,564	4,656,056	15,996,873	21,382,682

- 8.12. The Business shows a steady growth in equity over the Business Plan period to the point in 2024/25 where Qualis has net assets of in excess of £21 million.
- 8.13. The Business Plan shows peak debt in 2024/25 of £219.2 million originally funded from loans from Epping Forest District Council totalling £160 million and £75 million of loans raised from the market, (before repayments).
- 8.14. The loans from Epping Forest District Council are analysed in the table below together with the other financial benefits derived by the Council from Qualis activities, these largely being associated with the rental of office accommodation and the secondment of staff.

		Loan Value	Margin	Duration Years	Already Assumed	2021/22	2022/23	2023/24	2024/25
Loans	Working Capital	6,000,000	1.50%	5	90,000	90,000	90,000	90,000	90,000
	Asset Purchase Market	30,000,000	1.50%	10	450,000	450,000	450,000	450,000	450,000
	Asset Purchase EDFC	18,000,000	4.00%	30	720,000	720,000	720,000	720,000	720,000
	Construction Loan Original Pt 1	35,000,000	1.50%	30	-	525,000	525,000	525,000	525,000
	Construction Loan Original Pt 2	30,000,000	1.50%	30	-	-	450,000	450,000	450,000
	Asset Construction Loan New	35,000,000	1.50%	30	-	525,000	525,000	525,000	525,000
Discount									900,000
Dividend						Reinvest	Reinvest	Reinvest	Reinvest
Direct Benefit to EDFC					1,260,000	2,310,000	2,760,000	2,760,000	3,660,000
Indirect Benefits EDFC Overhead Reductions					600,000	600,000	600,000	600,000	600,000
Total Benefit					1,860,000	2,910,000	3,360,000	3,360,000	4,260,000

- 8.15. Assuming it is approved as proposed, the Business Plan indicates that even without dividend distribution the income from loan margins alone to the Council will grow over the Business Plan period by £2.4 million, assuming all assumptions within the Business Plan occur as expected and schemes and initiatives are delivered as set out within the Plan.
- 8.16. This increase in income would be very welcome in the Medium Term Financial Plan period when offset against the Council's significant emerging financial challenges. However, caution is advised because delivery sits outside of the Council's control and plans are seldom delivered as originally envisaged. The Business Plan presented here is rolling plan and so will be updated each year and the changes will be factored into the Medium Term Plan each year.

### Commentary

- 8.17. The Business Plan presented offers the Council significant revenue upside which would be very useful in dealing with the challenges expected within its Medium Term Financial Plan. However, there are risks associated with increased borrowing, as explained above in the Risk Analysis section, which mean these returns may be delayed or reduced.
- 8.18. Recognising this, the Council is advised to be cautious in how much and when it reflects the predicted returns in its own financial plans.
- 8.19. Allowing Qualis to reinvest its profits and not paying dividends in this plan period represents a sensible strategy, in that it builds resilience in the financial model presented by Qualis and provides investment capital and a buffer which can absorb financial shocks and reduces the probability that Qualis will need to return to the Council for further financial support.

## 9. Legal and Governance Implications

- 9.1. None contained within this report.

**10. Safer, Cleaner and Greener Implications**

10.1. None.

**11. Consultation Undertaken**

11.1. None

**Background Papers**

Group Company Governance Document – Cabinet 6 February 2020



# QUALIS GROUP FOUR YEAR BUSINESS PLAN

1st October 2021 to  
30th September 2025



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# 1. Introduction

Qualis Group Limited (Qualis), which is wholly owned by Epping Forest District Council (EFDC), was established in 2019. It is the Council's property company that operates with flexibility and commercial focus to generate returns that support key services and regeneration.

Core activities include:

- Development
- Investment
- Property Asset Management
- Facilities Management (FM)

Qualis will contribute to the Council's objective to create more jobs, grow the local economy, improve housing and public amenities.

Through the planning process and public consultation we are able to identify key priorities for the local area and its residents.

We welcome stakeholder input to ensure that company activities provide maximum benefit to the community.

The company is currently working to deliver against agreed objectives as set out in the one year (2020-2021) Business Plan. The four year plan provides details on the next phase and sets out key targets and growth opportunities.

The financial plan in section 5 covers the approach, assumptions and key financial information for the Group and each subsidiary.

**Since the company became operational in September 2020, Qualis has;**

- Submitted planning applications for the five initial Epping sites including; St John's Road, Cottis Lane and Bakers Lane car parks, Conder and Hemnall Street.
- Completed public consultation for the Roundhills development in Waltham Abbey.
- Acquired two investment properties and agreed terms on a third investment.
- Provided financial benefits back to the Council.
- Set up Qualis Management and successfully transferred the housing repairs service from EFDC.
- Appointed the permanent leadership team and Group Board.

- Implemented robust corporate governance arrangements.
- Commenced the development of our Environmental Social Governance (ESG) and sustainability strategies.
- Established a Community Interest Company (CIC) and initiated stakeholder engagement.
- Identified a pipeline of development opportunities and services for transfer.
- Started the development of our corporate culture and introduced employee engagement initiatives.

**Over the next four years Qualis will aim to deliver:**

- The initial Epping Town Centre developments (subject to planning permission) providing approximately 270 new homes and a new car park that will allow the development of the Council's new leisure centre.
- Build 28 homes on the Roundhills site at Waltham Abbey.
- Explore how we will continue to invest in regeneration across the District, which includes a proposal for a further £35m loan facility from EFDC for site acquisitions.
- Undertake further work to identify potential development and regeneration opportunities across the EFDC property portfolio.
- Continue to build the investment portfolio.
- Continue to grow Qualis Management through the implementation of additional repairs and maintenance workstreams (as agreed in the original Business Plan).
- Consider the benefits of transferring the additional services from the Council including; asset management, grounds maintenance, FM and housing contract services.
- Advance projects within Qualis Community, focussing on employment, sustainability and other key areas.

# 2. Organisational Structure

**Qualis Group Ltd is a private company limited by shares, incorporated in England and Wales. The Group structure is shown below:**

**Qualis Group** – is the parent company that has responsibility for the overall performance and governance of the subsidiary companies.

**Qualis Living** – is the property investment company that will own, manage, buy and sell assets to maximise returns for the Group.

**Qualis Commercial** – is the development company that will build schemes on land purchased from the Council or land acquired on the open market.

*We are currently reviewing the organisational structure with a view to identifying operational and financial efficiencies.*

**Qualis Management** – is the facilities management company that provides a range of services to the Council and will in future years offer services to neighbouring councils and in the private sector.

**Qualis Community** – is the community interest company that will support activities and projects that provide a direct benefit to the community.



### 3. Purpose

Qualis Group was established by EFDC in 2019 as the Council's property company. Its purpose is to ensure that the Council's objectives to create more jobs, grow the local economy, improve housing and public amenities are achieved.

With central government funding to councils being reduced, EFDC, like many other local authorities has embraced the trading company model that will deliver financial returns to the benefit of the Council and its residents.

**The primary objectives of the Group are unchanged from the 2020/2021 Business Plan**

- To bring forward the development of key sites to provide new homes, public amenities and business premises within the District.
- To act commercially to maximise profits within Qualis and deliver sustainable returns to the Council as Shareholder that will replace reduced Government funding.
- To deliver long-term value across all Group activities and positively impact communities, the environment and local economy.
- To build a highly effective team and create a corporate culture that empowers and inspires people to deliver excellence.

### 4. Governance

A governance framework has been put in place to enable the Group to effectively organise its operational, financial, risk management and reporting processes. These underpin the Group's plans, assign clear responsibilities and accountabilities ensuring effective decision making and compliance with relevant regulations and legal obligations.

Qualis has entered into a Shareholder Agreement with the Council. The Agreement sets out obligations of the parties and 'Reserved Matters' that Qualis Group Board cannot approve without separate consent from the Council.

The Council has appointed Andrew Small as the Section 151 Officer and Shareholder's representative, responsible for general monitoring, compliance and administration.

One year and four year Business Plans are submitted to the Council for approval. Quarterly financial and operational performance reports are also provided.

The permanent Board was appointed in October 2020 and is responsible for governance and oversight of all company activities. It is made up of nine members including –

**Paul ffolkes Davis**  
Independent Non-Executive Director & Chair

**Councillor Richard Bassett**  
Non-Executive Director

**Peter Baynham**  
Independent Non-Executive Director

**Georgina Blakemore**  
Non-Executive Director

**Councillor Howard Kauffman**  
Non-Executive Director

**Farooq Mohammed**  
Independent Non-Executive Director

**Sacha Jevans**  
Group Managing Director, Executive Director

**Paul Hewitt**  
Group Operations Director, Executive Director

**Nick Dawe**  
Group Finance Director, Executive Director

An annual Board and Committee programme is in place with standing and ad hoc agenda items. Meetings for all companies are currently held on a monthly basis.

The Managing Director of each subsidiary will be appointed as a Board Director for their respective company.

**The following Committee structure was introduced in February 2021:**

- Executive Committee
- Investment and Development Committee
- Audit and Risk Committee
- Remuneration, Nominations and Governance Committee

A Health, Safety and Sustainability Committee will be established during the next financial year.

# 5. Finance

## Expectation

The original expectation was that within five years of creating Qualis, the Group would be sustainable and returning profit from all its companies. The targets set were as follows:

- Qualis Group would make an annual return of 3% from supervision and other services provided to subsidiary companies.
- Qualis Living, from rental returns and associated services, would make an annual 6% net return on capital invested in buying property.
- Qualis Commercial developments would make an average 15% return on the capital employed to buy land, construct, and complete projects. A slightly lower return would be considered acceptable if a significant regeneration benefit was delivered.
- Qualis Management, from providing services to EFDC, other public bodies, private companies and individuals would make an annual 6% net return within five years of set-up.

EFDC as Shareholder would benefit from the success of Qualis as follows:

- Immediate benefit from the full interest margin from loans provided and a partial margin where cash loans are provided.
- Medium-term benefit from the provision of services where productivity improvements meet inflation costs and income generated from external sales allow discounts to be offered.
- Long-term benefit from dividends, although in the early years re-investment planned to allow Qualis to continue to grow.

## Approach

All figures and assumptions are agreed with the appropriate budget holder. In terms of the level of detail the following is expected:

- An annual detailed budget.
- The four year plan in outline detail.
- The thirty five year plan formulaic approach.

Developments undertaken by Qualis would be delivered quicker and more efficiently than would be the case if delivery of the project were by EFDC.

As a broad financial benchmark, the assumption is that services transferring from EFDC to Qualis will be delivered at the same or improved quality, more efficiently and raise up to 20% of income from non EFDC sources in the medium-term.

## Assumptions

The following assumptions sit behind the four year plan:

- Inflation, staff costs, increase by 2.5% per year.
- Inflation, non staff costs, increase by 2.5% per year.
- Inflation, construction costs, increase by 2.5% per year.
- Inflation, sale of property and rental uplift increase by 2.5% per year.
- Inter-company recharges are actioned at full costs plus a 3% surcharge, (pending confirmation of the correct approach to reflect HMRC compliance).
- Services provided from EFDC or supplied to EFDC attract a 3% surcharge, (pending confirmation of the correct approach to reflect HMRC compliance).
- Costs incurred in respect of developments are treated as income and expenditure until planning permission is granted, at which point the charges are treated as work in progress and transferred to the balance sheet.

- The underlying cost of money is expected at 2.5%, the cost of loans from EFDC is no greater than 4% and the cost of money from the market at 4%.
- Interest earned through investment activities at 1.5%.
- Loans are expected to continue to be available for local regeneration and redevelopment from EFDC.
- Loans from the market will be required for out of District investment.

# 5. Finance

## Broad Timing and Financial Assumptions

### Qualis Management

2021/22	Investment Asset Team Capital Works Electrical Testing Cyclical Decoration
2022/23	Gas- Breakdown and Servicing Aids and Adapts Grounds Maintenance
2023/24	Boiler Installation
2024/25	External Income Generation

### Qualis Living

2021/22	£5m externally funded asset purchases
2022/23	£10m externally funded asset purchases <i>Possible investment asset transfer from EFDC, not in figures</i>
2023/24	£20m externally funded asset purchases
2024/25	£40m a year investment

### Qualis Commercial

2021/22	Epping Sites and Roundhills already in train Pyrles Lane and two other development opportunities in figures
2022/23	<i>Possible advance of some pipeline projects, not in figures</i>
2023/24	<i>Possible advance of some pipeline projects, not in figures</i>
2024/25	<i>Possible advance of some pipeline projects, not in figures</i>

### Qualis Community

2021/22	Simple Business Plan showing scale of ambition
2022/23	Simple Business Plan showing scale of ambition
2023/24	Simple Business Plan showing scale of ambition
2024/25	Simple Business Plan showing scale of ambition

### Qualis Group

2021/22	Performance allowance 5% Statutory employer pension contribution plus 3% Two additional transactional employees
2022/23	As above
2023/24	As above
2024/25	As above

## 5. Finance

### Income and Expenditure Summary View

The following figures have been calculated from the details submitted by the relevant budget holder.

Note:

- The figures exclude smaller specialist services that provide support to EFDC's Place Strategy.
- The benefit of the transfer of EFDC investment assets is excluded.
- The figures exclude predicted interest earned due to the volatility and the relatively small scale of the benefit.

Qualis Total	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Total Income	13,856,889	53,037,987	142,002,340	32,565,499
Total Expenditure	13,549,327	48,689,496	130,661,526	27,179,690
Profit/-Loss before Tax	307,561	4,348,492	11,340,814	5,385,809
Return	2.3%	8.9%	8.7%	19.8%

The figures show growing profitability delivered by increases in the range of services provided, a larger property investment portfolio and the completion of developments and subsequent sales. Corporation tax liabilities are subject to review and are not shown in the figures.

Qualis Management	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Total Income	9,185,726	12,899,262	14,078,890	14,685,863
Total Expenditure	9,120,799	12,494,149	13,514,987	13,853,239
Profit/-Loss before Tax	64,927	405,114	563,903	832,623
Return	0.7%	3.2%	4.2%	6.0%

- Qualis Management shows an increasing return as efficiency and external sales (subject to Teckal limitations) are gained.
- The figures include further transfers from EFDC (subject to approval).
- Estimated costs for resources to support the delivery of services to third parties have been included in the figures.

### Qualis Living

	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Total Income	2,229,150	2,929,150	4,329,150	7,129,150
Total Expenditure	2,054,930	2,513,263	3,254,930	4,854,930
Profit/-Loss before Tax	174,220	415,887	1,074,220	2,274,220
Return	8.5%	16.5%	33.0%	46.8%

- Qualis Living provides necessary short-term cash flow to the group whilst it is building a robust portfolio of assets.
- Future expansion of the portfolio will be reliant on obtaining finance from the market due to a change in the Public Works Loan Board lending criteria.
- To ensure maximum early cash flow, the portfolio is intended to be supported by loans repaid on maturity.
- The returns projected are based on the Company being able to sell assets within the time frames shown. The exact timing of those sales is not completely certain therefore the projected returns between 8.5% to 46.8% should be seen as indicative.

### Qualis Commercial

	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Total Income	1	34,298,048	120,062,552	7,723,013
Total Expenditure	1	30,939,508	110,729,370	5,539,126
Profit/-Loss before Tax	-	3,358,540	9,333,182	2,183,887
Return	0%	10.9%	8.4%	39.4%

- The figures show the anticipated profits to be made on the initial developments, Pyrles Lane in Loughton and other commercially sensitive opportunities.
- All costs are taken as work in progress from the grant of planning permission until completion of the project.
- The figures assume the sale of all completed developments, although these assets may be held to lease for rental income in whole or in part.
- Work has been undertaken to establish a pipeline of future projects, which are not shown in the figures, but could be brought forward.
- The returns from developments range from 0% to 39.4%. Returns in respect of any development are subject to uncertainties and risks (as noted in Section 10). In particular, returns are dependent upon timing, which may be subject to delay, such as the granting of planning permission.

## 5. Finance

Qualis Group	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Total Income	2,392,012	2,411,527	2,431,747	2,452,474
Total Expenditure	2,323,598	2,342,576	2,362,239	2,382,395
Profit/-Loss before Tax	68,414	68,951	69,508	70,079
Return	2.9%	2.9%	2.9%	2.9%

Includes costs associated with the Qualis Group Board, transactional and administrative support and some operational costs, such as IT and HR functions.

Qualis Community	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Total Income	50,000	500,000	1,100,000	575,000
Total Expenditure	50,000	400,000	800,000	550,000
Profit/-Loss before Tax	-	100,000	300,000	25,000
Return	0.0%	25.0%	37.5%	4.5%

An initial budget has been produced reflecting the potential to raise income currently not available to EFDC, or use income collected by EFDC for specific purposes, i.e. Section 106 contributions for environmental improvements.

Expenditure is related to specific projects.

### Balance Sheet

The balance sheet shows a growing net worth of the company despite it being initially set up on a highly leveraged basis. i.e., by loans.

By the 30th September 2025 the net worth of the company is expected to be £27m. This is achieved by a combination of growing operational income, the repayment of loans, and profit made from the sale of completed developments.

Assets purchased from the market are supported by a maturity loan rather than a repayment loan. This will require a sophisticated approach to portfolio management to maintain income and hold assets as maturity loans are repaid.

The Group continues to rely on loans from EFDC to support development activities. The option to repay some loans at the end of the four year period or to use cash receipts from sales to fund subsequent projects requires further discussion and analysis.

The summary balance sheet for Qualis Group is shown below

	2021/22	2022/23	2023/24	2024/25
Fixed Assets	35,000,000	45,000,000	65,000,000	105,000,000
Work in Progress	64,575,491	75,957,758	5,298,953	3,442,508
Debtors	70,000	77,000	84,700	93,170
Cash	24,565,406	47,198,298	126,031,253	132,106,841
Trade Creditors	-70,000	-77,000	-84,700	-93,170
Loan Balances	-123,833,333	-163,500,000	-180,333,333	-219,166,667
Net Assets and Liabilities	307,564	4,656,056	15,996,873	21,382,682
Share Capital	3	3	3	3
Profit and Loss	307,561	4,656,053	15,996,870	21,382,679
	307,564	4,656,056	15,996,873	21,382,682



## 5. Finance

### Cash Flow

Cash flow projections take into account income and expenditure performance, development, new loan facilities, and the repayment of existing loans, as well as interest receipts.

The success of the Group remains dependent on loans.

To allow continued investment out of District, loans from the market will be required.

To fund construction a further loan from EFDC of £65m is required as previously agreed. This figure is close to the original estimate. The loan is likely to be called down during 2021/22. EFDC will benefit from the loan margin by approximately £1m a year.

From 2023/2024, significant cash balances are forecast that would allow investment in future projects or early repayment of loans.

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						2021/22	2022/23	2023/24	2024/25
Cash Brought Forward						2,000,000	24,565,406	47,198,298	44,831,253
Operational Activities	Management	Income				9,185,726	12,899,262	14,078,890	14,685,863
		Expenditure				- 9,120,799	- 12,494,149	- 13,514,987	- 13,853,239
	Living	Income				2,229,150	2,929,150	4,329,150	7,129,150
		Expenditure				- 2,054,930	- 2,513,263	- 3,254,930	- 4,854,930
		Asset Purchase				5,000,000	- 10,000,000	- 20,000,000	- 40,000,000
	Commercial	Sales				4,932,422	49,744,629	87,459,059	7,723,013
		Development Cost				- 58,870,946	- 53,465,868	- 9,329,599	7,723,013
	Group	Income				2,392,012	2,411,527	2,431,747	- 8,905,538
		Expenditure				- 2,323,598	- 2,342,576	- 2,362,239	- 2,382,395
	Community	Income				50,000	500,000	1,100,000	575,000
Expenditure					- 50,000	- 400,000	- 800,000	- 550,000	
New Loans	Investment Asset 2	10		Market	Maturity	5,000,000	5,000,000		
	Investment Asset 3	10		Market	Maturity	10,000,000		10,000,000	
	Investment Asset 4	10		Market	Maturity	20,000,000		20,000,000	
	Investment Asset 5	10		Market	Maturity	40,000,000			40,000,000
	Construction Loan 2	30	2021/22	EFDC	Repay	65,000,000	35,000,000	30,000,000	
	Construction Loan 3	30	2022/23	EFDC	Repay	35,000,000	35,000,000		
Construction Loan 4	30	2023/24	EFDC/Market	Repay	-				
Construction Loan 5	30	2024/25	EFDC/Market	Repay	-				
Repay Loans	Investment Asset 1	10	2019/20	EFDC	Maturity	30,000,000	-	-	-
	Investment Asset 2	10	2021/22	Market	Maturity	20,000,000	-	-	-
	Investment Asset 3	10	2022/23	Market	Maturity	20,000,000	-	-	-
	Investment Asset 4	10	2023/24	Market	Maturity	20,000,000	-	-	-
	Investment Asset 5	10	2024/25	Market	Maturity	20,000,000	-	-	-
	Working Capital	6	2019/20	EFDC	Repay	6,000,000	- 1,200,000	- 1,200,000	- 1,200,000
	Asset Purchase Loan	30	2020/21	EFDC	Repay	18,000,000	- 600,000	- 600,000	- 600,000
	Construction Loan 1	30	2020/21	EFDC	Repay	6,000,000	- 200,000	- 200,000	- 200,000
	Construction Loan 2	30	2021/22	EFDC	Repay	65,000,000	- 2,166,667	- 2,166,667	-
	Construction Loan 3	30	2022/23	EFDC	Repay	35,000,000	-	- 1,166,667	- 1,166,667
	Construction Loan 4	30	2023/24	EFDC	Repay	-	-	-	-
Construction Loan 5	30	2024/25	EFDC	Repay	-	-	- 80,000,000	-	
Sub Total						24,202,371	46,500,786	44,168,722	9,354,523
Interest Earned	Accounts / Investments	1.50%				363,036	697,512	662,531	140,318
Cash Balance						24,565,406	47,198,298	44,831,253	9,494,841
EFDC Provided Loan Balances									
Taken						125,000,000	35,000,000		
Repaid / Reapplied						- 4,166,667	- 5,333,333	- 83,166,667	- 3,166,667
Balance						120,833,333	150,500,000	67,333,333	64,166,667

## 5. Finance

The tables below show the options available in relation to loans taken from EFDC.

The first option shows running out the loans as agreed.

### Option 1

EFDC Provided Loan Balances	2021/22	2022/23	2023/24	2024/25
Taken	125,000,000	35,000,000		
Repaid / Reapplied	-4,166,667	-5,333,333	-3,166,667	-3,166,667
Balance	120,833,333	150,500,000	147,333,333	144,166,667

The second option shows the impact of using cash to repay loans rather than reapply it to future projects.

### Option 2

EFDC Provided Loan Balances	2021/22	2022/23	2023/24	2024/25
Taken	125,000,000	35,000,000		
Repaid / Reapplied	-4,166,667	-5,333,333	-83,166,667	-3,166,667
Balance	120,833,333	150,500,000	67,333,333	64,166,667

### Property Investment Portfolio

The assumptions around the asset investment portfolio are set out below. It should be noted the figures shown relate to the additional asset investment made by Qualis only.

It is planned that a high performing portfolio returning 6% to 7% will continue to grow over the next four years.

The initial funding for the portfolio was provided by EFDC, sourced from funds made available by the Public Works Loans Board. Following recent changes, investment for yield no longer meets lending criteria.

Growth of the asset portfolio is highly dependent on loan finance from the market.

The net performance of the proposed portfolio is acceptable and capital growth is probable.



# 5. Finance

## Living summary

Financial Year			LEATHERHEAD	MALDON	COVENTRY	ASSET 4	ASSET 5, 6	ASSET 7-10	ASSET 11-18	TOTAL
		Inclusive Purchase Value	13,807,635	5,565,604	9,500,000	5,000,000	10,000,000	20,000,000	40,000,000	103,873,239
		Gross Return	6.50%	6.54%	6.50%	7.00%	7.00%	7.00%	7.00%	-
2021/22		Rent	897,650	364,000	617,500	350,000				2,229,150
Year 3		Other Income			-	-				-
		Total Income	897,650	364,000	617,500	350,000				2,229,150
	100,000	Living Overhead	4	25,000	25,000	25,000	25,000			100,000
	600,000	Group Overhead	4	150,000	150,000	150,000	150,000			600,000
		Financing Costs		552,305	222,624	380,000	200,000			1,354,930
		Total Costs		727,305	397,624	555,000	375,000			2,054,930
		Net Position		170,345	- 33,624	62,500	- 25,000			174,220
				1.23%	-0.60%	0.66%	-0.50%			0.17%
2022/23		Rent	897,650	364,000	617,500	350,000	700,000			2,929,150
Year 4		Other Income			-	-				-
Total		Income	897,650	364,000	617,500	350,000	700,000			2,929,150
	100,000	Living Overhead	6	16,667	16,667	25,000	33,333			108,333
	600,000	Group Overhead	6	100,000	100,000	100,000	150,000	200,000		650,000
		Financing Costs		552,305	222,624	380,000	200,000	400,000		1,754,930
		Total Costs		668,972	339,291	496,667	375,000	633,333		2,513,263
		Net Position		228,678	24,709	120,833	- 25,000	66,667		415,887
				1.66%	0.44%	1.27%	-0.50%	0.67%		0.95%
2023/24		Rent	897,650	364,000	617,500	350,000	700,000	1,400,000		4,329,150
Year 5		Other Income			-	-	-	-		-
		Total Income	897,650	364,000	617,500	350,000	700,000	1,400,000		4,329,150
	100,000	Living Overhead	10	10,000	10,000	10,000	20,000	40,000		100,000
	600,000	Group Overhead	10	60,000	60,000	60,000	60,000	120,000	240,000	600,000
		Financing Costs		552,305	222,624	380,000	200,000	400,000	800,000	2,554,930
		Total Costs		622,305	292,624	450,000	270,000	540,000	1,080,000	3,254,930
		Net Position		275,345	71,376	167,500	80,000	160,000	320,000	1,074,220
				1.99%	1.28%	1.76%	1.60%	1.60%	1.60%	1.03%
2024/25		Rent	897,650	364,000	617,500	350,000	700,000	1,400,000	2,800,000	7,129,150
Year 6		Other Income			-	-	-	-	-	-
		Total Income	897,650	364,000	617,500	350,000	700,000	1,400,000	2,800,000	7,129,150
	100,000	Living Overhead	18	5,556	5,556	5,556	11,111	22,222	44,444	100,000
	600,000	Group Overhead	18	33,333	33,333	33,333	66,667	133,333	266,667	600,000
		Financing Costs		552,305	222,624	380,000	200,000	400,000	800,000	4,154,930
		Total Costs		591,194	261,513	418,889	238,889	477,778	955,556	4,854,930
		Net Position		306,456	102,487	198,611	111,111	222,222	444,444	888,889
				2.22%	1.84%	2.09%	2.22%	2.22%	2.22%	2.19%
Performance				1.00%+	1.00%+	1.00%+	1.00%+	1.00%+	1.00%+	1.00%+
Loan Principle				Maturity	Maturity	Maturity	Maturity	Maturity	Maturity	Maturity
Net Cash In 2024/25										

## 5. Finance

### Development Sites

A financial summary for each of the initial developments is set out below.

The figures assume 25% affordable housing provision which is based on standard financial viability assessments, considerate to Shareholder profit expectations and other public good and benefits provided by the projects.

A pipeline of projects has been identified but is not included in the figures.

### Initial sites

Financial Year		BAKERS	COTTIS 1	CONDER	ST JOHNS	HEMNALL	ROUNDHILLS
Cumulative till 30/09/21	Sale Income						
Year 1 and 2	Other Income						
	Total Income	-	-	-	-	-	-
	Land		1,700,000	2,050,000	7,840,000	2,030,000	1,300,000
	Building Costs		920,662	844,365	1,435,125	470,067	330,170
	Fees	588,788	226,999	142,499	489,899	119,799	5,000
	Interest Costs		59,789	37,377	127,599	34,475	21,649
	Qualis Development Overhead						
	Qualis Group Overheads	678,712	750,712	750,712	750,712	750,712	221,502
	Total Costs	1,267,500	3,658,162	3,824,953	10,643,335	3,405,053	1,878,321
	Less Value Engineering	-	-	-	-	-	-
		-1,267,500	-3,658,162	-3,824,953	-10,643,335	-3,405,053	-1,878,321
2021/22	Sale Income			1,591,641	-		1,658,218
Year 3	Other Income						
	Total Income	-	-	1,591,641	-	-	1,658,218
	Land						
	Building Costs		8,274,455	7,934,478	19,451,825		6,910,462
	Fees		25,000				
	Interest Costs		314,284	199,497	549,552	107,772	148,251
	Qualis Development Overhead						
	Qualis Group Overheads		229,741	229,741	229,741	229,741	229,741
	Total Costs	-	8,843,480	8,363,716	20,231,118	337,513	7,288,454
	Less Value Engineering		221,087	209,093	505,778	8,438	182,211
		-	-8,622,393	-6,562,982	-19,725,340	-329,075	-5,448,025

## 5. Finance

Financial Year		BAKERS	COTTIS 1	CONDER	ST JOHNS	HEMNALL	ROUNDHILLS
<b>2022/23</b>	Sale Income		13,357,490	17,856,408	-		7,914,393
Year 4	Other Income						
	Total Income	-	13,357,490	17,856,408	-	-	7,914,393
	Land						
	Building Costs		1,084,170	5,230,498	23,332,155		635,315
	Fees						
	Interest Costs			291,425	537,247	112,147	80,478
	Qualis Development Overhead						
	Qualis Group Overheads		20,379	224,172	244,551	244,551	244,551
	Total Costs	-	1,104,549	5,746,095	24,113,953	356,698	960,344
	Less Value Engineering		27,614	143,652	602,849	8,917	24,009
		-	12,280,555	12,253,965	-23,511,104	-347,781	6,978,058
<b>2023/24</b>	Sale Income				54,558,473	202,078	900,000
Year 5	Other Income						
	Total Income	-	-	-	54,558,473	202,078	900,000
	Land						
	Building Costs				630,402	1,085,225	23,580
	Fees					24,999	
	Interest Costs				3,765	125,722	
	Qualis Development Overhead						
	Qualis Group Overheads				61,929	247,717	41,286
	Total Costs	-	-	-	696,096	1,483,663	64,866
	Less Value Engineering		-	-	17,402	37,092	1,622
		-	-	-	53,879,779	-1,244,493	836,756
<b>2024/25</b>	Sale Income					1,636,835	
Year 6	Other Income						
	Total Income	-	-	-		1,636,835	-
	Land						
	Building Costs					8,244,563	
	Fees						
	Interest Costs					266,072	
	Qualis Development Overhead						
	Qualis Group Overheads					250,963	
	Total Costs	-	-	-	-	8,761,598	-
	Less Value Engineering		-	-	-	219,040	-
		-	-	-	-	-6,905,723	-

## 5. Finance

Financial Year		BAKERS	COTTIS 1	CONDER	ST JOHNS	HEMNALL	ROUNDHILLS
<b>Total</b>	Sale Income	-	14,849,999	19,448,049	59,406,354	15,700,331	10,472,611
Including years	Other Income	-	-	-	-	-	-
after 2024/25	Total Income	1,267,500	14,849,999	19,448,049	59,406,354	15,700,331	10,472,611
	Land	-	1,700,000	2,050,000	7,840,000	2,030,000	1,300,000
	Building Costs	-	10,279,287	14,009,341	44,849,507	10,978,566	7,899,527
	Fees	588,788	251,999	142,499	489,899	144,798	5,000
	Interest Costs	-	374,073	528,299	1,218,163	765,865	250,378
	Qualis Development Overhead	-	-	-	-	-	-
	Qualis Group Overheads	678,712	1,000,832	1,204,625	1,286,933	1,850,302	737,080
	Total Costs	1,267,500	13,606,191	17,934,764	55,684,502	15,769,531	10,191,985
	Less Value Engineering	-	248,701	352,745	1,126,029	309,112	207,842
		-	1,492,509	1,866,031	4,847,881	239,912	488,468
	Real Return Inclusive of Funding Costs and Overheads at 25% Affordable	0.00%	10.97%	10.40%	8.71%	1.52%	4.79%
	Sale Value Based on Lease Value		14,849,999		59,406,354		
	Sale Value at Cost		12,231,286		53,179,406		
	Implied Return		21.41%		11.71%		
	Income and Expenditure Charge Across						
2021/22	Income	-					
	Expenditure Net						
2022/23	Income		14,849,999	19,448,049			
	Expenditure Net		13,357,490	17,582,018			
2023/24	Income				59,406,354		10,472,611
	Expenditure Net				54,558,473		9,984,143
2024/25	Income	-	-	-	-	1,636,835	-
	Expenditure Net	-	-	-	-	8,542,558	-

## 5. Finance

### Following Opportunities

Financial Year		PYRLES LANE	COTTIS PHASE 2	LOCAL OPPORTUNITY COMMERCIALY SENSITIVE	LOCAL OPPORTUNITY COMMERCIALY SENSITIVE	TOTAL	TOTAL CUMULATIVE
<b>Cumulative till 30/09/21</b>	Sale Income					-	-
Year 1 and 2	Other Income					-	-
	Total Income	-	-	-	-	-	-
	Land	1,600,000	1,700,000			18,220,000	18,220,000
	Building Costs	368,380		60,000		4,428,769	4,428,769
	Fees	800,499		30,000		2,403,483	2,403,483
	Interest Costs	20,558				301,447	301,447
	Qualis Development Overhead					-	-
	Qualis Group Overheads	221,502			221,502	4,346,065	4,346,065
	Total Costs	3,010,939	1,700,000	-	311,502	29,699,764	29,699,764
	Less Value Engineering	-	-	-	-	-	-
		-3,010,939	-1,700,000	-	-311,502	-29,699,764	-29,699,764
<b>2021/22</b>	Sale Income	941,163			433,400	4,624,422	4,624,422
Year 3	Other Income			308,000		308,000	308,000
	Total Income	941,163	-	308,000	433,400	4,932,422	4,932,422
	Land			8,297,240		8,297,240	26,517,240
	Building Costs	3,669,466			198,723	46,439,409	50,868,178
	Fees			434,360		459,360	2,862,843
	Interest Costs	132,142		318,249	67,262	1,837,009	2,138,456
	Qualis Development Overhead					-	-
	Qualis Group Overheads	229,741		229,741	229,741	1,837,928	6,183,993
	Total Costs	4,031,349	-	9,279,590	495,726	58,870,946	88,570,710
	Less Value Engineering	100,784	-	231,990	12,393	1,471,774	1,471,774
		-2,989,402	-	-8,739,600	-49,933	-52,466,750	-83,638,288

## 5. Finance

Financial Year		PYRLES LANE	COTTIS PHASE 2	LOCAL OPPORTUNITY COMMERCIALY SENSITIVE	LOCAL OPPORTUNITY COMMERCIALY SENSITIVE	TOTAL	TOTAL CUMULATIVE
<b>2022/23</b>	Sale Income	7,896,313			2,720,025	49,744,629	54,369,051
Year 4	Other Income					-	308,000
	Total Income	7,896,313	-	-	2,720,025	49,744,629	54,677,051
	Land					-	26,517,240
	Building Costs	5,979,592	2,673,160	6,409,290	4,311,740	49,655,920	100,524,098
	Fees					-	2,862,843
	Interest Costs	262,247	27,087	450,817	112,471	1,873,919	4,012,375
	Qualis Development Overhead					-	-
	Qualis Group Overheads	244,551	224,172	244,551	244,551	1,936,029	8,120,022
	Total Costs	6,486,390	2,924,419	7,104,658	4,668,762	53,465,868	142,036,578
	Less Value Engineering	162,160	73,110	177,616	116,719	1,336,647	2,808,420
		1,572,083	-2,851,309	-6,927,042	-1,832,018	-2,384,592	-87,359,527
<b>2023/24</b>	Sale Income	6,574,992	5,410,474	15,553,567	4,259,475	87,459,059	141,828,109
Year 5	Other Income					-	308,000
	Total Income	6,574,992	5,410,474	15,553,567	4,259,475	87,459,059	142,136,109
	Land					-	26,517,240
	Building Costs	172,246	2,436,382	3,007,787	78,885	7,434,507	107,958,605
	Fees					24,999	2,887,842
	Interest Costs	49,367	71,999	510,079	15,077	776,009	4,788,384
	Qualis Development Overhead					-	-
	Qualis Group Overheads	247,717	144,502	247,717	103,216	1,094,084	9,214,106
	Total Costs	469,330	2,652,883	3,765,583	197,178	9,329,599	151,366,177
	Less Value Engineering	11,733	66,322	94,140	4,929	233,240	3,041,660
		6,117,395	2,823,913	11,882,124	4,067,226	78,362,699	-9,230,068

## 5. Finance

Financial Year		PYRLES LANE	COTTIS PHASE 2	LOCAL OPPORTUNITY COMMERCIALY SENSITIVE	LOCAL OPPORTUNITY COMMERCIALY SENSITIVE	TOTAL	TOTAL CUMULATIVE
<b>2024/25</b>	Sale Income			6,086,178		7,723,013	149,551,122
Year 6	Other Income					-	308,000
	Total Income	-	-	6,086,178	-	7,723,013	149,859,122
	Land					-	26,517,240
	Building Costs			76,074		8,320,637	116,279,242
	Fees					-	2,887,842
	Interest Costs			5,125		271,197	5,059,581
	Qualis Development Overhead					-	-
	Qualis Group Overheads			62,741		313,704	9,527,810
	Total Costs	-	-	143,940	-	8,905,538	160,271,715
	Less Value Engineering	-	-	3,599	-	222,638	3,264,299
		-	-	5,945,837	-	-959,887	-10,412,593
<b>Total</b>	Sale Income	15,412,468	5,410,474	21,639,745	7,412,900	169,752,931	
Including years	Other Income	-	-	308,000	-	308,000	
after 2024/25	Total Income	15,412,468	5,410,474	21,947,745	7,412,900	170,060,931	
	Land	1,600,000	1,700,000	8,297,240	-	26,517,240	
	Building Costs	10,189,684	5,109,542	9,493,151	4,649,348	117,457,953	
	Fees	800,499	-	434,360	30,000	2,887,842	
	Interest Costs	464,314	99,086	1,284,270	194,810	5,179,258	
	Qualis Development Overhead	-	-	-	-	-	
	Qualis Group Overheads	943,511	368,674	784,750	799,010	9,654,428	
	Total Costs	13,998,008	7,277,302	20,293,771	5,673,168	161,696,721	
	Less Value Engineering	274,677	139,433	507,344	134,042	3,299,924	
		1,689,137	-1,727,395	2,161,318	1,873,774	11,664,134	

## 5. Finance

Financial Year		PYRLES LANE	COTTIS PHASE 2	LOCAL OPPORTUNITY COMMERCIALY SENSITIVE	LOCAL OPPORTUNITY COMMERCIALY SENSITIVE	TOTAL	TOTAL CUMULATIVE
Note:							
Real Return Inclusive of Funding Costs and Overheads at 25% Affordable		12.07%	-23.74%	10.65%	33.03%	7.21%	
Sale Value Based on Lease Value							
Sale Value at Cost							
Implied Return							
Income and Expenditure Charge Across							
2021/22	Income						-
	Expenditure Net						-
2022/23	Income					34,298,048	
	Expenditure Net					30,939,508	
2023/24	Income	15,412,468	5,410,474	21,947,745	7,412,900	120,062,552	
	Expenditure Net	13,723,331	7,137,869	19,786,427	5,539,126	110,729,370	
2024/25	Income	-	-	6,086,178	-	7,723,013	
	Expenditure Net	-	-	140,342	-	3,143,773	



## 5. Finance

### Financial Benefit to Shareholder

The following table gives a summary of the financial benefits that are currently forecast to fall to EFDC.

		Loan Value	Margin	Duration Years	Already Assumed	2021/22	2022/23	2023/24	2024/25
Loans	Working Capital	6,000,000	1.50%	5	90,000	90,000	90,000	90,000	90,000
	Asset Purchase Market	30,000,000	1.50%	10	450,000	450,000	450,000	450,000	450,000
	Asset Purchase EDFC	18,000,000	4.00%	30	720,000	720,000	720,000	720,000	720,000
	Construction Loan Original Pt 1	35,000,000	1.50%	30	-	525,000	525,000	525,000	525,000
	Construction Loan Original Pt 2	30,000,000	1.50%	30	-	-	450,000	450,000	450,000
	Asset Construction Loan New	35,000,000	1.50%	30	-	525,000	525,000	525,000	525,000
Discount									900,000
Dividend						Reinvest	Reinvest	Reinvest	Reinvest
Direct Benefit to EFDC					1,260,000	2,310,000	2,760,000	2,760,000	3,660,000
Indirect Benefits EFDC Overhead Reductions				600,000	600,000	600,000	600,000	600,000	
Total Benefit				1,860,000	2,910,000	3,360,000	3,360,000	4,260,000	

## 5. Finance

### Risk and Sensitivities

The financial plan has been put together using a standard planning approach with low medium and high growth options. The Four Year Business Plan (2021-2025) is based on the medium growth option.

	Low Growth	This Plan	High Growth
Overall profit in 2021/22	£295,218	£307,561	£319,863
Overall profit in 2024/25	£10,487,935	£10,924,935	£11,361,932
Range	94%		104%

The following specific risks and sensitivities have been considered and are summarised with outline risk management actions below:

Issue	Probability 1-20	Impact 1-20	Summary Management Action
General pay inflation over Treasury norm of 2.5%	5	5	Pay and incentive arrangement pegged to financial performance of Qualis.
General non-pay inflation over Treasury norm of 2.5%	5	5	Contracts and procurement approaches control prices of goods supplied.
Development construction costs	7	10	Economic uncertainty in short-term assumed and therefore procurement designed to fix development cost at commencement of project.
Development sale price	7	10	Baseline set prudently however if costs increase then probability of market rate for sales increasing is high, i.e., this risk offsets impact of cost risk.
External funding asset investment	7	5	Initially low amounts of private sector funding assumed, £5m in 2021/22, negligible impact initially. Risk addressed through agreed approach to lenders and feedback already received.
EFDC does not provide additional £35m loan for further projects	5	5	Financial benefit to EFDC is high. Qualis can offer repayment of this loan in full over five years.

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## 6. Qualis Living

Qualis Living has developed a strategy to build a diverse property investment portfolio across a mix of locations and asset classes with minimal occupational risk and no immediate capital expenditure requirement. The company has targeted assets with immediate and long-term income, with strong tenant covenants and attractive yields that provide a surplus after the cost of finance.

All investment proposals are assessed by the Investment and Development Committee before being recommended to the Group Board.

The 2020-2021 Business Plan made reference to an objective to build a £90m portfolio. Following changes to Public Works Loan Board lending criteria, which now prohibits investment for yield, the primary source of finance to grow the portfolio is unavailable. The company will now seek to raise debt from the market.

**Detail on the two properties purchased in 2020 is provided on the following pages.**

## 6. Qualis Living



**Birchwood Building, Leatherhead**

The Birchwood Building is a recently refurbished multi-let office building of 34,939 sq ft (3,246 sq m) together with 154 car parking spaces. It is located within The Leatherhead Park situated on Springfield Drive adjacent to the international headquarters of Unilever and the national headquarters of CGI.

The building provides modern, high specification, trendy office space. The property is let to Zoetis UK and Hyundai Motor UK on full repairing and insuring (FRI) leases producing a total income of £916,389.75 per annum.



Hyundai UK is a wholly owned subsidiary of Hyundai Motor Company, with its principal activities include the importation and sale of cars and parts to consumers. Hyundai is a Korean company that sells cars to customers in more than 190 countries and employs over 75,000 staff. Hyundai is the fastest growing car manufacturer in the world due to its focus on technologically advanced, high quality vehicles.



Zoetis UK undertakes the development, manufacture, marketing and sales of animal health medicines and vaccines, with a focus on livestock and companion animals. Its parent company Zoetis Inc is listed on the New York Stock Exchange and is the global leader in the sector with over 300 product lines and a presence in 120+ countries.



**Wicket's, Maldon**

The property is a purpose built stand-alone retail warehouse of 28,199 sq ft (2,620 sq m). The site extends to 3.13 acres with the store occupying 0.7 acres. In addition, there are 149 car parking spaces to the front of the building.

The building is located in Maldon, East Essex and is let to Wicket's Building Supplies Limited and provides a total income of £457,000 per annum.



Wicket's was established in 1972 and has grown into one of the UK's leading DIY retailers. In April 2021 the company demerged from Travis Perkins Plc and was listed on the London Stock Market in its own right. It has a market capitalisation of circa £630m, and in a sector that is performing well.



## 6. Qualis Living

Detail on the property to be purchased provided below, target completion July 2021.



### Greenfields House, Coventry

Greenfields House is located on the Westwood Business Park, which sits adjacent to Warwick University Campus. 50 companies are based on the park including, EON, Tui, Barclays, RBS and the Institute of Housing.

The property is a two storey office building of 30,000 sq ft split into two wings with external car parking for 106 cars. It has low site coverage of 14%.

The building is the head office of the Camping and Caravan Club Ltd.

The tenure is long leasehold from Coventry City Council for 125 years from 2003. Coventry City Council has confirmed that it will be prepared to extend the long leasehold subject to negotiation.

The current rent is £694,503 per annum and is let to the Camping and Caravan Club on a FRI lease until 25 March 2031.

### Proposed Investment Assets Transfer

EFDC owns and manages a property investment portfolio that provides approximately £9.43m of net rental income per annum and has a capital value of £148m (based on a March 2021 draft valuation). The portfolio is made up of mostly retail and industrial property.

The Shareholder has indicated that they wish for Qualis, as the Council's property company, to consider the transfer of the investment assets to consolidate the portfolio and drive performance to maximise returns for the Council.

It is proposed that Qualis will purchase the investment assets on a part loan and part equity arrangement. EFDC would receive an income guarantee from Qualis, and benefit from a full loan margin. It is also proposed that the Council receive a share of the upside achieved through proactive asset management.

Qualis will gain access to sites that have development potential, creating a strong pipeline for regeneration across the District, with each project expected to provide significant financial returns.

The indicative timetable which is subject to agreement, is provided below. This includes the transfer of personnel, assets and the joint appointment of professionals to undertake comprehensive financial, technical and legal due diligence.

Item	Timing
Secondment of asset team	October 2021
Financial	October to December 2021
Property valuation and technical	October 2021 to January 2022
Legal	October 2021 to February 2022
Transfer of assets and personnel	April to October 2022

## 6. Qualis Living

The key priorities for Qualis Living over the four year period are as follows -

- Secure new debt facilities from the market to grow the investment portfolio.
- Take interim management responsibility for the EFDC investment assets.
- Complete the due diligence exercise in connection with the proposed transfer of investment assets from EFDC.
- Complete the transfer of investment assets from EFDC.
- Establish a fit for purpose internal property asset management function to manage the property portfolio and reduce outsourcing.

## 7. Qualis Commercial

Qualis Commercial has several key development schemes in Epping that featured in the 2020-2021 Business Plan. The schemes are at different stages of development and approval. The planning applications for Cottis Lane and Bakers Lane were submitted in December 2020, and the applications for the three residential schemes at St John's, Conder and Hemnall Street were submitted in March 2021. A summary of each scheme is provided below:

**Cottis Lane** - 330 multi-storey car park with ancillary retail and office accommodation.



**Bakers Lane** - Leisure Centre



*Images above are for illustrative purposes only*



# 7. Qualis Commercial

## St John's Road

£ Value: £58m 🏠 Residential homes: 184



## Conder Building

£ Value: £17m 🏠 Residential homes: 45



Images above and opposite are for illustrative purposes only

## Hemnal Street

£ Value: £15m 🏠 Residential homes: 41



For the purposes of the four year Business Plan, it was assumed a Planning Committee meeting would take place in July 2021, with a completed Section 106 Agreement and the issue of planning permission in September 2021.

Each scheme requires enabling works as preparation for a full start on site, these were envisaged to commence from September 2021.

<b>Cottis Lane</b> Phase 1 (car park only)	Start November 2021	Completion September 2022
<b>Bakers Lane</b> To follow Cottis Lane <i>Note: The project is now being delivered by Places Leisure working in partnership with EFDC</i>	Start October 2022	Completion May 2024
<b>St John's Road</b> To be delivered in phases	Start January 2022	Completion June 2023
<b>Conder Building</b> Independent from other sites	Start January 2022	Completion March 2023
<b>Hemnal Street</b> To follow Bakers Lane	Start June 2024	Completion July 2025



## 7. Qualis Commercial

In addition to the Epping Town Centre sites we have also included the following in the Business Plan. The Roundhills scheme in Waltham Abbey will provide 28 new homes. Public consultation concluded in June 2021, and the planning application will be submitted in July 2021. Subject to consent being granted, the development could be completed before the end of 2022.

### Roundhills



The development proposal for the Pyrles Lane site in Loughton was presented to Overview and Scrutiny Committee in June 2021. The indicative scheme will provide 33 new homes. This is subject to agreeing terms with EFDC but we aim to complete negotiation by September 2021, with a view to submit the planning application in November 2021. If successful, completion of the development is programmed for August 2023.

Beyond the initial developments in Epping, Waltham Abbey and Loughton, the business intends to establish a significant pipeline.

A high-level review of additional opportunities across the District has been completed. This review indicates significant scope for growth. We are proposing to invest a further £35m to progress other regeneration opportunities within the District.

### The key priorities for Qualis Commercial over the four year period are as follows

- Secure planning permission for the five Town Centre Sites
- Complete development of these five initial sites
- Establish a sales brand to manage this process and the customer experience
- Secure planning permission for Roundhills and Pyrles Lane
- Increase the pipeline at a minimum rate of 120%

## 8. Qualis Management

Qualis Management was established to provide FM services. Its initial focus is on the Council's housing repairs and maintenance service which transferred in September 2020.

The company operates commercially and delivers quality services at competitive rates. It uses the latest technology and smart sourcing solutions, to drive efficiency and increase productivity.

Over the next four years (subject to agreement), the company will transfer additional services from EFDC ensuring continuity and mitigation of risk. Relationships with specialist contractors and subcontractors will continue until such a time when Qualis is able to self-deliver.

Qualis Management will also provide services to Group companies and extend the service offer to neighbouring local authorities and the private sector to increase income and profitability.

To generate income from sources other than EFDC, the company will require additional internal skills and expertise in business development, bid writing and marketing, which has been included in the budget forecast. Opportunities identified include:

### Direct Customer Services

There are currently 1085 leaseholders within EFDC housing portfolio. Providing volume based repairs activities that operationally fit alongside current services. Ideas could include:

- Undertaking general repairs in leaseholders homes, which avoids any Leaseholder Section 20 considerations.
- Providing a 24 hour emergency home care service to leaseholders for a fixed monthly fee.

The offer would need to be developed in year three, to launch in year four.

### Commercial Arrangement

To generate sizable revenue, the company will need to consider bidding for contracts on a competitive basis.

A full analysis of the potential target clients and market is planned in 2023. It is proposed that we initially target smaller providers who are less likely to fall into complex procurement arrangements. Further consideration is needed from a risk and reward perspective.

Additional expenditure in the way of resources to service larger contracts would be required.

### Productivity

Driving productivity through effective management is a priority. It is anticipated by year four, Qualis Management will be able to provide a 2% efficiency saving against the initial business case. Annual value for money reviews will be undertaken to track progress against this target.

### Planned / Capital Works

The Business Plan assumes £2m per annum from planned / capital works from year one onwards. EFDC are in the process of undertaking a major stock condition survey, which may change the assumptions made in the original financial model. The plan will be revisited in year two once the new EFDC five year plan is developed and available.

## 8. Qualis Management

### Residential Asset Management and Facilities

There are opportunities to explore a more holistic approach to management of the housing assets. In addition to repairs and void management, the company could provide a comprehensive service to include; compliance and building safety, full capital works and mechanical and electrical delivery.

Linked to the commercial assets and maintenance aspect there is also an opportunity to explore a full FM package for all office spaces.

A full business case would need to be developed in conjunction with EFDC over the course of this Business Plan.

### Grounds Maintenance

The integration of this service into Qualis Management makes sense from a commercial and customer perspective. The Council are currently reviewing the service to understand whether this would be better delivered through Qualis. The service currently generates £1.6m of income and £1.5m of expenditure. The primary areas where Qualis Management could add value include -

- Technology
- Customer service and engagement
- Productivity
- Contractual arrangements
- Service integration

The proposed timetable (subject to agreement) for the transfer of additional services from EFDC and external income generation is provided below:

QM 4 Year Business Plan	2021/22	2022/23	2023/24	2024/25
Capital Works	■			
Electrical Testing	■			
Cyclical Decoration	■			
Gas- Breakdown & Servicing		■		
Aids & Adapts		■		
Grounds Maintenance		■		
Boiler Installation			■	
External Income Generation				■

The key priorities for Qualis Management over the four year period are as follows -

- Successfully manage service transfers
- Generate productivity and efficiency savings
- Explore opportunities for external income generating work
- Explore other areas of service which could add value to EFDC, residents and the community

## 9. Qualis Community

A new Community Interest Company (CIC) was set up in 2021 to deliver a range of projects to benefit the people and communities of Epping Forest District.

Qualis Community will work to improve the socio-economic aspirations for all, including the most disadvantaged communities, and collaborate with existing community groups and stakeholders.

The creation of a CIC will see profits and assets generated used for public and community good.

A rigorous and transparent governance structure will ensure that activities align with local needs, to be developed through close dialogue with local communities and wider stakeholders including District, Town and Parish Councils.

The CIC aims to generate funding and create a surplus, which in turn is used to fund services which have been identified by the community as key priorities.

Consultation with stakeholders to build a picture of what the local community would like to see the CIC deliver commenced in May 2021.

Early feedback has highlighted some key priorities for the area including:

- Employment and Training
- Enhancements to the look and feel of the area
- Business and Enterprise
- Sustainable Environment
- Transport
- Community Facilities

The finance section includes income and expenditure forecasts for the CIC, which is based on assumptions around project opportunities and funding.



# 10. Risk Management

The Group has developed a risk mitigation strategy which identifies the following key internal and external risks:

### External

- Economic
- Political and regulatory
- Investment market
- Occupier markets
- Availability and cost of finance
- Catastrophic business event

### Internal

- Finance strategy
- Investment strategy
- Development strategy
- Operational strategy
- People and culture
- Information technology and systems
- Governance
- Supply chain management

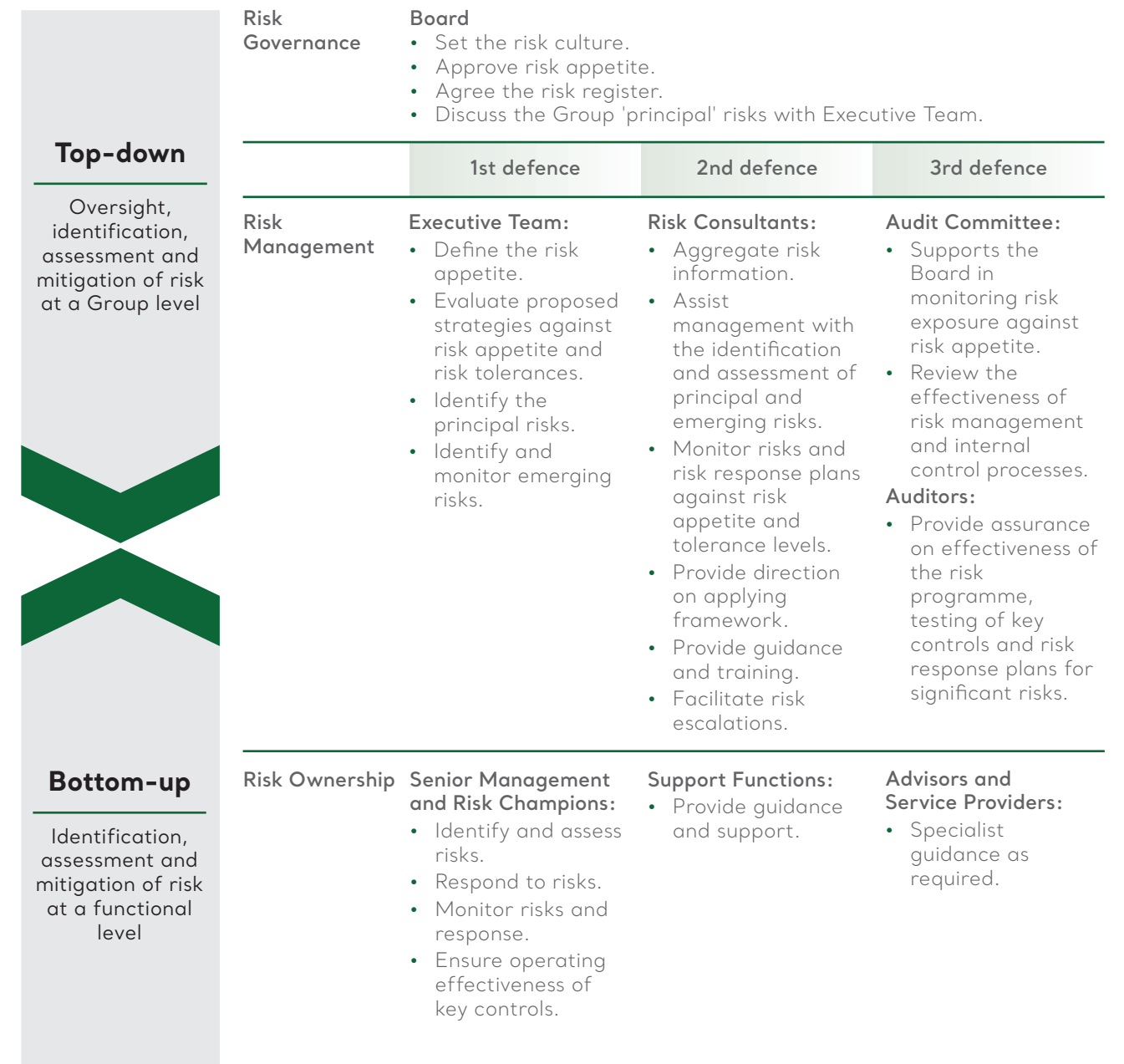
The Risk Framework opposite shows the high level approach to risk management across the Group.

A detailed risk register was produced and approved by Qualis Group Board in February 2021. Key strategic risks were also identified. All risks are reviewed regularly.

The Group was established in 2019, a time of relatively high economic and political uncertainty. In 2020, the arrival of COVID-19 impacted the economy in ways we have not seen in a generation. The structure and purpose of the Group mean it is fairly resilient to the impacts of the pandemic. The importance of activities to be undertaken by Qualis are arguably even more important as EFDC will likely see further budget / funding cuts as part of the recovery effort.

Property development requires significant capital investment in project cycles for up to five years. This combined with uncertain investment and occupier markets makes development activities the highest risk activity of the Group.

As the Group becomes more established and there is more certainty around investment, development and service opportunities, it will be possible to consider a different approach to risk.



# 11. Health and Safety

Qualis Group Board and the Executive Team believe that the health and safety culture comes from the top of the organisation. It applies to all activities of the Group as an employer, service provider, owner, developer and manager of property and operator of a community interest company.

The Board of Directors accepts responsibility for Qualis Group to provide safe and healthy environments and to prevent injury and ill health, in accordance with the Health and Safety at Work Act 1974 and associated regulations.

The company employs competent personnel and ensures that adequate resources are provided for the prevention of incidents and ill health in the workplace.

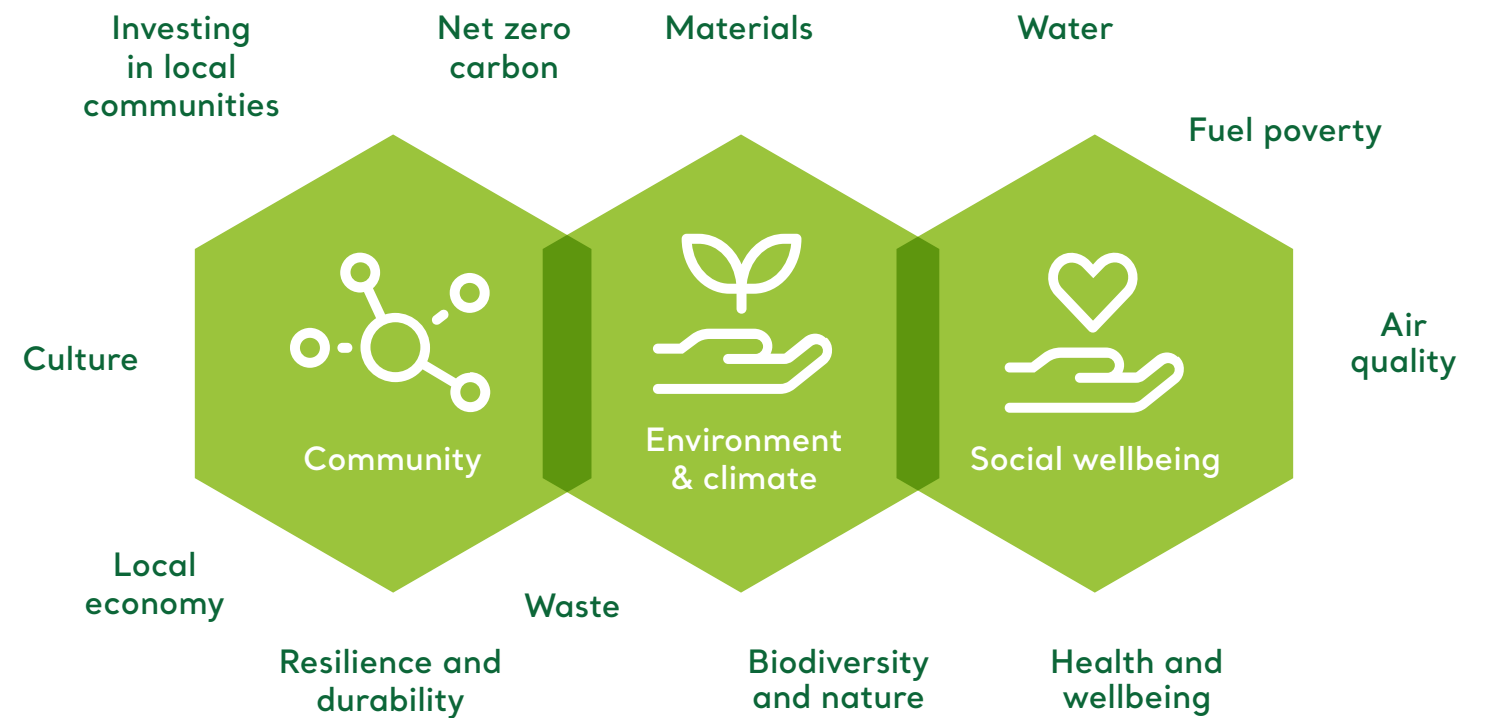
We will provide appropriate health and safety information, instruction, training and supervision for all employees and we are committed to creating a positive health and safety culture. We will do this by actively promoting health and safety throughout the organisation through the development of a behavioural based health and safety program which will be delivered to all employees.

Health and Safety performance is assessed through internal and external audits. Findings from audits will be used to identify areas for improvement to management systems and to the overall health and safety performance.

# 12. ESG and Sustainability

We recognise the importance of Environmental Social Governance (ESG) and we are currently developing our strategy to ensure it is fully embedded in the vision, purpose and operation of the business. We are working to implement robust performance measurement against ESG criteria and transparent reporting.

Alongside ESG, we are developing our sustainability strategy which will be finalised in October 2021. The business has agreed key priorities as shown in the diagram below.



**The Group is committed to:**

- Comply with legislation, regulations and codes of practice.
- Work with the Shareholder to promote the ESG and sustainability agenda.
- Integrate ESG and sustainability considerations across all business activities.
- Ensure all employees are fully aware of our strategy and targets.
- Make customers and partners aware of our targets and encourage them to adopt similar practices.
- Be transparent about performance.
- Strive to continuously improve.



**If you would like this information in another format or language please contact:**

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<b>Epping Forest District Council – Service Review Framework</b>				
<b>Date</b>	<i>May 2021</i>	<b>Version</b>	<i>1.0</i>	<b>Owner</b>
<b>Purpose</b>	<p>This framework is designed to ensure that proper consideration has been applied to options for service improvement. It seeks to identify and address the key reasons for any change proposed and sets out options for change that can be considered by the Council. This framework does not seek to establish an outcome (decide an option) but merely sets out the facts, and supplies options for consideration.</p> <p>This framework should seek to deliver a document that will stand alone and contain all the essential information about the service, its performance, drivers for change and options for improvement.</p> <p>This framework is design to reside at the beginning of any consideration for a change to any service, should a change be selected a further element of the framework '<b>EFDC readiness for service</b>' (Section B) should also be populated to ensure that any project to make the change is best informed, and the change is still valid, prior to it taking place.</p>			
<b>Section A - Initial Service Review</b>				
<b>No.</b>	<b>Description</b>	<b>Purpose</b>	<b>Questions</b>	<b>Sources</b>
1	<b>Scope</b>	This section sets out the scope of the review and places limits on the extent of analysis	N/a	
2	<b>Service description</b>	Describes the service in question and sets out to the reader what the service does, and at the highest level how it works. This should be a simple explanation and allow anyone, without prior knowledge to understand.	<ul style="list-style-type: none"> <li>• What does the service do?</li> <li>• Why is it required?</li> <li>• How does it work?</li> </ul>	<ul style="list-style-type: none"> <li>• Service plans</li> <li>• Process information</li> <li>• Stakeholder interviews</li> <li>• Staff interviews</li> </ul>
3	<b>Driver(s) for change</b>	Describes why change is required, typically due to, Market demand or trading opportunity, Organisational need, Customer request, Technological advance, Legal requirement, Ecological or environmental impacts (e.g., carbon footprint reduction), or Social need.	<ul style="list-style-type: none"> <li>• Why is the change required?</li> <li>• Why is it required now?</li> <li>• How will the change support the Council's strategic objectives?</li> </ul>	<ul style="list-style-type: none"> <li>• Council strategy</li> <li>• Local plan</li> <li>• Development plan</li> <li>• Service plans</li> </ul>
4	<b>Background</b>	Describe what events have led to this review. This section sets the context for the review.	<ul style="list-style-type: none"> <li>• What events led to this review being required?</li> <li>• How does the service fit with the Council more widely?</li> </ul>	<ul style="list-style-type: none"> <li>• Submissions to Committees</li> <li>• Essential performance information</li> <li>• External benchmarking</li> <li>• Strategy</li> <li>• Service plans</li> </ul>

5	<b>Performance</b>	Describe in detail how the service is performing presently, set out the context of performance over time (aim for 3 to 5 years)	<ul style="list-style-type: none"> <li>• How well is the service performing today?</li> <li>• How do we know this? Cite what data and why it proves performance</li> <li>• Describe the performance levels in comparison to 'good performance'</li> <li>• Demonstrate service performance over time (is it better/worse or the same?)</li> <li>• What is the customer perspective?</li> </ul>	<ul style="list-style-type: none"> <li>• Management information</li> <li>• KPI's</li> <li>• Stakeholder feedback</li> <li>• Analysis</li> <li>• Benchmarking</li> <li>• Customer feedback</li> <li>• Complaints</li> <li>• Portfolio holder perspective</li> </ul>
6	<b>People</b>	Describe the capacity and capability of the Staff who undertake the service delivery	<ul style="list-style-type: none"> <li>• How do they seem? Happy, engaged, or indifferent?</li> <li>• Does the service have sufficient capacity?</li> <li>• Are the staff capabilities at the correct levels to drive good performance?</li> <li>• Are staff engaged with personal development?</li> <li>• Is the service carrying unfilled roles? If so, then why?</li> <li>• Does the service have high levels of sickness absence or unplanned staff turnover? If so, why?</li> </ul>	<ul style="list-style-type: none"> <li>• HR data</li> <li>• Structure chart</li> <li>• Staff interviews</li> <li>• Stakeholder interviews</li> <li>• Customer feedback</li> <li>• Personal development plans</li> </ul>
7	<b>Process and technology</b>	Describe the systems and technologies employed by the service	<ul style="list-style-type: none"> <li>• What is used?</li> <li>• What for?</li> <li>• Is the use restricted to this service only?</li> <li>• Does the service hold the license or is it held by I.T.?</li> </ul>	<ul style="list-style-type: none"> <li>• IT systems and assets records</li> <li>• Licensing documents</li> <li>• Budgets</li> <li>• Process/systems documentation</li> <li>• Stakeholder interviews</li> </ul>

8	<b>Cost and budget</b>	Describes the service delivery and associated costs	<ul style="list-style-type: none"> <li>• What is the cost of delivery?</li> <li>• Is the cost stable, increasing or reducing?</li> <li>• Is the cost acceptable?</li> <li>• Are good cost control techniques being employed?</li> <li>• Can an improvement be demonstrated?</li> </ul>	<ul style="list-style-type: none"> <li>• Budgets</li> <li>• I+E</li> <li>• Benchmarking</li> </ul>
8	<b>Strategic issues</b>	Describes strategy development and service delivery in the context of best practice	<ul style="list-style-type: none"> <li>• Does strategy development exist?</li> <li>• Does it work?</li> <li>• Does it translate to outcomes?</li> <li>• Do staff understand their connection to the strategy?</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy</li> <li>• Strategy development process information</li> <li>• Action plans/work boards</li> </ul>
9	<b>Risk</b>	Sets the risk context for the service and tests mitigation	<ul style="list-style-type: none"> <li>• Can risk management be demonstrated?</li> <li>• Do staff understand the method?</li> <li>• Is it effective? Can that be evidenced?</li> <li>• Is mitigation tested?</li> </ul>	<ul style="list-style-type: none"> <li>• Risk register</li> <li>• Audit reports</li> <li>• Staff interviews</li> <li>• Test reports</li> </ul>
10	<b>Options</b>	Describes options for change and sets out relative strengths and weaknesses for them.	<ul style="list-style-type: none"> <li>• Identifying how similar projects were done in the past</li> <li>• Documenting the alternative solutions.</li> <li>• Quantifying the benefits of implementing each solution</li> <li>• Forecasting the costs of implementing each solution</li> <li>• Assessing the feasibility of implementing each solution</li> </ul>	<ul style="list-style-type: none"> <li>• Service change documents</li> <li>• External best practice</li> <li>• Professional sources (like RICS for example)</li> </ul>

			<ul style="list-style-type: none"> <li>Identifying the risks and issues associated with each solution</li> </ul>	
11	<b>Options summary</b>	A summary of the relative risk and return for each option. These are assessed in a matrix.	<ul style="list-style-type: none"> <li>Impact on people</li> <li>Impact on process</li> <li>Impact on technology</li> <li>Impact on income</li> <li>Impact on Cost (delivery)</li> <li>Impact on the Customer</li> </ul>	<ul style="list-style-type: none"> <li>Options table</li> </ul>
12	<b>Feasibility</b>	Are the options feasible?	<ul style="list-style-type: none"> <li>Are suggested Markets feasible?</li> <li>Are available technologies feasible?</li> <li>Is the intended Operation feasible (include Quality of processes)</li> <li>Is the option economically feasible?</li> <li>Is the option feasible with current or planned capabilities?</li> </ul>	<ul style="list-style-type: none"> <li>Market research</li> <li>Technology appraisal or RFI</li> <li>Operations analysis</li> <li>Cost models and ROI analysis</li> <li>HR data</li> </ul>
13	<b>Recommendation</b>	Selects and describes the reason for the selection of the option	<ul style="list-style-type: none"> <li>Selected an option</li> <li>Explain why that selection was made</li> </ul>	<ul style="list-style-type: none"> <li>Options table</li> </ul>
14	<b>Stakeholder engagement list</b>	A list of stakeholders that have been engaged during the analysis	<ul style="list-style-type: none"> <li>N/a</li> </ul>	<ul style="list-style-type: none"> <li>List stakeholders</li> </ul>
15	<b>Bibliography</b>	A list of documents (or sources of information) that have been used for reference during the analysis	<ul style="list-style-type: none"> <li>N/a</li> </ul>	<ul style="list-style-type: none"> <li>Document repository</li> <li>Data storage location/name</li> </ul>
16	<b>Change register</b>	Informs changes to the document as reviews take place	<ul style="list-style-type: none"> <li>What change took place</li> <li>Why that changes was required</li> <li>Who made/proposed that change</li> </ul>	<ul style="list-style-type: none"> <li>Communications evidence</li> <li>Draft reviews</li> </ul>



			<ul style="list-style-type: none"> <li>The date the change was made</li> <li>The new version reference for the document</li> </ul>		
<b>Section B - Readiness for Service</b>					
<b>Purpose</b>	This element ensures that all proper considerations have been given to change the service, including people, process, technology, contracts, and measures. It is designed to guide the user to ensure all essential thinking has been done prior to making a change happen. This framework covers both internal change and any change to services that may engage a third party or external supplier.				
<b>Page 109</b>	<b>1</b>	<b>Change validity</b>	Seeks to answer if the change being proposed is still valid, and if the Business Case and associated benefits till remain intact and accurate.	<ul style="list-style-type: none"> <li>Is the case for change still valid?</li> <li>The case is unaffected by any events that has occurred since it was completed?</li> <li>Are the business benefits still deliverable?</li> <li>Has the risk profile remained static or reduced?</li> <li>Have any changes occurred that impacts the validity of the proposal?</li> </ul>	<ul style="list-style-type: none"> <li>Section 1 business case for change</li> <li>Benefits table or reference</li> <li>Risk register</li> <li>Council meeting minutes</li> </ul>
	<b>2</b>	<b>People</b>	Ensures that our staff have been properly engaged and have the correct information at their disposal. Ensures that HR process issues have been satisfied	<ul style="list-style-type: none"> <li>Are the staff that will be impacted engaged with the change process and planning?</li> <li>Have essential contract issues been addressed with HR?</li> <li>Has essential notice been given (or planned)</li> <li>Has the timing of the change been effectively communicated?</li> </ul>	<ul style="list-style-type: none"> <li>Job Descriptions</li> <li>TUPE information</li> <li>Pension analysis</li> <li>Evidence of staff engagement</li> <li>Employment contracts</li> </ul>

			<ul style="list-style-type: none"> <li>• Have the Team met key stakeholders?</li> <li>• If TUPE arrangement(s) apply, has the process been formed and executed?</li> <li>• Has any pensions risk been mitigated?</li> <li>• Has any remuneration ceiling or constraint been addressed?</li> </ul>	
3	<b>Process</b>	Ensures that process connect between parties to protect and/or enhance ways of working	<ul style="list-style-type: none"> <li>• Plans for managing the working relationship exist for both parties?</li> <li>• Process level connectors are in place and have been tested?</li> </ul>	<ul style="list-style-type: none"> <li>• Operational or implementation plans</li> <li>• Management reporting framework</li> <li>• Process documentation</li> </ul>
4	<b>Technology</b>	What technologies will be required, will changes in licensing be needed.	<ul style="list-style-type: none"> <li>• Is the technology map up to date?</li> <li>• Have licensing issues ben resolved?</li> <li>• Has any new software requirement been implemented, or is implementation planned?</li> <li>• Has a transition plan been completed?</li> </ul>	<ul style="list-style-type: none"> <li>• IT asset information</li> <li>• Licensing records</li> <li>• Budgets and payments</li> <li>• Process documentation</li> </ul>
5	<b>Assets</b>	Seeks to ensure that any asset transfer is understood, and costs are agreed.	<ul style="list-style-type: none"> <li>• If assets are to transfer have costs been agreed?</li> <li>• Is this element of agreement contained in the contract?</li> <li>• Is there evidence that the new supplier has sufficient funding to pay for the asset(s)? is it evidenced?</li> </ul>	<ul style="list-style-type: none"> <li>• Asset register</li> <li>• Finance records</li> <li>• Contract terms</li> <li>• Loan terms (if this applies)</li> </ul>

			<ul style="list-style-type: none"> <li>Does any residual liability exist? And if so what controls are agreed to mitigate them?</li> </ul>	
6	<b>Contracts</b>	If the service is moving to an external arrangement this section seeks to ensure that contractual issues have been designed and addressed	<ul style="list-style-type: none"> <li>Have contract arrangements been agreed and completed?</li> <li>Are operational arrangements in place?</li> <li>Have measures been agreed, and more formal data collection been implemented?</li> <li>Have prerequisite insurance been sought and implemented?</li> <li>Does the legal advice agree that the contracts are robust and can be executed?</li> <li>If supply or service contracts are to be transferred, do they have sufficient flexibility?</li> </ul>	<ul style="list-style-type: none"> <li>Contracts</li> <li>Contract registers</li> <li>Management information frameworks</li> <li>Insurance policies</li> <li>Legal advice</li> </ul>
7	<b>Risk</b>	This section seeks to ensure that risk is managed	<ul style="list-style-type: none"> <li>Has any insurance or residual liability been mitigated?</li> <li>All parties have plans to mitigate the risk?</li> <li>Does a risk management process exist with any associated governance engagement?</li> <li>Is the risk of implementation being</li> </ul>	<ul style="list-style-type: none"> <li>Policy framework</li> <li>Risk register</li> <li>Testing outputs</li> <li>Project management documentation</li> </ul>

			managed? Can this be evidenced?	
8	<b>Business continuity</b>	Section to cover the associated controls to ensure that business continuity is maintained.	<ul style="list-style-type: none"> <li>Do business continuity plans exist?</li> <li>Is there evidence that they have been tested?</li> <li>Are the triggers for the BC plan understood and thresholds agreed?</li> </ul>	<ul style="list-style-type: none"> <li>Business continuity plans</li> <li>Testing plans</li> <li>Risk register</li> <li>Audit reports</li> </ul>
9	<b>Regulation or legislation</b>	Seeks to ensure that any requirements have been investigated and agreed.	<ul style="list-style-type: none"> <li>Does the change require any regulatory process changes or mitigations? And if so are they planned or executed?</li> <li>Does the change require any legislative process changes or mitigations? And if so are they planned or executed?</li> </ul>	<ul style="list-style-type: none"> <li>Legal advice</li> <li>Service advice</li> <li>Regulatory frameworks</li> <li>legislation</li> </ul>
10	<b>Implementation management</b>	Confirm that all parties have agreed plans for training, communication, roll-out, production release and support as required	<ul style="list-style-type: none"> <li>Was any testing (technology, physical, process or people) required? If so, can we evidence that the testing has been completed and that the results are satisfactory?</li> <li>Are training plans completed?</li> <li>Is there a communication plan and can we evidence its efficacy?</li> <li>Were any previous actions required (from the business case) been implemented?</li> </ul>	<ul style="list-style-type: none"> <li>Implementation plan</li> <li>Training evidence/plans</li> <li>Communication plans</li> <li>Previous change plans/evidence</li> <li>Stakeholder map</li> <li>Organisational structure charts</li> <li>Operations plans</li> <li>Service plans</li> </ul>

			<ul style="list-style-type: none"> <li>• Do the parties have plans that set out the changes, stakeholders, and timing?</li> <li>• Does a management process for overseeing the change exist?</li> <li>• Do organisational structures and controls exist to manage the change delivery?</li> <li>• Has any residual service (or part thereof) or process element been considered, and if so have arrangements been made to protect residual business continuity?</li> </ul>	
11	<b>Governance</b>	Seeks to ensure that proper approvals have been, and/or will be sought prior to the change being finally agreed	<ul style="list-style-type: none"> <li>• Evidence to support essential approvals is in place?</li> <li>• Evidence that feedback from key stakeholders has been sought and considered?</li> </ul>	<ul style="list-style-type: none"> <li>• Council meetings minutes</li> <li>• Council approvals or submissions timetables</li> <li>• Portfolio holder support/evidence</li> <li>• Change register(s)</li> </ul>
12	<b>Lessons</b>	Sets out lessons learned to improve the transfer process	<ul style="list-style-type: none"> <li>• Are there lessons from this process that should be applied to future change?</li> <li>• Has agreement been sought to modify the framework of change to include them for the next change?</li> <li>• Has the change to the framework been made and a new version issued?</li> </ul>	

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