

## **EPHING FOREST DISTRICT COUNCIL CABINET MINUTES**

**Committee:** Cabinet **Date:** 15 April 2020

**Place:** Online Meeting using Zoom **Time:** 7.00 - 8.00 pm

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

**Other Councillors:** R Bassett, L Burrows, D Dorrell, S Heap, S Heather, C McCredie, S Murray, S Neville, C C Pond, C P Pond, M Sartin, B Vaz and J M Whitehouse

**Apologies:** S Stavrou

**Officers Present:** N Dawe (Chief Operating Officer), G Blakemore (Chief Executive), A Blom-Cooper (Interim Assistant Director (Planning Policy)), T Carne (Corporate Communications Team Manager), D Fenton (Service Manager (Housing Management & Home Ownership)), Ferrigi (Service Manager (ICT & Business Support)), J Houston (Strategic Partnership Specialist and Economic Lead), S Jevans (Strategic Director), S Mitchell (PR Website Editor), P Tredgett (Executive Assistant) and G Woodhall (Democratic & Electoral Services Officer)

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### **99. 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.

### **100. DECLARATIONS OF INTEREST**

(a) Cllr N Avey declared a personal interest in agenda item 16 – Community Interest Company – and item 17 – Council Owned Sites: Sale of Assets to Qualis Commercial – by virtue of being a Council-appointed non-executive Director on the interim Qualis Board of Directors. The Councillor had determined that his interest was non-pecuniary and would remain in the meeting for the consideration of these items.

(b) Cllr J Philip declared a personal interest in agenda item 16 – Community Interest Company – and item 17 – Council Owned Sites: Sale of Assets to Qualis Commercial – by virtue of being a Council-appointed non-executive Director on the interim Qualis Board of Directors. The Councillor had determined that his interest was non-pecuniary and would remain in the meeting for the consideration of these items.

(c) Cllr J M Whitehouse declared a personal interest in agenda item 17 – Council Owned Sites: Sale of Assets to Qualis Commercial – by virtue of being a member of Epping Town Council and a resident of St John's Road in Epping. The Councillor had determined that his interest was non-pecuniary and would remain in the meeting for the consideration of this item.

(d) Cllr J M Whitehouse declared a personal interest in agenda item 18 – Development Opportunity: St John the Baptist Church, Epping – by virtue of being a resident of St John’s Road in Epping. The Councillor had determined that his interest was non-pecuniary and would remain in the meeting for the consideration of this item.

(e) Chief Executive G Blakemore declared a personal interest in agenda item 16 – Community Interest Company – and item 17 – Council Owned Sites: Sale of Assets to Qualis Commercial – by virtue of being a Council-appointed non-executive Director on the interim Qualis Board of Directors. The Officer had determined that her interest was non-pecuniary and would remain in the meeting for the consideration of these items.

(f) Strategic Director S Jevans declared a personal interest in agenda item 16 – Community Interest Company – and item 17 – Council Owned Sites: Sale of Assets to Qualis Commercial – by virtue of being a Council-appointed non-executive Director on the interim Qualis Board of Directors. The Officer had determined that her interest was non-pecuniary and would remain in the meeting for the consideration of these items.

## **101. MINUTES**

### **Decision:**

(1) That the minutes of the meeting of the Cabinet held on 6 February 2020 be taken as read and signed by the Leader of Council as a correct record.

## **102. REPORTS OF PORTFOLIO HOLDERS**

The Leader of the Council asked Councillors to join him in recording his thanks to staff for their hard work and professionalism in adapting to the changing circumstances caused by the Coronavirus lockdown, from organising the distribution of food parcels to implementing various emergency initiatives such as grants to local businesses. The financial position of the Council remained stable while it continued to support residents and the local business community. The Leader of the Council also offered his thanks to all the volunteers, the National Health Service staff and carers across the District.

The Cabinet and other Councillors noted the continuation of Council services since the start of the pandemic. Particular attention was drawn by Cllr M Sartin to the continuation of the full Domestic Waste and Recycling Collection Service provided under contract by Biffa, in contrast to other areas of Essex where capacity issues had led to the reduction or withdrawal of various refuse and recycling services in different district, borough and unitary authorities.

## **103. 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.

## **104. OVERVIEW AND SCRUTINY**

The Chairman of the Overview & Scrutiny Committee, Cllr M Sartin, stated that there was nothing to report as the last meeting of the Overview and Scrutiny Committee in March had been postponed, due to the social distancing measures introduced just

prior to the lockdown and invitations to external parties had been issued for that meeting.

**105. ASSET MANAGEMENT AND ECONOMIC DEVELOPMENT CABINET COMMITTEE - 16 JANUARY 2020**

The Portfolio Holder for Commercial & Regulatory Services, Cllr A Patel, presented the minutes from the meeting the Asset Management & Economic Development Cabinet Committee, held on 16 January 2020.

The Portfolio Holder reported that there were no recommendations to consider, but the Cabinet had received progress reports on Asset Management Development Projects, and Economic Development Projects.

**Decision:**

- (1) That the minutes of the meeting of the Asset Management & Economic Development Cabinet Committee, held on 16 January 2020, be noted.

**106. FINANCE AND PERFORMANCE MANAGEMENT CABINET COMMITTEE - 23 JANUARY 2020**

In the absence of the Business Support Services Portfolio Holder, who had tendered her apologies for the meeting, the Leader of Council, Cllr C Whitbread, presented the minutes of the meeting of the Finance & Performance Management Cabinet Committee.

C Whitbread reported that there was one recommendation from the Cabinet Committee to consider, the approval of the updated Corporate Risk Register. In addition the Cabinet Committee had considered the Finance Strategy for 2020/21, Quarter 3 performance against the Council's Corporate Plan, and the development of the interim Council & Community Plan for 2020.

**Decision:**

- (1) That the minutes of the meeting of the Finance & Performance Management Cabinet Committee, held on 23 January 2020, be noted; and
- (2) That the updated Corporate Risk Register be approved.

**Reason for Decision:**

It was essential and good business practice for the Corporate Risk Register to be kept up to date.

**Other Options Considered and Rejected:**

The Cabinet was satisfied that opportunities to suggest new corporate risks for inclusion or changes to existing risks on the Register had been available to Councillors at the meeting of the Cabinet Committee.

**107. NURTURING GROWTH - DELIVERING AN ECONOMIC DEVELOPMENT PLAN**

The Portfolio Holder for Community & Partnerships, Cllr N Bedford, introduced a report on the development of an Economic Strategy for the District.

Cllr Bedford reminded the Cabinet that it had been previously agreed the Council would produce an economic strategy following the adoption of the District's Local Plan. A strategy consultation document 'Nurturing Growth' was produced, which outlined a clear and long-term direction for economic growth across the Epping Forest District and identified key priorities and actions that could be adopted by stakeholders across the District to achieve this. The consultation document was released in draft, for consultation to a wide range of stakeholders in April 2019 and again in September 2019. The responses from the consultation periods had informed the development of the Economic Strategy.

The Cabinet was requested to approve the development and delivery of a five -year Economic Development Action Plan to enable the aspirations of Nurturing Growth to be realised and associated resourcing to enable this work to be undertaken. The Cabinet was also requested to agree the four priorities within the Action Plan, namely:

- (i) Local High Streets (recommendations from the Task & Finish Review);
- (ii) Rural Strategy;
- (iii) North Weald Airfield (Economic Growth); and
- (iv) Infrastructure.

Cllr Bedford explained that the Strategy had been drafted in advance of both the current Coronavirus pandemic and the significant package of measures announced by the Chancellor in the budget to support the economy. Officers would be ensuring that the prioritization of the Delivery Plan actions aligned with central government guidance and the needs of the local economy. The Cabinet noted the impact of the Coronavirus pandemic on the Strategy and the need for short-term delivery plans to support local businesses.

**Decision:**

- (1) That the results of the consultation on the Council's Economic Development Strategy 'Nurturing Growth' be noted and the revised Strategy, as set out in Appendix 1 of the report, be adopted;
- (2) That the development of a delivery plan for Nurturing Growth be agreed, setting out a phased implementation programme that would be monitored as part of the revised Corporate Strategy;
- (3) That the prioritisation of the following four key actions over the course of the delivery plan be agreed:
  - (i) Local High Streets;
  - (ii) Rural Strategy;
  - (iii) North Weald Airfield as a location of economic growth; and
  - (iv) Infrastructure;
- (4) That the allocation of District Development Funding in the sum of £35,000 in 2020/21 and £50,000 in 2021/22 be agreed, as already

earmarked, for the appointment of a member of staff on a fixed term basis to deliver actions identified in the Strategy, including work to support the sustainability of local high streets.

**Reasons for Decision:**

The Nurturing Growth Strategy had been developed to provide a clear statement on the priorities and ambition of the District in terms of economic growth, at a time when the local economy faced sustained and dynamic change. A clear statement on the priorities and support for local economic growth would influence the policy and investment of a wide range of stakeholders in order to make Epping Forest 'a great place to live, work, study and do business'.

**Other Options Considered and Rejected:**

To not to adopt the strategy in its revised form. However, the District currently had no long-term plan to guide or support the local economy and the economic aspirations in the Local Plan. A series of operational priorities had been pursued over recent years and although these had been effective in the short term, there was no clear direction of travel or detailed understanding of areas of opportunity linked to regional and national plans and as such, this hampered the District's ability to bid for external economic support and funding.

**108. ICT STRATEGY**

The Portfolio Holder for Customer Services, Cllr S Kane, introduced a report on the replacement of the existing ICT Strategy with a new ICT Strategy for the period 2020-22.

Cllr S Kane reported that the current ICT Strategy had been drafted in 2017 for implementation throughout the period 2018-23. An independent review was recently carried out across ICT and the organisation to refocus on current and near future requirements. The outcome of the independent review was that a revised ICT Strategy would be required to focus on the expectations of the organisation for the next two years, by improving the basics and making better use of what the Council already had and the investments that the Council had already made. This aim promoted an element of the Council's Customer Strategy; fixing the basics and an element of the MHCLG Local Digital Declaration (attached at Appendix B of the report); fixing our own plumbing.

Councillor S Kane also noted the success of the Strategy by enabling remote and agile working during the current pandemic lockdown and the process undertaken by Officers in selecting HoTH as the internal client/customer CRM system employed by the ICT Service Desk. Councillor Kane noted comments concerning the adoption of a 'one phone' policy and assured members the suggestion would be considered.

**Decision:**

- (1) That the replacement of the existing ICT Strategy for 2018-23 with a revised ICT Strategy for 2020-22 be approved.

**Reasons for Decision:**

The current Strategy was developed in 2017. Since then, the organisation had progressed considerably and so had the requirements and expectations of ICT. Thus, the current Strategy was no longer fit for purpose.

**Other Options Considered and Rejected:**

To continue to work to the 2018-23 ICT Strategy; however, this was discounted as the Strategy was no longer fit for purpose and would not achieve the desired outcomes for the organisation.

**109. HARLOW AND GILSTON GARDEN TOWN DRAFT HEALTHY TOWN FRAMEWORK**

The Planning Services Portfolio Holder, Cllr J Philip, presented a report on the draft Healthy Town Framework for the Harlow and Gilston Garden Town (HGGT) proposed for public consultation.

Cllr J Philip reminded the Cabinet that Harlow and Gilston was designated as a Garden Town by the Ministry for Housing, Communities and Local Government in January 2017 and would comprise new and existing communities in and around Harlow. The District Councils, Harlow, East Herts and Epping Forest were working together with Hertfordshire and Essex County Councils to ensure plans for the Garden Town supported sustainable living and a healthy economy; provided a good quality of life for existing and future residents; and responded to local landscape and character.

Cllr J Philip reported that the Harlow and Gilston Garden Town (HGGT) Vision had set out, as one of the objectives, that the Garden Town would be a healthy place to live. To ascertain the features that make a healthy town, the HGGT Team had commissioned the Town and Country Planning Association (TCPA) to prepare a Healthy Town Framework (draft Framework). A number of key stakeholders were involved in the preparation, including the NHS Clinical Commissioning Groups, NHS Trusts (including Princess Alexandra Hospital), Public Health England and the Harlow Health Centres Trust.

Cllr J Philip stated that the draft Healthy Town Framework provided a framework for realising the HGGT Vision and would provide guidance for development proposals to ensure the Garden Town became a healthy place to live and supported the wellbeing of existing and future residents. The draft Framework was agreed by the HGGT Member Board in July 2019 and the next stage was to seek agreement from this Council to publish for consultation.

Cllr S Neville enquired whether cycleways would be part of the plan for the Garden Town? Cllr J Philip confirmed that they would, and that cycle and pathways would be properly overlooked by residents to ensure the safety of the walkers and cyclists.

**Decision:**

- (1) That the publication of the draft Harlow and Gilston Garden Healthy Town Framework for a six-week period of public consultation be agreed; and
- (2) That, following the end of the public consultation, the Harlow and Gilston Garden Healthy Town Framework be updated; and
- (3) That the final version of the Harlow and Gilston Town Healthy Town Framework be submitted to a subsequent meeting of the Cabinet to be agreed as a material planning consideration for the preparation of masterplans, pre-application advice, assessing planning applications and any other development management purposes.

**Reasons for Decision:**

Following consultation and any subsequent revisions to the document, including the preparation of an accompanying Health Framework Action Plan, it was intended to give planning weight to the Framework by endorsing it as a material planning consideration. This status would ensure that development proposals would achieve garden town ambitions, and that clear parameters were established for future master planning pre-application advice, assessing planning applications and any other development management purposes within the Garden Town.

**Other Options Considered and Rejected:**

To not agree the draft Framework for consultation; however, this would mean that there would be no agreed approach to ensure that development proposals would achieve the Garden Town's ambitions to improve health and wellbeing.

**110. IMPLEMENTATION OF THE LOCAL PLAN: UPDATE ON PROGRESS**

The Portfolio Holder for Planning Services, Cllr J Philip, presented a report updating the Cabinet on the progress made with the implementation of the Local Plan.

Cllr J Philip reminded the Cabinet that, following the Cabinet meeting in October 2018 which agreed the governance arrangements for the implementation of the Local Plan, the Implementation Team had made a commitment to provide members with regular updates on the progress of Masterplans and Concept Frameworks within the District to ensure that members were kept fully up to date.

Cllr J Philip reported that, although there had been a delay in the securing the adoption of the Local Plan, the strategic sites were progressing well and were currently on track to meet the delivery of housing noted within the Housing Implementation Strategy Update 2019 (see EB410A and EB410B). The Council was also continuing to work proactively to identify an interim approach to address the backlog of planning applications held in abeyance following the advice from Natural England, pending completion of the additional Habitats Regulations Assessment. Counsel's advice was awaited on the lawfulness of any proposed interim approach.

Cllr S Murray commented that local residents were appreciating the retained green space at Jessel Green for exercise during the current Coronavirus pandemic.

**Decision:**

- (1) That the progress of Masterplans and Concept Frameworks, including the use of Planning Performance Agreements and the progress of other proposals at pre-application and application stage, be noted.

**Reasons for Decision:**

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

**Other Options Considered and Rejected:**

To not update members on the progress with the implementation of the Local Plan; however, that would be contrary to the commitment made by the Implementation

Team on 18 October 2018.

#### 111. GREEN INFRASTRUCTURE STRATEGY

The Portfolio Holder for Planning Services, Cllr J Philip, presented a report requesting approval for the draft Green Infrastructure Strategy to begin public consultation.

Cllr J Philip stated that the Council's emerging Local Plan had set out policies in relation to Green and Blue Infrastructure, the protection of ecological assets and high quality design. To support these policies and address the requirement to provide suitable avoidance or mitigation measures to manage any potential impacts of growth on protected sites, primarily the Epping Forest Special Area of Conservation (SAC) and a number of Sites of Special Scientific Interest (SSSI's), the Council had produced a Draft Green Infrastructure Strategy. This would ensure high quality Green and Blue Infrastructure, including the provision of Suitable Alternative Natural Green Spaces (SANG), was delivered alongside the proposed growth in the District.

Cllr J Philip informed the Cabinet that this report therefore provided Members with an update on the aims, objectives and purpose of the Green Infrastructure Strategy and confirmed the proposed consultation programme on the Draft Strategy. The intention was that, following the consultation and any updates arising thereout, the final Strategy would be submitted to the Cabinet for endorsement as a material consideration in the determination of planning applications, masterplans/concept frameworks and guide design and implementation processes.

#### **Decision:**

- (1) That the Draft Green Infrastructure Strategy (Appendix 1 of the report) be approved for public consultation for a six week period; and
- (2) That the Planning Services Director, in consultation with the Planning Portfolio Holder be authorised to make minor amendments to the Draft Green Infrastructure Strategy prior to the public consultation.

#### **Reasons for Decision:**

To ensure that Members were appraised on progress of the Green Infrastructure Strategy.

To comply with the Council's general obligations as a competent authority under the Habitats Directive [article 6(3)] and the Species and Habitats Regulations 2018 [Regulation 9(1)].

In response to the Planning Inspector's Advice dated 2 August 2019 (ED98) following the hearing sessions of the Local Plan examination for a SANG Strategy to mitigate the full effect of recreational pressure upon the Epping Forest SAC.

#### **Other Options Considered and Rejected:**

To not bring forward the Draft Green Infrastructure Strategy for consultation; however, that would mean that there would be no guidance to support the delivery of development proposals and achieve the objectives set out in the Council's Local Plan policies SP 7, DM 1, DM 2, DM 16, T 1 and DM 6.

**112. CHRISTMAS - NEW YEAR ARRANGEMENTS**

The Portfolio Holder for Strategic Projects, Cllr A Lion, presented a report on the Christmas / New Year arrangements for the period 2020 – 22, which had originally been considered at the Group Leaders meeting on 1 April 2020.

Cllr A Lion reminded the Cabinet that for the past 18 years the Council had closed a number of Council buildings during the Christmas and New Year period. The closure of buildings was facilitated by fixing the 2 statutory days, accounting for the bank holidays and, where necessary, the Council giving an additional day(s) of annual leave to Staff. However, Council services continued to be provided during this period using a range of methods for our residents to contact us. The Council operated a website whereby our residents could access a range of information, they could request and pay for services and they could report issues within the District. In addition, an out-of-hours service was in place so that residents could speak to a individual to report an emergency issue. Outside of the Public/Bank Holidays, our Waste team was at work as were our Scheme Managers and North Weald Airfield (NWA).

Cllr A Lion reported that consultation had taken place with Service Managers and the Leadership Team about the impact of these Christmas/New Year arrangements on service provision to determine whether this would have a detrimental impact on service users. Service Managers, supported by the Leadership Team, were of the view that because of the continuing lower demand for services over this period, the most efficient way to meet this demand was by signposting the public to services rather than opening the Council offices. All essential services were covered either by the out of hours contact centre or specific staff on call over the period. Leadership Team supported the continuation of the arrangements for the next two years.

The Cabinet noted that the refurbishment of the main Civic Offices would have just been completed in December 2020, During 2021, there were likely to be additional services provided from this building and it was proposed that a review be undertaken, informed by a Customer Survey to be carried out in the coming months, to assess customer requirements regarding service provision. This review would encompass opening times throughout the year, including the Christmas/New Year period.

**Decision:**

- (1) That the Leadership Team's recommendation to continue the current Christmas/New Year arrangements for the period 2020-22, in accordance with the Schedule at Appendix 1 of the report, was agreed by the Leader of Council under Appendix 3 (Action in Designated Emergencies) of Article 7 (The Executive) of the Constitution on 1 April 2020 be noted; and
- (2) That a review of service provision across the Council be undertaken in 2021.

**Reasons for Decision:**

Previous consultation with employees had showed that 97% of respondents wished the current arrangements for the Council over the Christmas/New Year period to be continued. There were a range of ways our residents could access Council services during the Christmas / New Year period which did not require our buildings to be open.

**Other Options Considered and Rejected:**

To substitute other arrangements or decide to not continue with the current arrangements.

**113. ANY OTHER BUSINESS****Decision:**

(1) That, in accordance with Section 100B(4)(b) of the Local Government Act 1972, the following items of urgent business be considered following the publication of the agenda:

- (a) Development Opportunity – St John the Baptist Church, Epping.

**114. DEVELOPMENT OPPORTUNITY - ST JOHN THE BAPTIST CHURCH, EPPING**

The Portfolio Holder for Housing & Property Services, Cllr H Whitbread, presented a report on a development opportunity in partnership with the St John the Baptist Church in Epping.

Cllr H Whitbread informed the Cabinet that the Council had been approached by representatives of St John the Baptist Church to enquire as to whether there would be any appetite to undertake a joint project to develop a community hall and accommodation. The Church were keen to ringfence any residential accommodation for key workers, and the community hall would be utilized by the Church and other local groups. The full details were subject to negotiation; however, a brief report had been prepared by the Council's consultants, Metaplan. This had indicated that, subject to a mixture of affordable and shared ownership housing, the project would provide a healthy return for the Council over the period of the Business Plan. In addition, a much-needed community resource would also be created.

The Cabinet felt that this was an excellent scheme and a fantastic opportunity, although it was noted that there was currently no timescale for the completion of the Feasibility Study. It was suggested that this scheme should form part of the wider development in St Johns Road, Epping; however, the Leader of Council, Cllr C Whitbread, responded that this scheme had been worked on by the Church for a long time and was still a good opportunity for Epping.

**Decision:**

(1) That progression to carry out a full feasibility study on a joint project with St John the Baptist Church in Epping, in order to provide a community hall and accommodation for key workers, be approved.

**Reasons for Decision:**

The development of affordable housing supported the overall aspirations of the Councils Corporate Plan – Stronger Place, Stronger Communities.

The opportunity to partner with St John the Baptist Church provided both financial and community partnership benefits for the Council.

**Other Options Considered and Rejected:**

To not progress to full feasibility, in which case the Church would contract with a private developer.

**115. COMMUNITY INTEREST COMPANY**

The Leader of Council, Cllr C Whitbread, presented a report on the establishment of a Community Interest Company within the Qualis Group.

Cllr C Whitbread informed the Cabinet that Community Interest Companies (CICs) were a new type of limited company for organisations wishing to establish businesses which traded with social purpose, or to carry on other activities for the benefit of the community. The CIC would sit well with the other Qualis Limited Companies and provide a useful form for holding assets such as community halls and facilities, as well as trading in a conventional sense through the provision of goods and services. It would be registered as a Company Limited by shares and would need to describe the community or section of the community that the company's activities would benefit, so as to enable the regulator to decide the company's eligibility for CIC status.

Cllr C Whitbread stated that the existence of such a company was deemed to allow public realm and public services to be delivered in a flexible way whilst being attentive to local need as well as being a useful vehicle for potential future schemes where community support was essential, e.g. solar farms and water management measures. The formation of such a company would also offer appropriate financial and tax flexibility. In addition, the existence of a CIC with the support of the Qualis Group but locally focused would allow it to immediately play a role in the Harlow and Gilston Garden Town Project. Also, some of the Epping Town Centre sites and other potential developments across the District might have areas of public realm or community assets that would benefit from being operated through the Qualis Community Interest Company.

The Strategic Director, S Jevans, explained that the Cabinet was being requested to approve the establishment of the CIC, which would support the work of the Qualis Group. The benefit for the Harlow and Gilston Garden Town project had already been highlighted, and this was an exciting opportunity. It was not expected that the articles to comply with the CIC Regulations 2005 would be submitted to the Cabinet for approval. The registration process would be followed and, if successful, the CIC would report back to the Council on a quarterly and annual basis.

Cllr C Whitbread clarified that only one share would be issued for the CIC, and it would be wholly owned by the Council. The projects that had been scheduled for the CIC would benefit the local community and help to stimulate the local economy after the Coronavirus pandemic had ended.

**Decision:**

- (1) That the establishment of the Qualis Community Interest Company be approved in accordance with the following principles:
  - (a) to improve the economic, social and general wellbeing of the public through a sustainable approach to providing public infrastructure and services;

- (b) to operate in the Epping Forest District Council area, adjacent authorities and broader East of England initiatives (with partners);
- (c) to set up a representative steering group for each defined project that would make recommendations to the Qualis Community Interest Board (effectively the Qualis Group Board); and
- (d) to report the activity of the Community Interest Company to the Council on a quarterly and annual basis in line with the proposals for the other Qualis group companies.

**Reasons for Decision:**

It was important that the Council took an active role in the social and community benefits for its residents and this approach would enable a company structure to achieve significant long-term advantages. The governance that sits around the existing Qualis Group of companies would provide the skills and experience to manage this new company.

**Other Options Considered and Rejected:**

To not proceed with the set-up of this company within the existing structure; however, this would mean that the Council would potentially lose the community interest opportunities within the Harlow and Gilston Garden Town. In the same way, there would be many opportunities for the Council to create community benefit on existing Council-owned sites, such as the St John's Road development.

**116. COUNCIL OWNED SITES - SALE OF ASSETS TO QUALIS COMMERCIAL**

The Leader of Council introduced a report on the sale of Council-owned sites to Qualis Commercial, which was presented by S Jevans, Strategic Director.

S Jevans reminded the Cabinet that the Council had established a new Group of companies, including the development company known as Qualis Commercial. This company had been working on the business plan and development appraisals for the sites that were being proposed for asset sale from the Council into Qualis Commercial. The Cabinet was requested to note that the business case had been put together from the perspective of Qualis Commercial as a development company. At this pre-planning stage the business case predicted an indicative target developer return of 15%. The business case had also examined all major risks and sensitivities and under these circumstances the development was still considered financially worthwhile, with contingencies being built in to reflect uncertainties.

The Cabinet was also requested to note that whilst any land transaction would be between the Council and Qualis Commercial to reduce transaction costs, the loans would be between the Council and the Qualis Group who would then cascade these resources as needed to Qualis Commercial. This loan cascade would purposefully allow the Council to advance funding to Qualis with long term certainty around returns but would also allow individual companies in the Qualis Group to draw and repay monies within the Group (in line with normal commercial practice).

The Strategic Director stated that the Qualis Commercial business plan included development appraisals and sensitivity analysis for the following sites:

- St John's Road in Epping;
- Cottis Lane car park in Epping;
- Bakers Lane car park in Epping;

- The Epping Leisure Centre in Hemnall Street;
- land at the Civic Offices, the Conder building; and
- the Roundhills Site in Waltham Abbey.

S Jevans reported that on 6 February 2020, the Cabinet had approved the establishment of the interim Qualis Group Board. Assuming the transfer of sites into Qualis Commercial, the Group Board would oversee the detailed work required to develop each site into a full business case. Following the transfer of the sites to Qualis Commercial, the Qualis Group Board would oversee the development of full business cases on a site by site basis as designs were developed during the pre-application process. This would require the appointment of the design team and a commitment to further costs associated with detailed architectural design work required to develop the full business case ready for submission to planning.

Finally, S Jevans highlighted that a revision clause would be placed into the sale contract allowing all properties to return to the ownership of the Council at the value they were sold for unless they were developed within five years of this proposed sale.

Cllr S Murray expressed his scepticism about the process and was concerned at the potential loss of control and influence over the development of these sites. However, Cllr C Whitbread took a different view by stating that – historically – the Council would have sold such sites to a major developer for a one-off capital sum, but this approach gave the Council more control and influence over the developments, such as the planned new Sports Centre in St Johns Road, Epping. These developments would bring long-term benefits to residents and the revenue would enable the Council to fund its services into the future.

Cllr J M Whitehouse highlighted the importance of regularly reporting progress with these development projects to Members, and wanted to know when further details on these developments would be available. S Jevans responded that the detailed business cases for the schemes were being progressed and would hopefully be finished within the next month; these would then feed into the detailed planning process, which is when Members would start to see how the sites would look like when completed.

Cllr J M Whitehouse also highlighted the planning risk if the Council attempted to put more units on a site than outlined in the District's emerging Local Plan. S Jevans acknowledged this and stated that the business planning process had included the risk of development schemes being revised as they progressed through the planning process. The Chief Operating Officer, N Dawe, accepted that the figures for each site would be likely to change during the next three – six months, but the progress of each scheme would be reported to the Council every quarter to provide transparency.

Cllr J M Whitehouse also enquired about the consultation and planning strategies for these sites. N Dawe agreed that there would be issues arising for these sites, especially from the multiple site development planned for Epping, but that the Council's Planning Officers would determine the applications in accordance with the Council's agreed Planning Policies and recommend accordingly to the Council's Planning Committees. The Planning Policy Manager, A Blom-Cooper, added that all of the consultations planned for these sites would be conducted in accordance with the Council's agreed Statement of Community Involvement, and that discussions were already taking place with Officers in Qualis as to which consultations could be commenced during the current Coronavirus pandemic.

Cllr S Heap enquired if there was confidence in the ability of Qualis and its staff to deliver these projects on time and within budget, and whether the obligation to offer the 'Right-to-Buy' scheme for new Council houses was being removed. Cllr C Whitbread reassured Cllr S Heap that if Council housing was developed then there was a legal obligation to offer the 'Right-to-Buy' scheme for tenants. However, if social or affordable housing was developed then there was no obligation to offer the 'Right-to-Buy' scheme. The current Council Housebuilding Programme had suffered from delays due to the type of sites that the Council was looking to develop, such as former garage blocks, but the Council was looking to make up the time on these sites now. The Chief Executive, G Blakemore, added that the recruitment requirements for Qualis employees had been very clear to ensure that candidates with the right skills were attracted

**Decision:**

(1) That the following sale of assets be approved to support the business case with all asset purchases to be made by 30 April 2020:

(a) That the following identified properties be sold by the Council to Qualis Commercial on a 'best value' basis based on existing use values:

- (i) The St John's Road, Epping site for £5,400,000;
- (ii) Bakers Lane Car Park for £2,348,000;
- (iii) Cottis Lane Car Park for £3,737,000;
- (iv) The Condor Building (Civic Centre) for £3,100,000;
- (v) The Hemnall Street, Epping site (Epping Sports Centre) for £2,550,000; and
- (vi) The Round Hills, Waltham Abbey site for £3,060,000;

(b) That a loan be granted to the Qualis Group, to be cascaded to Qualis Commercial to allow these purchases to be made, in the sum of £22,000,000 on a single draw down facility over a 30-year principal and interest basis; and

(c) That a revision clause be inserted into the sale contract allowing all properties to return to the Council's ownership at the value sold if they were not developed within five years of the sale.

(2) That the granting of a development and construction loan be approved in support of the business case and that the decision on making these loans be dependent upon the completion of satisfactory site business cases by 30 September 2020:

(a) That a development loan be provided by the Council to the Qualis Group, to be cascaded to Qualis Commercial; and

(b) That the terms of the loan be in the total sum of £63,000,000 - with 50% to be drawn down on 30 September 2020 and 50% to be drawn down on 31 March 2021 - on a 30-year equal principal and interest basis;

(3) That decisions (1) and (2) above be made specifically in respect of:

- (a) the provision of a leisure centre on the St John's Road site following further specification and agreement reflecting the ownership, capital and ongoing operational arrangements before the development commences;
- (b) that the re-provision of the Town Council on the St John's Road site might require a net subsidy of £1,000,000 (after costs less development return) and was still to be approved;
- (c) the indicative project timelines set out in paragraph 10 of the report;
- (d) the establishment of a separate Community Interest company to include elements of the public realm and community benefit assets (see agenda item 16); and
- (e) all recommendations were fully in accordance with the values set out and approved in the 2020/21 budget.

**Reasons for Decision:**

The medium-term financial plan and the 2020/21 budget had set out the aspirations to develop these council owned sites through the development company, Qualis Commercial. This transfer of land ownership would create the opportunity to develop the sites in accordance with the Council's vision, Asset Management Strategy and Medium-Term Financial Strategy.

**Other Options Considered and Rejected:**

To not transfer the land ownership of the sites would delay the projects and effect the ability to achieve the 2020/21 budget and Medium-Term Financial Strategy. The development of these sites was fundamental in achieving long term financial stability for the Council.

**117. EXCLUSION OF PUBLIC AND PRESS**

The Cabinet noted that there was no business for consideration which would necessitate the exclusion of the public and press from the virtual meeting.

**CHAIRMAN**

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