

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

<b>Committee:</b>	Cabinet	<b>Date:</b>	Monday, 6 February 2023
<b>Place:</b>	Council Chamber, Civic Offices, High Street, Epping	<b>Time:</b>	7.00 - 8.13 pm
<b>Members Present:</b>	Councillors C Whitbread (Chairman), N Bedford (Vice-Chairman), N Avey, S Kane, A Lion, A Patel, J Philip, H Whitbread and K Williamson		
<b>Members Present (Virtually):</b>	Councillors		
<b>Other Councillors:</b>	Councillors H Kane, J McIvor and J H Whitehouse		
<b>Other Councillors (Virtual):</b>	Councillors R Brookes, S Heap, C McCredie and S Murray		
<b>Apologies:</b>	L Burrows		
<b>Officers Present:</b>	G Blakemore (Chief Executive), A Hendry (Democratic Services Officer), T Carne (Corporate Communications Team Manager), C Hartgrove (Interim Chief Financial Officer), D Haslam (Economic Development Assistant), J Houston (Specialist Partnerships & Economic Development), R Moreton (Corporate Communications Officer) and J Warwick (Interim Acting Service Director (Contracts))		
<b>Officers Present (Virtually):</b>	A Small (Section 151 Officer) and V Messenger (Democratic Services Officer)		

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### **77. Webcasting Introduction**

The Leader of Council made a short address to remind everyone present that the meeting would be broadcast live to the internet, and would be capable of repeated viewing, which could infringe their human and data protection rights.

### **78. Declarations of Interest**

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

### **79. Minutes**

#### **Decision:**

That the minutes of the Cabinet meeting held on 20 December 2022 be taken as read and would be signed by the Leader as a correct record.

**80. Reports of Portfolio Holders**

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

**81. Public Questions and Requests to Address the Cabinet**

The Cabinet noted that no public questions or requests to address the Cabinet had been received for consideration at the meeting.

**82. Overview and Scrutiny**

The Chairman of the Overview & Scrutiny Committee reported that their last meeting on 31 January 2023 they received B Johnson and S Jevans, from Qualis Management who gave them a presentation on the work of Qualis. They also reviewed the Quarter 3 Corporate Performance report and the Cabinet's work programme.

**83. Exclusion of Public and Press****Decision:**

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

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Agenda Item No	Subject	Exempt Information Paragraph Number
9	North Weald Depot	3

**84. North Weald Depot**

The Contracts and Commissioning Portfolio Holder, Cllr Nigel Avey, introduced the report on the North Weald Depot.

EFDC commissioned RPS Consulting to produce a feasibility study to determine if an EFDC Vehicle Depot and the Essex County Council (ECC) Highways Maintenance Depot could be relocated and operated on a suitable site within the boundary of North Weald Airfield. It was recommended that the ECC Highways Maintenance Depot was not pursued at this stage but there was the option to progress this option at a later date.

The Cabinet considered the number of vehicle movements and its effect on the near by settlements which would be less than at present and vehicle movements could be conditioned to not go through the villages. The council would also consult the local parish council and could provide the local schools with suitable educational materials on recycling.

**Decision:**

(1) Cabinet approved the provision of £4.167m within the Capital Programme for 2023/24 and associated revenue costs and agreed to proceed with this project to develop a Vehicle Depot at North Weald Airfield.

(2) Officers to prepare and develop planning application and relevant documents for a North Weald Vehicle Depot and appoint consultants to lead on this work.

**Reasons for Proposed Decision:**

The reason for the decision was to provide vital resilience and business continuity to the waste contract. There was a very high risk that no waste contractor would submit tenders on the new waste contract without the provision of an Epping Forest District Council (EFDC) vehicle depot. Potential waste contractors would factor in higher risks and higher costs without an EFDC depot. An EFDC depot would also give greater flexibility for future waste contract options and provide greater opportunities to achieve EFDC's zero net carbon targets by 2030.

**Other Options for Action:**

Do nothing, which could mean EFDC receives no tender submissions for the new waste contract and lead to difficulty in securing a waste contractor for the new waste contract. Also increases EFDC's exposure to risk and vulnerability to higher costs of the waste contract and limits the ability to resolve any issues with the waste contract that may arise in the future. Other locations had been considered for a Waste Depot and rejected by Epping Forest District Council.

**85. Inclusion of Public and Press****Decision:**

That the public and press be invited back into the meeting for the remaining items of business.

**86. The UK Government's Shared Prosperity Fund Programme**

The Finance Portfolio Holder, Councillor Philip introduced this report.

He noted that the UK Government had put in place a series of funds to support local economies and communities following the withdrawal of European Union funds and national support to businesses and local areas throughout the Covid pandemic and national lockdowns.

The UK Shared Prosperity Fund (UKSPF) was announced on 13 April 2022. It allocated a potential fund of £1 million (the bulk of which can be used for revenue spend) to Epping Forest District with funds to be drawn down in this financial year and the next two, with the largest allocation of funding in year three. The EFDC bid, following extensive consultation, was approved by Cabinet on 18 July 2022 and was then submitted to government. This submission focused on four key themes: Investment in deprived areas and communities, rural regeneration, supporting local business and establishing pathways to work/skills education and training. An initial

technical approval of the Council's bid was received in August. Formal approval of the Council's investment plan as well as clarity over timescales for funding provision were expected to have been received by early October. Final approval and additional guidance from government was received on the 5th of December. Unlike a number of other areas, the Epping Forest submission was agreed in full. The late approval, however, has caused disruption to planning and delivery in the remainder of this year. Officers are taking steps to ensure in year delivery is compliant and funds are spent.

**Decision:**

1. The Cabinet endorsed the approach taken on the Rural Prosperity Fund and the submission as defined in the appendix to the report (attached).
2. The Cabinet noted the current position of the UK Shared Prosperity Fund £1 million investment bid submitted at the end of July 2022.

**Reasons for Proposed Decision:**

UK Shared Prosperity funds have extensive rules and regulations which define purpose and delivery. The programmes identified meet these criteria while also focusing on member priorities and responses to consultation undertaken.

**Other Options for Action:**

To decline to participate in these funding programmes which would mean the district would lose out on a potential £1.5 million in central government funding. Progress on member priorities would therefore have to be met from EFDC revenue and capital funds.

**87. Risk Management**

The Leader of the Council, Councillor C Whitbread introduced the report on Risk Management.

The Corporate Risk Register was reviewed and updated by Council's Officer Risk Management Group at their meeting on 1 November 2022 and a new risk, 'non-compliance with health & safety regulations' was added to the risk register.

Possible emerging risks discussed included the repayment of Right to Buy receipts.

The Cabinet suggested that the risk management group should also look in depth at the council's waste management contract.

**Decision:**

- (1) The Cabinet considered and approved the current Corporate Risk Register including whether the risks were scored appropriately
- (2) The Cabinet considered whether there were any new or emerging risks that were not on the Corporate Risk Register that should be referred to the officer Risk Management Group. They agreed that the Waste Management Contract should be considered in more depth.

**Reasons for Proposed Decision:**

To enhance the Council's risk management framework.

**Other Options for Action:**

Not to agree the current corporate risks.

**88. Qualis Quarterly Monitoring Report - Q4 - 2021/22**

The Finance Portfolio Holder, Councillor Philip introduced the Qualis quarter 4 monitoring report, noting that their overall performance was better than last year.

The Governance framework for Qualis, as agreed by Cabinet in February 2020, included the requirement that Qualis should report to Epping Forest District Council on its performance Quarterly.

This report presents the fourth Quarter's monitoring report for the Qualis trading year 2021/22 and covers the period from 1 July 2022 to 30 September 2022. This also effectively represents the Qualis 3rd trading year outturn report.

The Cabinet noted that the unexpected and significant shift in economic factors occurring over the past 9 months has had a huge impact on the finances of the Council and this was also replicated on the plans of Qualis. Not all elements of the Qualis business model were impacted to the same extent, and probably the development arm was experiencing (and likely to continue experiencing), the greatest impacts due to its dependency on borrowing, construction cost inflation and movement in housing prices. These issues are addressed in the single year Business Plan recently presented to the Council, covering the period 1st October 2022 to 30th September 2023.

Despite this, overall Qualis has only reported a small and greatly reduced loss on previous years. The loss is attributable to a downwards revaluation of investment property, which is linked to market turbulence, and the underlying position is that of a profitable trading position. All Qualis companies had reported profits, with the exception of Qualis Living (the investment company that carries all development costs), which was impacted by historic planning delays and construction price inflation.

**Decision:**

The Cabinet discussed and noted this report.

**89. Quarter 3 Budget Monitoring Report 2023/24**

The Finance Portfolio Holder, Councillor Philip introduced the quarter 3 budget monitoring report.

This report set out the 2022/23 General Fund and Housing Revenue Account positions, for both revenue and capital, as at 31st December 2022 ("Quarter 3").

In terms of General Fund revenue expenditure – at the Quarter 3 stage – a budget overspend of £1.313 million, with projected net expenditure of £16.944 million against an overall budget provision of £15.631 million, was forecast.

As with Quarters 1 and 2, the Q3 position was dominated by a range of substantial spending pressures.

The current economic difficulties are also creating a range of other problems with inflation impacting on energy and contract costs, with rising interest rates also working against the Council.

**Resolved:**

1. The Cabinet noted the General Fund revenue position at the end of Quarter 3 (31st December 2022) for 2022/23, including actions being undertaken or proposed to improve the position, where significant variances have been identified;
2. The Cabinet noted the General Fund capital position at the end of Quarter 3 (31st December 2022) for 2022/23;
3. The Cabinet noted the Housing Revenue Account revenue position at the end of Quarter 3 (31st December 2022) for 2022/23, including actions proposed to ameliorate the position, where significant variances have been identified; and
4. The Cabinet noted the Housing Revenue Account capital position at the end of Quarter 3 (31st December 2022) for 2022/23.

**Reason for Decision:**

This report facilitates the scrutiny of the Council's financial position for 2022/23.

**Other Options for Action:**

There are no matters for decision in this report. The Cabinet is asked to note the contents but may choose to take further action depending on the matters reported.

**90. Any Other Business: Draft Budget 2023/24**

The Finance Portfolio Holder introduced the draft budget report for 2023/24. The Cabinet had approved an updated Financial Planning Framework (FPF) 2023/24 to 2027/28 at its meeting on 30th September 2022, which was the first step in preparing the 2023/24 budget.

The first major milestone in the FPF was reached on 10<sup>th</sup> October 2022, with Cabinet receiving and considering an updated Medium-Term Financial Plan (MTFP) for 2023/24 to 2027/28. The MTFP revealed a projected deficit of £4.126 million for 2023/24 on the General Fund; it is a deficit that required eliminating in full for the Council to fulfil its legal obligation to set a balanced budget for the forthcoming financial year.

The MTFP identified a projected surplus of £0.682 million on the Housing Revenue Account (HRA) for 2023/24, with a breakeven position anticipated over the five-year period.

Acting on the strategic direction provided by Cabinet on 10th October 2021, officers provisionally bridged the General Fund deficit, and further developed the other revenue and capital elements of the wider budget for 2023/24, presenting an initial draft – balanced – budget to Cabinet on 20th December 2022. The Local Government Finance Settlement 2023/24 was also announced in December 2022, and the initial draft budget was scrutinised by the Stronger Council Select Committee on 24th January 2023.

The Budget had now been re-balanced following the announcement of the provisional Local Government Finance Settlement 2023/24, and the need for other minor adjustments, and was presented to Cabinet for consideration and draft approval, prior to full Council on 28th February 2023.

The Portfolio Holder reported that this was a most difficult budget to do, but they had balanced the budget and the Council was not in deficit and was not cutting any services, this was in part due to the council, for many years having had well run finances. He thanked the officers and cabinet colleagues for helping to make this possible. He noted that the impact on the budget next year and the following years would be significant. However, Qualis made a significant contribution to our budget and was a benefit to the council. He noted that Council Tax would be set at 2.98% and would remain the lowest in Essex.

**Decision:**

- 1) The Cabinet considered the final revenue and capital budget proposals for 2023/24 as presented in Appendices A to D of the report, together with the comments received from the Stronger Council Select Committee; and
- 2) The Cabinet recommend to Council:
  - a. The budget for 2023/24 and the updated Medium-Term Financial Plan; and
  - b. The level of Council Tax increase for 2023/24.

**Reasons for Proposed Decision:**

To enable Cabinet to recommend a final budget for 2023/24 to the Council on 28th February 2023.

**Other Options for Action:**

N/A.

**CHAIRMAN**

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Rural England Prosperity Fund: £437,136 (25% Spend Year 1)

Sustainable Rural Grant Programme

Discover Rural



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Proposed Budget Allocation:

- £387,136

⇒ Aims:

- Support long term viability of key rural hubs, with a significant emphasis on expansion of rural EV charging points, on public or private assets, and investments to reduce energy usage and carbon footprint in buildings.

⇒ Actions:

- Establish a cash limited grant programme for rural facilities and partners to bid into to carry out renovation works that are critical to the long-term viability of that asset. A priority given to match funded bids.
- Establish a rural EV Charging challenge project to deploy the maximum number of EV Chargers into rural areas.
- Enable local rural communities and businesses to acquire high level mobile connectivity speeds and digital infrastructure. A priority given to match funded bids.

⇒ Proposed budget allocation:

- £50,000

⇒ Aims:

- To increase visitor footfall spend from existing and new staycation traffic, to other commercial assets.
- To establish new linkages with neighbouring authorities into rural areas.

⇒ Actions:

- To renew and install effective directions signage (fingerposts, information boards at attractions, advertising other local amenities - pubs, restaurants, shops).
- Establish cross border trails that link assets and rural communities in the district to footfall to and from international hubs (e.g. London, Stansted to Cambridge).

Submission Date: 30th November 2022

Detailed guidance received: 14th November 2022

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