

EPPING FOREST DISTRICT COUNCIL CABINET MINUTES

Committee: Cabinet **Date:** 4 February 2016

Place: Council Chamber, Civic Offices, High Street, Epping **Time:** 8.00 - 9.00 pm

Members Present: C Whitbread (Chairman), S Stavrou (Vice-Chairman), R Bassett, A Grigg, D Stallan, G Waller, H Kane, A Lion and J Philip

Other Councillors: B Surtees and J H Whitehouse

Apologies: W Breare-Hall

Officers Present: G Chipp (Chief Executive), D Macnab (Deputy Chief Executive and Director of Neighbourhoods), R Palmer (Director of Resources), S G Hill (Assistant Director (Governance & Performance Management)), K Polyzoides (Assistant Director (Policy & Conservation)), T Carne (Public Relations and Marketing Officer), J Houston (Local Strategic Partnership Manager), G J Woodhall (Senior Democratic Services Officer) and A Rose (Webcasting Officer)

128. WEBCASTING INTRODUCTION

The Leader of Council made a short address to remind all present that the meeting would be broadcast on the Internet, and that the Council had adopted a protocol for the webcasting of its meetings.

129. DECLARATIONS OF INTEREST

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

130. MINUTES

Decision:

(1) That the minutes of the meeting held on 3 December 2015 be taken as read and signed by the Leader of Council as a correct record.

131. REPORTS OF PORTFOLIO HOLDERS

There were no further reports from the Portfolio Holders in attendance on current issues that were not covered elsewhere on the agenda.

132. PUBLIC QUESTIONS

The Cabinet noted that there had been no questions submitted from the public for consideration.

133. OVERVIEW AND SCRUTINY

The Chairman of the Overview & Scrutiny Committee reported that the following items of business had been considered at its meeting held on 5 January 2016:

- (a) the call-in regarding the Cabinet's decision concerning the release of restrictive covenants on land at Epping Forest College in Loughton, which reaffirmed the original decision of the Cabinet;
- (b) the Corporate Plan Key Action Plan for 2016/17;
- (c) a consultation on the Chelmsford City Council Local Plan; and
- (d) a consultation on Crossrail 2.

The Key Decision List was reviewed but there were no specific issues identified on any of the items being considered.

134. ASSET MANAGEMENT AND ECONOMIC DEVELOPMENT CABINET COMMITTEE - 10 DECEMBER 2015

The Portfolio Holder for Asset Management & Economic Development presented the minutes from the meeting of the Asset Management & Economic Development Cabinet Committee held on 10 December 2015.

The Cabinet Committee had made recommendations to the Cabinet concerning: a Desktop Research Report on a potential Park-and-Ride scheme at North Weald Airfield; an Air Show at North Weald Airfield; and a monitoring report on the development of the Epping Forest Shopping Park. Other issues considered by the Cabinet Committee included: a report from the Asset Management Co-Ordination Group report; and a progress report from the Economic Development Team.

Some of the Members present felt that a possible Park-and-Ride Scheme at North Weald Airfield should not be refused on the basis of the experiences at Colchester and Chelmsford, especially as the Chelmsford scheme was targeted more at shoppers than commuters. It was suggested that a smaller scheme during the peak rush hour would work, or provide an option for users to park at North Weald Airfield and catch a bus to Harlow. The Portfolio Holder stated that any Park-and-Ride Scheme at the Airfield should be self supporting and the desktop exercise had indicated that it would need subsidising. It was also highlighted that residents in Harlow travelled to Epping each day to catch trains into London on the Central Line.

The Leader of Council stated that there had been a full debate at the Cabinet Committee, where all the options had been discussed. Any Park-and-Ride Scheme at the Airfield would have to be self-financing and this had not been indicated by the Desktop Study.

Decision:

Park and Ride Desktop Research Report

- (1) That the proposed detailed feasibility report from Essex County Council in respect of a Park-and-Ride Scheme at North Weald Airfield not be pursued as the proposed Scheme was not considered financially viable;

North Weald Airfield – Air Show

- (2) That the feasibility of hosting a major Air Show at North Weald Airfield in 2017 be supported in principle; and

Epping Forest Shopping Park Progress Report

(3) That the recommendation to appoint Walker Construction (UK) Limited to carry out the Section 278 works in Chigwell Lane be noted, following the Cabinet's consideration and resolution of this issue at its meeting on 11 January 2016.

Reasons for Decision:

The Cabinet was satisfied that the Cabinet Committee had fully addressed all of the relevant issues.

Other Options Considered and Rejected:

The Cabinet was satisfied that the Cabinet Committee had considered all of the relevant options and that there were no further options to consider.

135. "INVEST TO SAVE" PROPOSAL - LANDLORD DEPOSITS AND RENTAL LOANS TO HOMELESS APPLICANTS

The Housing Portfolio Holder presented a report on the 'Invest to Save' proposal concerning Landlord Deposits and Rental Loans to Homeless Applicants.

The Portfolio Holder reminded the Cabinet that it had agreed an 'Invest to Save' proposal at its meeting on 3 December 2015 of £30,000 per annum for three years to provide landlord deposits to homeless applicants. This would reduce the number of applicants being placed in costly bed and breakfast (B&B) and other temporary accommodation.

The Portfolio Holder was seeking the agreement of the Cabinet for the further use of the budget for the provision of both landlord deposits and rental loans for potentially homeless families with dependent children, and applicants with disabilities and extreme medical needs, which would generate substantial savings for the Council. Furthermore, it was suggested that the amounts repaid by applicants should be recycled to provide further landlord deposit and rental loans. Finally, the Housing Select Committee would be requested to undertake the review of the Scheme within the initial three-year period agreed at the meeting on 3 December 2016.

The Assistant Director of Housing (Housing Operations) added that the Council currently had approximately 25 applicants in Bed-and-Breakfast accommodation, the majority of whom were single applicants.

Decision:

(1) That, following approval of the Invest to Save proposal of £30,000 per annum for three years in order to provide landlord deposits to homeless applicants by the Cabinet at its meeting on 3 December 2015, it further be agreed that:

(a) the agreed budget also be used for the provision of both landlord deposits and rental loans in appropriate cases for potentially homeless families with dependent children;

(b) that both a rental loan and a landlord deposit loan be granted in appropriate cases to disabled people and applicants with extreme medical needs;

(c) that amounts repaid by applicants should be re-cycled to provide further landlord deposit and rental loans (or both in accordance with (a) and (b) above) to potentially homeless households; and

(d) the Housing Select Committee be requested to undertake the review of the Scheme referred to in the Cabinet's previous decision (minute 113, decision 2(b) refers).

Reasons for Decision:

The provision of both landlord deposit loans and rental loans to potentially homeless families and those who were disabled or had proven extreme medical needs, would save the Council from providing more costly bed and breakfast accommodation. The re-use of any monies repaid by applicants for further landlord deposits and rental loans to homeless applicants would assist in reducing the overall cost of the scheme in future years.

Other Options Considered and Rejected:

To not grant both a rental loan and a landlord deposit loan in appropriate cases for potentially homeless families with dependent children, or to disabled people and applicants with extreme medical needs.

To not re-use amounts repaid by applicants to provide further rental loans and landlord deposit loans to potentially homeless households.

136. PAY POLICY STATEMENT 2016/17

The Portfolio Holder for Technology & Support Services presented a report on the Pay Policy Statement for 2016/17.

The Portfolio Holder reported that Section 38(1) of the Localism Act 2011 required the Council to produce a Pay Policy Statement for each financial year setting out details of its remuneration policy. Specifically, it should include the Council's approach to its highest and lowest paid employees. The Statement drew on the Review of Fair Pay in the Public Sector (Will Hutton 2011) and concerns over low pay.

One anomaly in the Statement itself was highlighted, that employees on Grade 1 were defined as the Council's lowest paid employees when no employee of the Council was lower than Grade 2. It was agreed that this would be amended before the Statement was submitted to the Council for final approval.

Decision:

(1) That the Pay Policy Statement for 2016/17 be recommended to Council for approval, subject to employees on Grade 2 being defined as the Council's lowest paid employees.

Reasons for Decision:

To enable the Cabinet to comment on the Council's Pay Policy Statement before it was agreed by full Council.

Other Options Considered and Rejected:

To amend the content of the Statement prior to its approval by the Council.

137. EXTENSION OF THE VISITOR AND TOURISM DEVELOPMENT POST

The Portfolio Holder for Asset Management & Economic Development presented a report on the extension of the Visitor and Tourism Development post.

The Portfolio Holder reminded the Cabinet that Tourism had been identified as a key emerging growth sector in the Local Plan. It currently generated almost £200million of income to the local economy and provided almost 7% of local jobs. Partners in the industry and the neighbouring local authorities were working together to grow this sector, around the many current attractions as well as potential future attractions and opportunities.

The Portfolio Holder stated that the Visitor and Tourism Development post was originally agreed on a one year contract, funded by the District Council, to examine the potential growth in the industry and support the emerging Local Plan Evidence Base. A range of opportunities to grow and support the industry locally had been identified, as detailed in Appendix 1 of the report. The current post was funded until 16 March 2016, and the One Epping Forest Economic Board had discussed and requested an extension to the current post to enable this work to continue and for key projects to be completed. It was proposed to extend the post for a further year, again funded by the District Council, and that other partners should be canvassed to secure joint funding for any future extension.

The Local Strategic Partnership Manager added that no charge was made for attendance at the annual Tourism Conference, as sponsorship was obtained from the host venue. In any case, the budget for the conference was less than £500. The Portfolio Holder advised that the Council did liaise with the Town Centre Partnerships to increase their footfall, and the Visitor and Tourism Development Officer had encouraged the Town Centres to attract tourists into their areas. A new website would highlight the attractions of the local High Streets.

The Cabinet supported the proposal as it was felt that the District was popular with visitors from London.

Decision:

(1) That a District Development Fund growth bid in the sum of £35,000 for 2016/17 be agreed to fund a one year extension to the Visitor and Tourism Development Officer post; and

(2) That external partnership funding be sought for future years before any further extension be considered.

Reasons for Decision:

Tourism was a key economic development and growth priority in the emerging Local Plan. This had recently been ratified by Members at the Local Plan Economic Development workshop. There were other projects driven by Members in conjunction with partner organisations that required ongoing support, input and management. These included the Visit Epping Forest programme of events, i.e. website re-launch,

tourism summit, cross border/joint promotion and marketing via the Tourism Board and the Local Plan Co-Operation group.

Other Options Considered and Rejected:

To not extend the role. However, there would not be the capacity to identify and deliver new tourism opportunities to the detriment of the local economy, and maintain ongoing liaison, with neighbouring authorities, private organisations and other public sector bodies, as required under the National Planning Policy Framework Duty to Cooperate.

138. TREASURY MANAGEMENT STRATEGY STATEMENT AND INVESTMENT STRATEGY 2016/17 - 2018/19

The Finance Portfolio Holder introduced a report on the Treasury Management Strategy Statement and Investment Strategy for the period 2016/17 to 2018/19.

The Portfolio Holder reminded the Cabinet that the Council was required to approve the Treasury Management Strategy and Prudential Indicators, as well as a statement on the Minimum Revenue Provision (MRP) before the start of each financial year. The Strategies had been scrutinised by the Audit and Governance Committee on 1 February 2016, but they had not requested any amendments. The Strategies would be considered by the Council for final approval at its meeting scheduled for 18 February 2016.

The Portfolio Holder reported that the Strategies had been produced following advice from the Council's Treasury Advisors, Arlingclose. The only major change to the Strategies since their previous approval in February 2015, had been the reduction in the Cash Limits for investment types and organisations following advice from Arlingclose. A number of other issues was also drawn to the Cabinet's attention.

The Portfolio Holder declared that the first of these was Minimum Revenue Provision. Following the borrowing of £185.456million to pay for the Housing Revenue Account self-financing initiative, the Council would normally be required to charge Minimum Revenue Provision to the General Fund. However, the Department of Communities & Local Government had produced regulations whereby the Council could ignore this borrowing, and therefore, for Minimum Revenue Provision purposes only, the Council was still classed as debt-free. However, as the Council was likely to undertake further borrowing to support its capital expenditure then Minimum Revenue Provision could be required in 2017/18.

The Portfolio Holder explained that the Council had inter-fund borrowed between the General Fund and Housing Revenue Account for many years, and the interest rate charged had been based upon the average investment interest earned for the year. Draft regulations issued by the Chartered Institute for Public Finance & Accountancy (CIPFA) had proposed that this interest rate should be approved by the Council before the start of the financial year, and it was suggested that the average investment interest earned for the year continue to be used as the rate for any inter-fund borrowing.

The Portfolio Holder informed the Cabinet that the Treasury Management Policy Statement was a high level statement which outlined how the Council's Treasury function would be undertaken. There were no amendments to the Statement currently proposed.

The Portfolio Holder advised that all of the Council's current investments were denominated in Sterling and the Council had received regular advice from Arlingclose regarding the use of counterparties. The Council currently had an investment portfolio of approximately £54.6million, all of which was invested in the United Kingdom. The maturity profile ranged from £13.6million available for instant access to £10million with a maturity date of nine months to one year. The continued low interest rates, the use of fewer counterparties and the shorter durations of the Council's investments had reduced the estimated income for 2015/16; however, this had been partially offset by the loan to the Waste Management Service Provider.

Decision:

- (1) That the following be recommended to Council for approval:
 - (a) the Treasury Management Strategy Statement and Annual Investment Strategy 2016/17 to 2018/19;
 - (b) the Minimum Revenue Provision Strategy;
 - (c) the Treasury Management Prudential Indicators for 2016/17 to 2018/19;
 - (d) the rate of interest to be applied to any inter-fund balances; and
 - (e) the Treasury Management Policy Statement.

Reasons for Decision:

To ensure that the Council complied with the Code of Practice on Treasury Management from the Chartered Institute of Public Finance & Accountancy.

Other Options Considered and Rejected:

To request additional information about the Treasury Management Strategy, or decide that alternative indicators were required.

139. ANY OTHER BUSINESS**Decision:**

- (1) That, as agreed by the Leader of Council and in accordance with Section 100B(4)(b) of the Local Government Act 1972, together with paragraphs (6) and (24) of the Council Procedure Rules, the following items of urgent business be considered following the publication of the agenda:
 - (a) Minutes; and
 - (b) Finance & Performance Management Cabinet Committee – 21 January 2016.

140. MINUTES**Decision:**

(1) That the minutes of the meeting held on 11 January 2016 be taken as read and signed by the Leader of Council as a correct record.

141. FINANCE AND PERFORMANCE MANAGEMENT CABINET COMMITTEE - 21 JANUARY 2016

The Finance Portfolio Holder presented the minutes of the recent meeting of the Finance & Performance Management Cabinet Committee, held on 21 January 2016.

The Cabinet Committee had made recommendations to the Cabinet concerning the Detailed Directorate Budgets, the Allocation of Local Council Tax Support Grant, the Corporate Risk Register and the Council Budgets for 2016/17. Other issues considered by the Cabinet Committee included the Data Quality Strategy 2016/17 – 2018/19.

Decision:Detailed Directorate Budgets

- (1) That the detailed Directorate budget for the Chief Executive be approved;
- (2) That the detailed Directorate budget for Communities be approved;
- (3) That the detailed Directorate budget for Governance be approved;
- (4) That the detailed Directorate budget for Neighbourhoods be approved;
- (5) That the detailed Directorate budget for Resources be approved; and
- (6) That the detailed Directorate budget for the Housing Revenue Account be approved.

Allocation of Local Council Tax Support Grant

(7) That the Local Council Tax Support Grant available to Town and Parish Councils be allocated in line with the reduction in their Council Tax income, as listed in Appendix 1 of the report considered by the Cabinet Committee;

Risk Management – Corporate Risk Register

- (8) That the Vulnerabilities, Trigger and Consequence within the Action Plan for Risk 1, Local Plan, be updated;
- (9) That the Effectiveness of Controls/Actions for Risk 2, Strategic Sites, be updated;
- (10) That the Key Date be amended and one of the Existing Control/Action be removed for Risk 3, Welfare Reforms;
- (11) That the Vulnerability within Risk 4, Finance Income, be updated;

- (12) That the Existing Control and Required Further Management Action for Risk 6, Data/Information, be updated;
- (13) That the Existing Control and Required Further Management Action for Risk 7, Business Continuity, be updated;
- (14) That the Effectiveness of Controls/Actions and the Required Further Management Action within Risk 8, Partnerships, be amended;
- (15) That the Action Plan for Risk 9, Safeguarding, be updated;
- (16) That the Vulnerability for Risk 10, Housing Capital Finance, be updated;
- (17) That the identification of no new risks for inclusion in the Corporate Risk Register by the Cabinet Committee be noted; and
- (18) That, as amended above, the revised Corporate Risk Register be approved.

Council Budgets 2016/17

- (19) That the Cabinet Committee's recommendations in respect of the Council Budgets for 2016/17 be noted.

Reasons for Decision:

The Cabinet was satisfied that the Cabinet Committee had fully addressed all of the relevant issues.

Other Options Considered and Rejected:

The Cabinet was satisfied that the Cabinet Committee had considered all of the relevant options and that there were no further options to consider.

142. COUNCIL BUDGETS 2016/17

The Finance Portfolio Holder presented a report on the Council's proposed Budgets for 2016/17.

The Portfolio Holder set out the detailed recommendations for the Council's budget for 2016/17. The proposed budget would use £36,000 of reserves but the Council's policy on the level of reserves could still be maintained throughout the period of the Medium Term Financial Strategy (MTFS). Over the course of the Strategy, the use of reserves to support spending would peak at £345,000 in 2017/18 and then reduce to £3,000 in 2019/20. The budget was based on the assumption that the District Council Tax would remain unchanged and that average Housing Revenue Account rents would decrease by 1% in 2016/17.

The Portfolio Holder also highlighted the Chief Financial Officer's report on the robustness of the estimates for the purposes of the Council's 2016/17 budgets and the adequacy of the reserves within the budget report. It stated that the estimates as presented were sufficiently robust for the purposes of the Council's overall budget for 2016/17. In addition, the Council's reserves were adequate to cope with the financial risks facing the Council in 2016/17, but that further savings would be required in future years to bring the budget back into balance in the medium term. Particular

concerns about the New Homes Bonus and the resolution of the backlog of appeals for the discontinued Business Rates were noted.

The Cabinet noted that the proposed funding from Central Government of £4.58million was a reduction of 16.3% from 2015/16. Since the Medium Term Financial Strategy had been published in the Summer, the ceiling for the Continuing Services Budget had risen by £250,000 to £13.25million, and the ceiling for the District Development Fund had risen by £200,000 to £750,000. However, there had been an underspend of £895,000 in 2014/15 and, taking the two years together, there would be a net underspend of £693,000 for the District Development Fund. Although the four-year Capital Programme envisaged expenditure of £171million, it was anticipated that there would still be £3.5million of usable capital receipts at the end of this period. The balance of the Housing Revenue Account was expected to be £2million at 31 March 2017, after deficits of £83,000 in 2015/16 and £450,000 in 2016/17.

The Portfolio Holder emphasised some further issues arising from the Medium Term Financial Strategy:

- A potential negative Revenue Support Grant in 2019/20 if the Council's retained Business Rates exceeded the Settlement Funding Assessment.
- The change in Government policy to remove grants from the funding system and for local authorities to fund themselves from Council Tax and retained Business Rates.
- The technical consultation on the New Homes Bonus issued by the Government with the aim of reducing the cost of the scheme by 55%.
- The Epping Forest Shopping Park, due for opening at Easter 2017, which was anticipated to provide £2million of rental income to the Council by 2019/20.

The Portfolio Holder thanked the Director of Resources and his Accountancy team for their efforts in preparing the budget before the Cabinet.

The Portfolio Holder for Planning Policy reassured the Cabinet that every possible effort was being made to complete the Local Plan. The Portfolio Holder emphasised that the Council had to do it right, and do it right first time.

The Housing Portfolio Holder informed the Cabinet that the Welfare Reform and Work Bill that was currently progressing through Parliament required all social landlords – including all Councils – to reduce their rents by 1% per annum from April 2016, for the next 4 years. Accordingly, this was the recommendation before the Cabinet. However, last week in the House of Lords, the Government announced that the Bill would be amended to allow social landlords to increase rents for supported housing schemes, including sheltered housing, by up to inflation + 1% - for one year only - from April 2016, if they so desired. This followed concerns raised by a number of social landlords, nationally, about the viability of reducing rents for supported housing schemes and would allow the Government time to consider the issues and implications. However, following careful consideration and consultation with the Leader of Council and Finance Portfolio Holder, the Portfolio Holder had decided to remain with the original recommendation to reduce such rents by 1% next year, a view that was also supported by the Chairman of the Housing Select Committee.

The Cabinet welcomed the budget report and noted that the proposed increase in revenue spending was being matched by increased revenue income. Members also welcomed the policy to use the Capital Programme to increase the Council's revenue streams, which was funding the proposed 0% increase in the District Council Tax.

The Leader of Council commented that a decade of careful planning had put the Council in the enviable position where it could continue to invest in local services and protect the frontline services valued by residents. The proposed 1% reduction in rents for tenants in sheltered housing was also welcomed, as it would not be reasonable to increase the rents for such tenants when the remaining Council tenants were benefiting from a 1% reduction in their rents. The Leader stated that the whole Officer team had contributed to this budget, which should be commended to the Council for adoption.

Decision:

(1) That the following guidelines for the Council's General Fund Budget in 2016/17 be recommended to the Council for adoption:

(a) the revised revenue estimates for 2015/16, which were anticipated to decrease the General Fund balance by £1.55million;

(b) confirmation of an increase in the target for the 2016/17 Continuing Services Budget from £13.0million to £13.25million (including growth items);

(c) an increase in the target for the 2016/17 District Development Fund net spend from £0.55million to £0.75million;

(d) no change in the District Council Tax for a Band 'D' property to keep the charge at £148.77;

(e) the estimated reduction in General Fund balances of £36,000 in 2016/17;

(f) the four-year Capital Programme for the period 2016/17 to 2019/20, and including the use of £3million of the General Fund balance in 2015/16;

(g) the Medium Term Financial Strategy for the period 2015/16 to 2019/20; and

(h) the Council's policy on General Fund Revenue Balances to remain that they be allowed to fall no lower than 25% of the Net Budget Requirement;

(2) That the Housing Revenue Account (HRA) budget for 2016/17, including the revised revenue estimates for 2015/16, be recommended to the Council for approval;

(3) That the Council be requested to approve the proposed rent reductions for 2016/17, to give an overall decrease of 1%; and

(4) That the Chief Financial Officer's report to the Council on the robustness of the estimates for the purposes of the Council's 2016/17 budgets and the adequacy of the reserves be noted.

Reasons for Decision:

To determine the budget that would be placed before the Council for final approval on 18 February 2016.

Other Options Considered and Rejected:

To decide not to approve the recommended figures and instead specify which growth items should be removed from the lists, or ask for further items to be added.

143. EXCLUSION OF PUBLIC AND PRESS

The Cabinet noted that there were no items of business which necessitated the exclusion of the public and press from the meeting.

CHAIRMAN