

EPPING FOREST DISTRICT COUNCIL CABINET MINUTES

Committee: Cabinet **Date:** 6 January 2020

Place: Council Chamber, Civic Offices, High Street, Epping **Time:** 7.00 - 9.35 pm

Members Present: C Whitbread (Chairman), N Avey, N Bedford, A Lion, A Patel, J Philip, S Kane and H Whitbread

Other Councillors: R Brookes, L Burrows, S Heap, H Kauffman, P Keska, C McCredie, R Morgan, S Murray, S Neville, C C Pond, C P Pond, S Rackham, M Sartin, J Share-Bernia, J H Whitehouse, J M Whitehouse and D Wixley

Apologies: S Stavrou

Officers Present: G Blakemore (Chief Executive), A Blom-Cooper (Interim Assistant Director (Planning Policy)), N Boateng (Service Manager (Legal) & Monitoring Officer), T Carne (Corporate Communications Team Manager), N Cole (Corporate Communications Officer), N Dawe (Interim Strategic Director & Chief Financial Officer), A Hendry (Senior Democratic Services Officer), S Jevans (Interim Strategic Director), Stuart Mitchell (Service Manager (Property Maintenance)), J Nolan (Service Director (Commercial & Regulatory Services)), P Seager (Chairman's Officer), H Thorpe (Property Maintenance Operational Assets and Compliance) and G Wallis (Service Manager (Community & Partnerships))

Also in attendance M Taylor

70. 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.

71. DECLARATIONS OF INTEREST

1. Pursuant to the Council's Member Code of Conduct, Councillors N Avey, J M Whitehouse and C McCredie declared a non-pecuniary interest in agenda item 14 – St John's Road Development – Update, by virtue of being members of Epping Town Council. The Councillors had determined that their interests were non-prejudicial and that they would stay in the meeting for the consideration of the item.

2. Pursuant to the Council's Officers Code of Conduct, G Blakemore, N Dawe and S Jevans declared a pecuniary interest in agenda item 19 – Peoples Strategy – Senior Management Report. The Officers had determined that their interests were prejudicial and that they would not stay in the meeting for the consideration of the item.

72. MINUTES

RESOLVED:

That the minutes of the meetings of the Cabinet held on 31 October and 18 November 2019 be taken as read and signed by the Leader as a correct record.

73. REPORTS OF PORTFOLIO HOLDERS

Councillor Avey the Contract and Technical Services Portfolio Holder thanked the Environmental Protection and Land Drainage Team for their work over the Christmas period on areas threatened by flooding.

74. PUBLIC QUESTIONS AND REQUESTS TO ADDRESS THE CABINET

The Cabinet noted that they had two speakers registered to speak at this meeting.

Firstly, the Cabinet heard from Mrs M Mott who made a statement regarding the potential relocation of the Epping Sports Centre and the St John's Road redevelopment.

Mrs Mott referred to a petition set up in 2018 in response to the proposal to allocate the Epping Sports Centre site for housing. Many residents were only too willing to sign and they realised just how important this was to the people of Epping to be able to use a sports facility located within walking distance of Epping Town. She gave numerous examples of the type of people who used these facilities and were eager to sign the petition.

Eventually an excess of 1,800 people signed the petition which they submitted to the inspector for the Local Plan.

On behalf of these residents she made a plea to provide them with a new Leisure Centre in St John's Road and not to close the existing Sports Centre until the new one was open.

The Leader thanked her for her statement and commented that was what they intend to do, noting that this would be covered on an item later on in the agenda.

The second speaker was a Mr I Chisholm who wanted to make a statement on agenda item 7, Overview and Scrutiny. He wanted to bring to the meeting's attention the failure of the council on two counts. Firstly, details of planning abuse and he believed, corruption, allegations he made in May 2019. As yet, no one had been brought to account. He considered that breaches of planning law had been allowed, but this as he saw it had been ignored. Secondly, in September 2019 he had applied for information under the Freedom of Information Act. The time limit for a response had elapsed and no response or acknowledgement has at yet been forthcoming. He asked all Councillors and not just the Overview and Scrutiny members to take this matter up at once.

The Leader noted that the issues raised would be addressed accordingly.

75. OVERVIEW AND SCRUTINY

The Chairman of the Overview & Scrutiny Committee reported that the last meeting of the Overview and Scrutiny Committee took place before the last council meeting and a full report was made there.

The Chairman drew the meeting's attention to a Members briefing to be held just before the next meeting of the Overview and Scrutiny Committee on 28 January 2020, on the Whipps Cross Hospital Redevelopment Masterplan, starting at 6pm.

She also mentioned that the Waste Management Task and Finish Panel had continued to meet and had added an extra meeting. Also at the next meeting of the O&S Committee, on 28 January, there would be officers from Essex County Council's Local Adult Social Care Services giving an update on their services across the district. If any Councillor have any questions they should let Mr Tautz know as soon as possible.

Councillor Murray commented that he would like to return to the previous system where the O&S Committee reviewed the Cabinet agenda for their next meeting, not only just reviewing the forward plan for their future work. Councillor Sartin noted that this would be raised at the next O&S Agenda Planning Group meeting.

He also congratulated Councillor Morgan on receiving an MBE in the New Years Honours List. This was echoed by the Leader and the other members at the meeting, saying that it was a much deserved award.

76. FINANCE AND PERFORMANCE MANAGEMENT CABINET COMMITTEE - 14 NOVEMBER 2019

DECISION:

The Cabinet noted and agreed the minutes of the Finance and Performance Management Cabinet Committee meeting of 14 November 2019.

77. CLIMATE EMERGENCY

Following the declaration of a Climate Emergency at a recent Council meeting the Cabinet appointed Councillor N Bedford as the primary member to take responsibility along with Councillor J Philip taking into account his work on the Local Plan and working with Natural England.

Councillor Bedford commented that this would be the best way forward by tackling this from two directions. They were hopeful that they could organise a small conference about the 'Green Arc' and how they could incorporate that work to fit in with the climate emergency strategy. They were hoping to get the Youth Council involved in this conference as well.

DECISION:

The Cabinet agreed to appoint Councillors N Bedford as the primary member for Climate Emergency procedure and Councillor J Philip to act in conjunction as joint members on the Council's declaration of a Climate Emergency.

78. EPPING FOREST HOLOCAUST MEMORIAL

Councillor Bedford the Community & Partnerships Portfolio Holder introduced the report on the Epping Forest Holocaust Memorial.

At the Full Council meeting on 31st July 2018, the following motion was passed: "That the Leader of Council appoint the relevant Portfolio Holder to secure an official holocaust memorial within our district and brings forwards a proposal (after working with the mover and seconder of this motion) to a future Cabinet meeting."

In October 2018 an Epping Forest Holocaust Memorial Working Group was established and significant work undertaken to identify a suitable site for a holocaust memorial for the district.

Following careful analysis, a site in Traps Hill, Loughton was identified as the most appropriate. Its proximity to Loughton Library and the opportunity to establish a small educational facility within the library over time, along with historical links to Holmehurst Hostel in Loughton where holocaust survivors were sent in 1945 were key contributing factors in the selection of the proposed site.

An Epping Forest Holocaust Educational Trust was currently being established and the Trust would oversee the design and implementation of the memorial, subject to consultation and securing planning permission, as appropriate. The Trust would be responsible for the long-term maintenance of the site and the memorial itself.

DECISION:

The Cabinet agreed to grant a long lease of 125 years at a peppercorn rent for the demised area of 14.1m x 6m = 84.6m² (911 sq.ft.) at Traps Hill, Loughton, to the Epping Forest Holocaust Educational Trust for the purpose of the erection of a Holocaust Memorial for the district.

Reasons for Proposed Decision:

Epping Forest District Council is committed to supporting the establishment of a holocaust memorial for the district.

Detailed work had been undertaken by an Epping Forest Holocaust Memorial Working Group to identify the most suitable site for the memorial. The Traps Hill site in Loughton had been selected due to historical links to this part of the district and the potential to develop an educational resource in the adjacent library.

Other Options for Action:

That the Cabinet do not grant the proposed lease at Traps Hill, Loughton to the Epping Forest Holocaust Educational Trust for the establishment of a holocaust memorial for the district.

79. ACCEPTANCE OF TENDER - CONTRACT 390 - PLANNED GAS AND RENEWABLE ENERGY HEATING INSTALLATIONS AND ASSOCIATE ELECTRICAL UPGRADE WORK 2019-24

The Housing and Property Services Portfolio Holder, Councillor H Whitbread introduced the report on the acceptance of tender for contract 390.

In order to undertake Planned Gas and Renewable Energy Heating Installations and Associated Electrical Upgrade Work to Council-owned properties during the financial year 2019-20 and over the following 4-year period, it was necessary to undertake a procurement exercise based on the Most Economically Advantageous Tender (MEAT) taking cost and quality into account and to satisfy the requirements of the Council's Procurement Rules.

DECISION:

- (1) That, Gracelands Complete Maintenance Services Ltd be awarded the 1-year contract renewable annually for up to a maximum of 4-further years, for the planned installation of gas and renewable energy heating and associated electrical upgrade work to Council-owned properties in the sum of £103,377.16 with an overall weighted price and quality score of 97.1%;
- (2) That Complete Building Services Herts Ltd be selected as the Council's Reserve Tenderer and that, should it not be possible to enter into contract with Gracelands Complete Maintenance Services Ltd for some reason, Complete Building Services Herts Ltd be awarded the 1-year contract renewable annually for up to a maximum of 4-further years, for the planned installation of gas and renewable energy heating and associated electrical upgrade work to Council-owned properties, being the second most economically advantageous tender received, with a Tender Sum of £187,311.93 with an overall weighted price and quality score of 64.4%;
- (3) That, the overall value of the works be capped to the allocated budgets included in the Capital Programme identified for Gas and Electrical Heating replacements on an annual basis; and
- (4) That, this contract be designated as a serial contract to facilitate the annual adjustment to the tendered rates in accordance with the Royal Institution of Chartered Surveyors (RICS) BCIS ALLCOS Resource Cost Index of All Construction: All Repair and Maintenance Work #7419.

Reasons for Proposed Decision:

The existing gas and electric heating installations installed in some Council-owned properties were in a poor condition and in need of replacement. Under the Decent Homes Standard gas and electric central heating are listed as "Key Building Components" and it is recognised that further deterioration could have an immediate impact on the integrity of the building and cause further deterioration in other building components. If gas and electric central heating boilers and components deteriorate further, they have the potential to cause adverse health and safety implications.

Gas and electric heating installations were major programmes of work within the Housing Capital Works Programme, with gas and electric heating installations and upgrades carried out on a planned programme of work and on an ad-hoc basis.

- (a) Planned gas heating installations require a programmed approach which was undertaken by the contractor and generally required a designated Site Supervisor to oversee the project and manage the planning of the works along with a Resident Liaison Officer (RLO) who will manage Council tenants' expectations, with both roles provided by the contractor. Planned works generally consisted of a full gas central heating system replacement due to the age and condition of the existing system.
- (b) Ad-hoc gas, renewable energy and electrical heating installations require a different responsive approach to the work undertaken by the contractor, in some instances, an emergency response was necessary. The extent of the work varies and could be limited to a gas boiler replacement and system control upgrade. With ad-hoc gas, renewable energy and electrical heating installations the tenant was generally aware that the works were necessary. This ad-hoc response means that project planning and the RLO were not necessary and did not form part of this tender

approval report. However, having the resources available for gas and electrical heating installations at short notice was essential.

The existing framework agreement for planned gas, renewable energy and electric heating installations and associated electrical works with the current contractor had reached the end of its term. Therefore, it was necessary to undertake a procurement exercise based on the MEAT taking cost and quality into account to satisfy the Council's Procurement Rules.

Other Options for Action:

The main alternative options considered were:

(1) To re-tender the contract on an annual basis. However, this would be time consuming and inefficient. Re-tendering would not guarantee more competitive tenders.

(2) To re-tender the works based on price alone. However, this would not necessarily return a more competitive tender and would not identify or quantify a quality commitment from the lowest tenderer.

(3) To undertake both the planned programme and the ad-hoc gas heating installations and upgrades combined in one tender. However, the differences between planned and ad-hoc work requires the commitment of varying additional resources being implemented by the contractor. In order to ensure the Council, procure the necessary resources to enable the contractor to undertake the work efficiently and cost effectively, it is necessary to maintain the separation of the planned and ad-hoc gas and electric heating installations.

(4) To seek quotations on an individual basis for every planned gas, renewable energy and electric heating replacement project. However, this is very time consuming and is not a cost-effective exercise and given the volume of planned gas and electric heating replacement projects carried out per annum, this would breach the Council's Procurement Rules C2 (9) with the works exceeding £25,000 in value during one financial year.

80. CALENDAR OF MEETINGS 2020/21

The Customer Services Portfolio Holder, Councillor S Kane introduced the report for the draft Calendar of Meetings for 2020/21.

The Cabinet considers the calendar of meetings each year prior to its final approval by the Council. The calendar was developed over time to meet the changing needs of the authority. In particular, this year consideration had been given to the change in methods of service delivery and digital devices.

It was noted that as usual the calendar tried to avoid any clashes with major religious festivals.

DECISION:

That the draft Calendar of Council Meetings for 2020/21 be recommended to the Council for adoption.

Reasons for Proposed Decision:

To review the proposed Calendar of Meetings for 2020/21, prior to its final adoption by the Council.

Other Options for Action:

The individual frequencies of meetings could be varied. In practice, additional meetings are added as and when issues dictate. Similarly, meetings can be cancelled if there was a lack of business.

81. IMPLEMENTATION OF THE LOCAL PLAN: UPDATE ON PROGRESS

The Planning Services Portfolio Holder introduced the report updating the implementation of the Local Plan. This report was based around the planning applications that the Council not been able to issue fully even if decisions had been made in principle at an officer level or by an area committee.

Members noted that the Council was aware of its legal obligations under the Conservation of Habitats and Species Regulations 2017 (as amended) ("the Habitats Regulations"), specifically, its duties as the 'competent authority' concerning the assessment of the implications of plans and projects for the Epping Forest Special Area of Conservation ("EFSAC").

As local planning authority, before deciding to grant planning permission for a project involving development likely to have a significant effect on the EFSAC (either alone or in combination with other plans or projects), the Council must make an Appropriate Assessment. For the purposes of that Appropriate Assessment, the Council must consult Natural England, as the appropriate nature conservation body, and have regard to any representations made by Natural England about the project within such reasonable time as the Council specifies.

Applying the precautionary principle and taking account of the conclusions of the Appropriate Assessment, the Council may grant planning permission for the proposed development only after having ascertained that it will not adversely affect the integrity of the EFSAC.

In the absence of mitigation and/avoidance measures agreed with Natural England, currently, the Council could not lawfully grant planning permission for new developments that would result in a net increase in vehicle movements. This had 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.

The Council had been working hard to identify whether an interim approach could be identified to address the backlog of planning applications pending completion of the additional HRA. To that end, the Council had undertaken a comprehensive review of all the applications held in abeyance and, following a detailed consideration of the development proposed in each application, the Council had concluded that some of the proposals would not result in a net increase in vehicle movements and, as a result, could be screened out as having no likely significant effect on the EFSAC. These decisions have now been issued.

Working with Natural England, the Council was currently exploring whether a viable interim approach could be identified to enable additional planning permissions to be granted.

Councillor Chris Pond asked for the list of the 19 planning permissions that had been issued be published in the members bulletin. Councillor Philip agreed to do this.

Councillor Wixley asked what the situation was in neighbouring authorities such as Waltham Forest and Redbridge. He was told that they were caught by the same issues that we were caught with and had the same problems to deal with as we had.

DECISION:

That the Cabinet noted the steps being taken to determine planning applications currently held in abeyance.

Reasons for Proposed Decision

To ensure that members are kept fully up-to-date on the steps being undertaken by the Council to determine planning applications in accordance with its legal obligations under the Habitats Regulations.

Other Options for Action:

Not to update members on the steps being undertaken would be contrary to previous commitments to keep Members informed.

82. ST JOHN'S ROAD REDEVELOPMENT - UPDATE

The Interim Strategic Director gave a short presentation on the redevelopment of the St John's Road site.

In the July 2019 Cabinet meeting the Council set out its intention to set up a group of wholly owned Council Companies. Work has been progressing well and the companies are now registered. One of these companies (Qualis Commercial) would be able to undertake development projects directly for the council. This approach would provide the Council with additional capital value and a long-term revenue income source.

The set-up work had identified that it would be beneficial for the Council to consider Epping Town sites as a package rather than individually. This would enable greater flexibility in terms of achieving commercially viable schemes that would:

- promote the sustainable development in the town and surroundings
- maximise the financial and business benefits
- ability to aggregate the sites together to address car parking requirements and public realm areas.

The St. Johns site remained a priority and it was expected that the full business cases for the sites set out in this report would be brought forward for approval by the Cabinet in March 2020. The Roundhills site will provide residential development in Waltham Abbey and would also be brought forward as an early scheme for Qualis Commercial.

At a meeting of the Cabinet in December 2018 it was decided that a development brief would be prepared for St John's which would satisfy the needs and desires of

the Council and the local populous, by accommodating the need to provide residential accommodation, a leisure centre incorporating a swimming pool, together with a cinema and associated retail provision. These goals were to be achieved in such a way as to be sensitive to the heritage of the site, complementary to the existing High Street and economically viable. Consultants White Young Green (WYG) were commissioned to undertake this work. The outcomes of this work were summarised in the report.

Councillor Holly Whitbread asked if the old sports centre would remain open while the development and building of the new Leisure centre was happening. She was assured that it would be.

Councillor Neville asked about the indicative values noting that on Hemnal Street there was 100% affordable housing, but it seemed that all the other sites had no affordable housing. He was told that there would be a mix of affordable housing in each scheme.

Councillor Patel asked when would the hoardings start to go up and when would we see actual images of what the development would look like in practice. He was told that the hoarding would go up in the next few weeks and the architects were still to do their detailed work so initial images to come after March.

Asked about parking for the proposed properties Councillor Rackman was told that it would be in accordance with the Local Plan.

Councillor Chris Pond asked how would residents of the new developments be precluded from owning cars as no parking space would be provided. And the prospect of having 400 new developments on the combined sites, seemed very dense for Epping. Councillor Philip replied that these sites were covered in the Local Plan, this may be slightly different but not significantly so, and the area covered from one end of Epping to the other was not so dense compared to the acreage. As for the other point we were caught with Climate impact dichotomy of providing more housing for our residents but bearing in mind the significant problem with the climate we had to make some hard decisions.

Councillor Janet Whitehouse asked about the permission for the hoarding coming to a sub-committee and about dealing with a homeless man who was living in that area. She was told that officers were aware of that situation and it was in hand. As for the permission for the hoarding, that would go to where ever the planning rules deemed that they should go.

Councillor Brookes asked about the new Leisure Centre, where undoubtedly people would come from a long way away. What was the plan for Cottis Lane car park, was it decking? She was told that the current plan was to deck part of the Bakers Lane car park, with Cottis Lane being residential accommodation and no parking. But, we would have to wait for the full planning application to come forward. They were still considering the whole package rather than just one site.

Councillor Kaufman expressed concern about the 25,000sq. feet of retail space – they were looking at a lot of new shops, which could overshadow the existing High Street and limited parking. Councillors needed more detail to substantiate the predictions being made.

Councillor Jon Whitehouse asked about the anticipated completion date for the Leisure Centre and what facilities were to be provided in the centre. It also seems that it was talking about double the amount of residential units that were to be

provided as mentioned in the Local Plan; had the transport model been updated to take this into account, and what about provision for blue badge parking. He was told that they were hoping to be further advanced by the end of the year once the applications had gone through the planning process, but they could not put any dates to this now. As for parking they would have to look at the whole development and the Local Plan. And, for the facilities to be provided, this was an ongoing discussion still being had.

Councillor Caroline Pond asked about the Library, had there been any discussions with ECC about this. She was told that the Leader and the Chief Executive have had discussions with the appropriate portfolio holder, but had nothing further to report as yet on this.

Councillor Wixley suggested we look to installing diving facilities in the new pool.

DECISION:

(1) The Cabinet noted the outline business cases for the proposed development of the following sites through Qualis Commercial:

- I. St John's Road
- II. Epping Sports Centre – Hemnel Street
- III. Bakers Lane Car Park
- IV. Cottis Lane Car Park
- V. Civic Offices – Conder Building
- VI. Roundhills Site

(2) The Cabinet noted that the transfer of these sites would be proposed on the understanding that the full business cases (to be presented at March Cabinet) achieved a minimum value to EFDC of 6% return on investment (in the form of land and loans) per annum from a mix of rental dividend and other financial returns and Qualis to provide a standard capital development return that as a minimum was 12%.

(3) The Cabinet noted that if a full business case failed to prove operationally and financially viable (as set-out in recommendation 2), that land ownership would be transferred back to the Council at the value it was originally transferred, with any fruitless or transactional costs falling to Qualis.

(4) The Cabinet noted the work undertaken by White Young Green to produce a development and design brief for the St John's site.

(5) That the Cabinet approved a £500k working capital loan to Qualis Group for the next stages of work to be undertaken.

Reasons for Proposed Decision:

The Epping Town sites are all located in important town centre locations, redevelopment will deliver considerable community and economic benefits for residents, businesses and visitors to Epping. It is imperative that the Council, as owners, now determine the future of the assets/sites, in the wider public interest. The Roundhills site provides a good opportunity to provide additional housing in the District.

Other Options for Action:

There were a number of potential alternative options available to the Council to include the sale of the core sites on the open market. Alternatively, the Council could seek another private sector development partner. These marketing approaches would see a loss of direct control, potentially incurring further delay, and the risk that any new owner/partner would not produce a scheme, which fully realises the community benefits sought. There would also be a lost opportunity for the council to achieve a new long-term income stream and additional asset capital value.

83. FINANCE STRATEGY DECISIONS

The Leader of the Council, in the absence of the Business Support Services Portfolio Holder, introduced the report on the Finance Strategy, noting that there were four papers to this report covering the Medium-Term Financial Strategy; the Budget for 2020/21; the Prudential Indicators; and the Council Tax setting. The main aim of the financial strategy was to support the priorities of the authority through self-sufficiency and autonomy through sustainable growth.

In most respects the financial plan for the next five years took a prudent approach to cost and income change and neither increases nor depletes reserves.

The most significant change in this MTFS was the forecast growing income stream from Qualis, a wholly owned group of companies. The income from Qualis was designed to grow to be significant and to ensure sustainability, and allowing a new fiscal approach to evolve.

The Budget paper was not a decision paper but sought a further Cabinet steer on both the general assumptions that drive the budget in Section 2 and the specific development proposals set-out in Section 3 of the report.

The paper had been put together following consideration of various options to raise council tax. This paper was written around raising council tax by 1.5%, half the predicted rate of inflation.

As for Prudential Indicators, the Local Government Act 2003 required the Council to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it could afford to borrow.

The objectives of the Prudential Code were to ensure, within a clear framework, that the capital investment plans of local authorities were affordable, prudent and sustainable, and that treasury management decisions were taken in accordance with good professional practice. To demonstrate that the Council had fulfilled these objectives, the Prudential Code set out indicators that must be set and monitored each year.

As for Council Tax setting - the Cabinet must recommend a Council Tax Rate to the Council in February. The Cabinet was aware that general inflation trends were running at around 3.0% but were also aware of the burden of council tax on individual households and that currently discards of more than £6m are granted.

Cabinet were also aware that new income sources from Qualis would commence in 2020/21 and part of the benefit of this would allow council tax rises to be pegged at half the inflation rate, i.e. 1.5%.

The Authority was awaiting precept information from parishes, the county council and other county-wide bodies. These precepts would be included in the final budget figures presented to Council in February.

Councillor Jon Whitehouse asked if, as in previous years, members could be provided with a four-year forecast of how the balances change. It was agreed that this could be provided when the report went up to full council.

Councillor Brookes asked if the Development company would also develop Ongar. She was told that there would be some development in 20/21 and a Cabinet report will be coming forward for the options that were being considered for Ongar Leisure Centre.

DECISIONS:

The Cabinet noted:

1. That the Financial Strategy of the Authority had been further developed and consisted of four linked papers. The papers and figures were subject to final review because of Government announcements and final due diligence.
2. That to allow for this level of final change before presentation of the Financial Strategy to the Full Council in February adjustments with a cumulative net impact of £500,000 can be made on the direction of the Leader in consultation with the Portfolio Holder for Finance and the Section 151 Officer and reported back to the Cabinet.
3. That adjustments to the papers with a value more than £500,000 were brought back to the Cabinet.

Paper A, Medium Term Financial Strategy:

1. The Cabinet approved the approach set out in the Medium-Term Financial Strategy, particularly in respect of inflation of cost, charges and fees and the aim to maintain the financial strength of the Authority as evidenced by reserve balances.
2. The Cabinet agreed to support the increase in the importance of the income from Qualis in respect of the medium-term financial strategy and the budget.

Paper B, Budget 2020/21:

1. Cabinet approved the 2020/21 budget in outline and confirmed the approach to cost and income inflation at 3.0%, noting that rents would rise per the national formula at 2.7% and car parking income would not rise at all pending the outcome of the review.
2. The Cabinet approved the 2020/21 budget in outline and confirmed the list of developments for which funding would be released on implementation.
3. The Cabinet approved the general and HRA capital spend of £26,171,528 in total.
4. The Cabinet approved the loans to Qualis which totalled up to £160m in 2020/21 as set out in the report.
5. The Cabinet approved the 2020/21 budget in outline and confirmed that the overall funding adjustments for District Development Fund and savings and contingency were as set out, i.e. a net draw from DDF of £1,774,906 (£2m forecast last year), £500,000 of savings, the formation of a contingency fund assumed spent of £1,095,540.

Paper C, Prudential Indicators:

1. The Cabinet noted the intent of keeping the financial strength of the Authority at current levels.
2. The Cabinet noted the impact of taking loans and onward granting loans to Qualis with a margin of profit for the Authority.
3. The Cabinet noted the general risk price approach to the loans granted to Qualis.
4. The Cabinet noted that the full set of prudential indicators along with the treasury strategy would be taken to the Full Council in February.

Paper D, Council Tax Increase:

1. The Cabinet approved the council tax increase of 1.5% (half the predicted inflation rate) for 2020/21.
2. The Cabinet noted that in 2021/22 the options to increase or reduce council tax rates exists (though the Government expectation on what should be raised from council tax should be noted).

Reasons for Proposed Decision:

The Budget was a statutory requirement for the Council.

Other Options for Action:

N/A.

84. PURCHASE OF LOUGHTON CENTRIC PARADE

The Commercial and Regulatory Services Portfolio Holder, Councillor Patel introduced the report on the purchase of Loughton Centric Parade. It was noted that in line with the direction set-out in the Asset Strategy (that was approved by Cabinet in June 2019) and the specific delegations to designated Cabinet members (that was approved by Cabinet in September 2019), Loughton Centric Parade had been purchased with completion having taken place on 9th December 2019.

In terms of further investment in assets, it should be recognised that the Authority only gained around 0.8% from traditional investments but should get 6% gross from asset investments. The Authority should and needs to benefit from this increased level of return.

Councillor Heap asked who the vendor was and noted that at Council it was said that the price would be £18.25million, however this report had two other figures in there. Councillor Patel replied that the purchase price was £18.65 million but the report added on the fees, VAT etc. The vendor was on behalf of Schroders.

Councillor Chris Pond questioned if this was such a good investment given the state of High Street shops in the present climate. Councillor Patel said that this would enable the council to do something positive and to keep a good balance of retail in our High Streets and gave us some control.

Councillor Murray agreed with Councillor Pond. He noted that the purchase had already been made and asked if the legal situation was correct and that this indeed had been purchased. Councillor Patel noted that due diligence had taken place over this purchase and key financial assessments had been made. Difficulties faced by the High Street had also been factored in. Delegated authority to take this decision

had been agreed by full Council. Councillor Murray said he understood that due diligence had taken place but what could councillors do if they disagreed with the decision. Councillor C Whitbread said that the Council had to change with the times, he understood the challenges that the High Streets faced, but they always changed to meet the difficulties they faced. And, the increased revenue to the Council would help to protect its front-line services in the future.

Councillor Murray went on to comment that at Councillor level, not officer competence, that over the years, he did not see us having the ability to manage retail businesses. Councillor C Whitbread said that he was surprised at these comments as what they have done over the years did not bear out this assertion.

Councillor Wixley noted that this was not Centric Parade as set out in the report but included other properties as well. The report should list all the properties purchased. Councillor Kaufman also asked that the recommendations be made simpler with less jargon. Councillor C Whitbread agreed and asked that the recommendations be amended accordingly for the minutes.

DECISION:

1. The Cabinet noted that in accordance with the agreed Asset Strategy and the delegations from Cabinet that the Authority had acquired 202-226 (even) High Road and 200 High Road, Loughton (Centric Parade No.1-6), a mixture of retail and residential units. The total costs of the purchase was £23,820,950; consisting of the purchase price of £18,645,000, Stamp Duty of £921,750, legal and professional fees of £340,805 and VAT of £3,913,950. (It should be noted that these figures are subject to alteration as the Authority has elected to add this property to its HMRC approved VAT scheme and that other minor changes in Stamp Duty and fees may occur, all to the financial benefit of the Authority).
2. The Cabinet noted that Councillors S Stavrou, H Whitbread and A Patel in discussion with the Leader and the assistance of the Estate Team and Section 151 Officer, formally considered and unanimously agreed the purchase and signed the decision sheet accordingly.
2. The Cabinet noted that the information provided to the decision makers showed a gross annual revenue yield of £1,425,602, or 5.98% against the guiding benchmark of 6.00%.
3. The Cabinet noted that the information provided to decision makers showed a net (after £390,780 of building depreciation costs as per the historic approach in EFDC, and insurance and £309,000 of financing costs including the cost of lost interest on current cash surpluses), annual revenue yield of £717,823 or 3.01% against the guiding benchmark of 3%.
4. The Cabinet noted that the information provided to the decision makers showed an analysis of key risks and sensitivities that could be appropriately managed.
5. The Cabinet noted that the information provided to the decision makers showed that future capital growth was a possibility with additional expansion and improvement to the flat units, (this development was not planned at this stage).
6. The Cabinet noted that the Authority was awaiting confirmation of the VAT status of the project and a final statement of fees and charges for the solicitors. All the

expected movements in costs were marginal and would work in the Authority's favour.

Reasons for Proposed Decision:

This was a report for information only.

Other Options for Action:

N/A.

85. ANY OTHER BUSINESS

It was noted that there was no other urgent business for consideration by the Cabinet.

86. EXCLUSION OF PUBLIC AND PRESS

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:

<u>Agenda Item</u>	<u>Subject</u>	<u>Paragraph Number</u>
19	People's Strategy – Senior Management	3&4

87. PEOPLES STRATEGY - SENIOR MANAGEMENT

The report on the 'People Strategy – Senior Management' was introduced by Maxine Taylor a specialist recruitment consultant tasked with carrying out this work. She noted that a lot of progress had already been made by the Council on its corporate plan and the finalising of the staff restructure and recruitment. The proposed changes had been modelled within the existing staff and management budgets and were within existing budget and resources.

EFDC had introduced a number of major changes in the past year, including the appointment of a new Chief Executive, management restructure and local pay and benefits arrangements while at the same time undertaking a major recruitment exercise. The establishment of Qualis Group and the subsidiary companies would, in time, further impact upon the operation of the Council, and the current top structure could now be reconsidered to best match future requirements.

Following review, the preferred option was to separate the strategic and operational arms of EFDC, with strategy being defined by the Chief Executive and an Executive Management Team who would then commission Operational Managers to deliver specified work programmes.

As a result, the preferred shape and structure of top management was proposed as follows:

- Chief Executive – providing leadership and direction for EFDC;
- Strategic Directors (x2) – accountable for the overall success of the organisation and for demonstrating visible leadership across the Council; and

- Chief Operating Officer – a new role that will hold prime accountability for the delivery of the work-streams identified within Council vision and strategy.

The roles of Chief Operating Officer and Strategic Director had been job evaluated under the HAY evaluation scheme and then aligned to market data. It was important that high calibre individuals were attracted to these roles, and that the right individuals were retained in the organisation for, as a minimum, the medium term. For this reason, the proposed salary level had been compared to Upper Quartile of the market.

The timeline for recruitment to the Strategic Directors and Chief Operating Officer had been set out in Appendix 4 of the report. Successful candidates could be in position from March 2020 up to June 2020 depending on notice periods.

Ms Taylor was asked by Councillor Philip if more was done than just looking at other councils' websites, she replied that they had used all information and policies published by councils. Councillor Philip was assured that officers had carried out due diligence and proposed adding a new recommendation stating that the salary points had been arrived at by independent advice and in comparison with neighbouring authorities in Essex. In answer to a question Ms Taylor said that remuneration varied across the board and they were looking for an increase to attract and keep good people.

Councillor Lion commented that this report was missing a relationship between performance management and objectives that these officers could be measured against. Ms Taylor agreed saying that they could be reviewed annually using KPI and SLAs. Councillor C Whitbread agreed and proposed adding a new recommendation to be agreed between the Leader and the Chairman of Overview and Scrutiny on performance and pay for the Senior Roles. This was agreed.

Other Councillors agreed that the pay rise should be linked performance. It was also commented on that with the work currently being done by three people would be now be done by four, it would be helpful to hear more about accountability and blurred lines of responsibility. They were told there was a need for clarity on how this would work and on performance and how things were to be delivered. They also noted that it had been a disquieting year or two for officers who may be uncomfortable with such a proposal.

The meeting noted the pressures the Council currently faced on recruitment and retention, being so close to London which these proposals looked to resolve. This new type of leadership model needed to re-evaluate the roles in the Council and to work out what was needed over the next 4 to 5 year period.

DECISION:

- (1) The Cabinet reviewed and approved the senior management structure proposed by The Head of Paid Service.
- (2) The Cabinet noted that the salary points had been arrived at by independent advice regarding the position of salary scales in relation to other neighbouring authorities in Essex and London.
- (3) The Cabinet agreed the salary up-lift for senior roles (noting the proposal was within existing establishment). This included an element of performance payment against agreed objectives for the CEO role, with the Leader and Chairman of the Overview and Scrutiny Committee and an Independent Facilitator. A percentage payment on performance will be made on the

uplifted part of the salary at 20%. Therefore, on an uplift of £25,000 - 20% performance payment will be £5,000.

- (4) The Cabinet noted the timetable for Strategic Director and Chief Operating Officer permanent appointments, firstly through the Member Appointments Panel as defined within the Scheme of Delegation
- (5) The Cabinet agreed that the decision over which an external recruitment agency be awarded the tender to source suitable candidates be delegated to the Leader of the Council (as outlined in Appendix 4 of the report for proposed recruitment timeline).

CHAIRMAN

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