

## **EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES**

**Committee:** Overview & Scrutiny Committee      **Date:** Tuesday, 27 September 2022

**Place:** Council Chamber - Civic Offices      **Time:** 7.00 - 8.30 pm

**Members Present:** Councillors H Kane (Chairman), D Wixley (Vice-Chairman), R Balcombe, R Baldwin, R Bassett, S Heather, J McIvor, S Murray and S Rackham

**Members Present (Virtually):** Councillors P Bhanot and J H Whitehouse

**Other Councillors:** N Bedford, L Burrows, S Kane, J Philip, C Whitbread and H Whitbread

**Other Councillors (Virtually):** A Lion

**Apologies:** E Gabbett, I Hadley, R Jennings and J Lea

**Officers Present:** G Blakemore (Chief Executive), A Small (Strategic Director and Section 151 Officer), A Buckley (Higher Level Apprentice (Internal Communications)), T Carne (Corporate Communications Team Manager), C Elliott (Interim Service Director - Strategy, Delivery & Performance and ICT), N Gambrill (Continuous Improvement Specialist), V Messenger (Democratic Services Officer) and G Woodhall (Team Manager - Democratic & Electoral Services)

**Officers Present (Virtually):** L Kirman (Democratic Services Officer)

**Also in attendance:** S Jevans (Qualis Group Managing Director)

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### **24. WEBCASTING INTRODUCTION**

The Democratic and Electoral Services Team Manager reminded everyone present that the meeting would be broadcast live to the Internet, and that the Council had adopted a protocol for the webcasting of its meetings.

### **25. SUBSTITUTE MEMBERS**

The Committee noted that Councillor S Rackham had been appointed as the substitute for Councillor I Hadley.

### **26. DECLARATIONS OF INTEREST**

- a) Pursuant to the Council's Members' Code of Conduct, Councillor R Bassett declared a non-pecuniary interest in the Qualis 1-Year Business Plan by virtue of being a Non-Executive Director, Qualis Group Board Member. The Councillor had determined that he would remain in the meeting but would not take part in the consideration of this item.

- b) Pursuant to the Members' Code of Conduct, Councillor S Murray declared a non-pecuniary interest in the Qualis 1-Year Business Plan in relation to the transfer of Grounds Maintenance to Qualis as he was a member of Loughton Town Council, which had a large contract with that service.
- c) Pursuant to the Members' Code of Conduct, Councillor D Wixley declared a non-pecuniary interest in the Qualis 1-Year Business Plan in relation to the transfer of Grounds Maintenance to Qualis as he was a member of Loughton Town Council, which had a large contract with that service.

**27. MINUTES**

**RESOLVED:**

That the minutes of the meeting held on 26 July 2022 be taken as read and signed by the Chairman as a correct record.

**28. MATTERS ARISING AND OUTSTANDING ACTIONS**

- (a) No other matters were raised at the meeting.
- (b) The Chairman confirmed that outstanding actions were clearly indicated in the minutes of the last meeting and was pleased to report all actions had been completed.

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

The Committee noted that no public questions or requests to address the meeting had been received.

**30. EXECUTIVE DECISIONS - CALL-IN**

The Committee noted that no executive decisions had been called-in for consideration since the previous meeting.

**31. CORPORATE PLAN 2023 - 2028**

The Committee pre-scrutinised the Council's Corporate Plan 2023 – 2027 introduced by the Continuous Improvement Specialist (N Gambrell). This key strategic planning document detailed a new set of corporate aims including a new set of key results – developed to support the aims and key objectives. These Corporate aims would be reviewed annually through objectives and key result measures, to deliver and work towards the achievement of each objective that year. The report included digital links to improve reader use, it was noted the Leader was drafting the foreword.

Members made several suggestions during their review:

- To clarify that Epping Forest was referring to Epping Forest District (not the forest).
- To include references to two historical Iron Age hillforts – Ambresbury Banks and Loughton Camp.
- To include, under the Council's focus on health, reference to the leisure centres and the new one in Epping being built.
- To include what the Council was doing about climate change, recycling and protecting green spaces.

- To include what the Council was doing for the environment about energy efficiency in council housing.
- To recognise the relationship building opportunity the Council had with local councils.

The Chairman commented that the Committee would need to keep monitoring the Corporate Plan's performance.

**RESOLVED:**

- (1) That the Cabinet noted the concerns detailed above arising from the Committee's scrutiny function; and
- (2) That pursuant to (1) above, the Corporate Plan 2023 – 2027 be recommended to Cabinet for approval, noting final adoption would be by Council.

**32. QUALIS BUSINESS PLAN**

The Strategic Director and Section 151 Officer (A Small) introduced the 1-Year Qualis Business Plan. Currently, in the rapidly changing economic climate, considerable economic pressures were not limited to the Council's finances and residents, but also to the Council's partners, e.g., in the construction industry. Although Qualis should produce a 4-Year business plan under the Shareholder Agreement, in this time of great uncertainty, the decision had been taken that a 4-Year Business Plan would be too challenging and be out of date sooner than forecast. The appendix to the report detailed the financial conditions and how Qualis would address them. Qualis had assessed its opportunities. It had reviewed the Council's commercial assets / portfolio with some success and therefore, the transfer of assets seemed the right time, as Qualis had more opportunities to maximise return. The Conder Building had been demolished. Development of the Epping Sports Centre site had started. The Council was confident good governance was robust at Qualis. The Qualis Group Managing Director (S Jevans) continued that Qualis was building strong skills. There were challenges but the report set out the savings made, and had identified the key risks, strategic priorities and was optimistic on growth.

Members raised many questions which were answered by the Finance Portfolio Holder (Councillor J Philip).

What level was the decision taken to not produce a 4-Year Business Plan? The agreement was reached in discussions between the Finance Portfolio Holder, Qualis Group Managing Director, and the Strategic Director / 151 Officer. Qualis presented a thorough 4-Year Business Plan to Overview and Scrutiny Committee last year. However, Russia had invaded Ukraine in February when this was worked out and with many economic uncertainties arising, the 1-Year Business Plan achieved a different option.

As there were allegedly several residents' concerns with Qualis' performance on housing maintenance, how could this be scrutinised? The correct approach was with Housing Maintenance. The Housing and Community Portfolio Holder (Councillor H Whitbread) advised that Qualis was an improvement, as there was a direct line of conversation and problems were resolved quicker. In reply to a further question on scrutiny, the Finance Portfolio Holder continued that replacing the software system had allowed better scheduling of people with more jobs being completed in a day by staff.

Would there be an opportunity to scrutinise the business case on the transfer of Grounds Maintenance to Qualis and would staff terms and conditions be assured? Yes, the business case would be scrutinised ahead of any Cabinet decision, which was why it was in the 1-Year Business Plan but the date for this had not been agreed yet. If there was not good reason for a transfer of service, then it would not go ahead. Any major change to terms and conditions of staff would be done properly.

The Finance Portfolio, replying to a query on the inter-company recharge of £844,000 for each Qualis company, advised that on company charges the group overhead was split evenly between them.

The transfer of Asset Management to Qualis that had taken place and the welcome renegotiation of leases was viewed as helping to improve the Council's productivity. The Finance Portfolio advised that Asset Management had been seconded for a year but, as it was working well, the Council was looking to make this transfer permanent. The transfer of Grounds Maintenance would be good value for EFDC in addition to the recharge from Qualis back to the Council.

What was happening in the transfer period to make the expertise at Qualis better and more efficient? If more Council properties were refurbished quicker, this was an improvement. It was also to do with competency and came down to the management structure and therefore, focus and increased capability was achieved. When well led by experts, leadership and learning were also accomplished, as they passed on the knowledge. The Strategic Director observed that the commercial asset team had a detailed knowledge of the EFDC estate, but duplication of the teams would have resulted in more expense for Qualis.

It was noted that Qualis expenditure of £1.75 million on staff costs was small but not unreasonable, as staff costs were a substantial part of the budget, and it was worth paying for people with the right skills in place.

In view of risks on loans, what about loans to Qualis and was the interest rate variable? It was a fixed interest rate and a margin had been added on. It also depended on Qualis. Interest rates would change when the Council borrowed from the Public Works Loans Board. But loans were well ringfenced. Qualis needed to be successful for the Council to be better. Qualis was taking a sensible business approach and factoring this in.

Why were there no detailed proposals coming forward for Qualis Community? The Qualis Group Managing Director replied that the purpose was to generate benefits for residents out of profits. Qualis Commercial had been created as a community interest company but needed to get to that stage, so shareholders could decide how best to share profits. A significant amount of money would be generated through the section 106 process for the developments, and it was possible that some of those benefits could be delivered through Qualis Community.

Had Qualis borrowed from elsewhere? No. However, once profits were in, Qualis could invest in property or land and it would then be in a position to go into the market to borrow against assets, outside EFDC.

Could Qualis default or renegotiate interest rates and this scenario been budgeted for? There would be no speculation on what might happen. Developers might land bank if this situation arose. Qualis had this option therefore, the 1-Year Business Plan had been produced.

**RESOLVED:**

That the Committee pre-scrutinised the Qualis 1-Year Business Plan ahead of the Cabinet decision on 10 October 2022.

**33. CHAIRMEN TO REPORT ON THEIR SELECT COMMITTEE BUSINESS****(a) Stronger Communities Select Committee**

Councillor J Lucas (Acting Chairman) provided a short report for the Select Committee, which the Chairman read out on her behalf. Several reports had been reviewed. These covered the work of the Council-funded police in the District, a Customer Service strategy update and estate improvements undertaken at Harveyfields in Waltham Abbey. There were plans for similar estate improvements in future. Also, the new support model for sheltered housing was widely supported. The way this service was provided would be more demand-led with individual assessments and plans for the support required being tailored to each individual's needs.

**(b) Stronger Council Select Committee**

Councillor J McIvor reported that members of the Select Committee were being kept well informed by the Finance Portfolio Holder and officers in this demanding economic situation. The quarter 1 Budget Monitoring Report 2022/23, Financial Planning Framework 2022/23 to 2027/28 and Qualis Quarterly Monitoring Report had all been reviewed. Members had been especially interested in Council overspending and where the challenges were in the service areas.

**(c) Stronger Place Select Committee**

Councillor R Balcombe advised that the Select Committee's September meeting had been cancelled, as it would have taken place during the mourning period for Queen Elizabeth II. Members had agreed to reschedule the work programme to ensure outstanding business would be realigned to be completed within this municipal year.

Councillor S Murray enquired when waste collection would be scrutinised? Councillor H Kane replied that a waste management update was scheduled on the Stronger Place Select Committee work programme for the meeting on 8 November 2022.

**RESOLVED:**

That the select committee Chairman reported on business undertaken at their last meetings.

**34. OVERVIEW AND SCRUTINY COMMITTEE - WORK PROGRAMME****(a) Current work programme**

The Committee noted that the quarter 2 Corporate Performance reporting would be reviewed at the meeting on 17 November 2022. It was confirmed that scrutiny of any business case for the transfer of a service to Qualis would be undertaken by this Committee.

**(b) Reserve work programme**

There were no reserve work programme items.

**RESOLVED:**

That the Committee reviewed its current and reserve work programmes.

**35. CABINET BUSINESS**

Cabinet's Key Decision List (KDL) of 1 September 2022 was scrutinised by the Committee and the following points were raised.

**(a) Portfolio - Leader**

**Local Government Council Size and Boundary Review** – the Leader advised this was ongoing but a response from the Commission's draft proposals was expected around 4 October 2022.

**(b) Portfolio – Housing and Community**

**Provision for Ukrainian refugees in the District** – the Portfolio Holder reported that the Government scheme encouraged refugees to be placed in residents' homes, initially for six months. The Council was working closely with Voluntary Action Epping Forest to identify support in the community with host families. An event was hosted at the Civic Offices in early September, to bring together Ukrainian refugees with support that was available in the District. With the war continuing and where refugees could no longer be housed in the community, the Council did have a number of families in temporary accommodation, but officers were in the process of finding permanent accommodation as they would normally do. In response to a question from Councillor R Baldwin on the increased allowance that was welcomed, who was that money paid to, the hosts or refugees? The Portfolio Holder replied she would confirm this and write to the Councillor. Sadly, most of the homeless cases Council officers were dealing with in this situation were as a result of relationship breakdowns.

**RESOLVED:**

That the Committee reviewed the Executive's current programme of Key Decisions of 1 September 2022.

**CHAIRMAN**