

Minutes

Cabinet

28th May 2020



These minutes principally record decisions taken and, where appropriate, the reasons for the decisions. A recording of the meeting is available at <https://www.youtube.com/watch?v=xgqGilqi3Kc>.

Present:

Portfolio	Cabinet Member	Present
Leader of the Council	Councillor G Butland	Yes
Deputy Leader of the Council Economic Development and Infrastructure	Councillor T Cunningham	Yes
Communities Culture and Tourism	Councillor F Ricci	Yes
Corporate Transformation	Councillor J McKee	Yes
Environment and Place	Councillor Mrs W Schmitt	Yes
Finance and Performance Management	Councillor D Bebb	Yes
Health and Wellbeing	Councillor P Tattersley	Yes
Homes	Councillor K Bowers	Yes
Planning	Councillor Mrs G Spray	Yes

Also present as invitees of the Leader: Councillor Abbott, Leader of the Green and Independent Group, Councillor Mann, Leader of the Labour Group and Councillor Mrs Pell, Leader of the Halstead Residents Group.

1 **DECLARATIONS OF INTEREST**

INFORMATION: There were no interests declared.

2 **MINUTES**

DECISION: That the Minutes of the meeting of the Cabinet held on 9th March 2020 be approved as a correct record and will be signed by the Chairman as soon as possible.

3 **QUESTION TIME**

INFORMATION: There were no questions asked, or statements made.

4 **DECISIONS MADE BY THE CHIEF EXECUTIVE UNDER URGENCY PROVISIONS**

INFORMATION: Members were asked to note the report summarising a number of decisions that were taken by the Chief Executive under his urgency powers whilst meetings of the Council were cancelled due to the COVID-19 pandemic.

All decisions taken by the Chief Executive under his urgency powers were required to be reported at an appropriate meeting of Council, Cabinet or the relevant Committee following the decision.

Details of the decisions taken during this period can be found in the main report.

DECISION: That Members noted the decisions taken by the Chief Executive.

REASON FOR DECISION: The reasons for decision can be found in the individual decision.

5 **COVID-19 – IMPACT ON COUNCIL FINANCES**

INFORMATION: Members were asked to note the report which provided an update on the financial support provided to businesses and council tax payers being funded by Government, and also an initial assessment on the impact on Council finances.

Members were informed that the communication corridor between Braintree District Council and the Ministry of Housing, Communities & Local Government (MHCLG) had been highly congested with the launch, at fairly short notice, of several support schemes. The Cabinet Member commended officers for their responsiveness, flexibility and assiduity in implementing these schemes.

Members were advised that the Retail Hospitality & Leisure discount scheme was increased from 50% to 100% and the maximum Rateable Value limit of £51,000 was removed for 2020/21. The discount had been applied to 833 businesses for 2020/21, with a total value of £17.875m. The cost of the discount would be covered by a section 31 grant from the Government.

It was also reported that on 18th March 2020 the Department for Education announced that to support nurseries, they would also be eligible for a business rates holiday for one year and 100% relief had been granted to 20 nurseries for 2020/21, with a total value of £182k.

Members were advised that two grant funding schemes were introduced for 2020/21: the Small Business Grant Fund and the Retail, Hospitality and Leisure Grant Fund and as of 27th May 2020, 2,333 businesses had been paid a total of £27.23m. This represented payments to 95% of the businesses considered to be eligible. The Government had recently announced that a new discretionary fund would be set up to accommodate certain small businesses previously outside the scope of the business grant funds scheme. The Council had received an allocation of £1.537m and were currently deciding the criteria to be used..

The Government had announced that local authorities would receive an allocation from the £500m Hardship Fund to deliver relief to council tax payers in their area and

on 3rd April 2020 the Council received its allocated sum of £891,670. The Government's expectation was for billing authorities to provide all working age recipients of local council tax support during the financial year with a further reduction in their annual council tax bill of £150. The Cabinet Member confirmed that as of 28th May 2020 that approximately 4,500 households received a reduction of £150 on their council tax liability for this year.

The amount of Council Tax collected in April was £10.862million, a collection rate of 10.85%, this compared to £10.875million (11.66%) collected in the same period last year.

Members were advised that the Government had requested an indication of the financial implications of the pandemic on local authorities over the initial period of March and April and a projection for the full year. This return identified potential additional expenditure of around £245,000 for the year, most of which was spent on additional IT facilities to enable staff to work from home, and a reduction of income of £3.066million, providing an estimated total impact of £3.311million for the year.

The Council received an allocation of £61.4k on 27th March 2020 from the Government's £1.6billion Local Authority Support Grant. On 28th April 2020 the Government published the allocations of the second tranche of the Local Authority Support Grant and the Council was to receive £1,505,471. This provided a total allocation of £1,566,882 to cover the financial losses.

The Government had requested local authorities to submit an updated return on the impact of COVID-19 on Council finances on 15th May. In addition to the Government's request for an updated financial impact assessment as at mid-May a more detailed review of the Council's finances would be undertaken in August 2020 and this would be based on actual expenditure and income as at the end of the first quarter of the financial year.

DECISION: That Members noted the report.

REASON FOR DECISION: To inform Members of the current impact of the COVID-19 pandemic on the Council's finances.

6 **HORIZON 120 - INFRASTRUCTURE – PUBLIC**

INFORMATION: Members were reminded that this Item was linked to Item 9a in the Private Session of the Agenda, and that if any Member wished to refer to the private information contained within the report for that Item, it would be necessary for the meeting to be moved into Private Session.

DECISION: That, under Section 100(A)(4) of the Local Government Act 1972 the public and press be excluded from the meeting if it is necessary to discuss Item 9a of the Agenda and the Private Report, on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12(A) of the Act.

INFORMATION: Consideration was given to a report detailing the cost of the Horizon 120 development site in Great Notley.

Members were reminded that this site was originally allocated in the Local Plan over a decade ago, to be developed as a site for jobs in the District alongside Notley Garden Village residential site on the opposing side of the A131. A private developer was unwilling or unable to proceed and the jobs alongside housing were not delivered. The District Council now had both the opportunity and responsibility to recognise the potential of Horizon 120, achieving what the private sector, working alone, failed to deliver over the preceding 10 years. The proposals were consistent with the agreed vision but required decisions that were beyond the delegated authorities approved in July and December 2019 and the purpose of this report was to make specific recommendations and to seek further delegated authority in order to expedite effective governance and decision making while minimising delay.

Members were informed that further to previous reports, a Local Development Order (LDO) had now been finalised and adopted; earthworks had commenced and the land transaction, authorised by Cabinet on 2nd December 2019, had been completed.

It was reported that prior to the Covid-19 crisis, five companies had agreed terms for bespoke buildings, providing over two hundred thousand square feet on seventeen acres. Unfortunately, since that time, one company had withdrawn. The remaining four companies were committed and would require buildings to be delivered within the next 18 months. The current requirements would utilise approximately twelve acres.

The development was being actively marketed by two local agents and via a website which was being updated monthly. Enquiries were still being generated albeit at a reduced level during the lockdown period. It was noted that no interest has been received from hotel operators. The hotel sector was likely to be one of the worst affected by the Covid-19 crisis and one of the last to recover. It was therefore unlikely that hotel interest, in the development, would be secured in the short or medium term.

Members were advised that the earthworks were being undertaken by Balfour Beatty and this had commenced on site. These works included profiling the site to allow a gradient from the southeast corner to the northwest corner, or Zone D, where a new attenuation pond, and wildlife habitat, was being created. The earthworks contract also included the creation of a new highways junction, on the southern boundary, which would serve the Gridserve development. The electric forecourt was originally expected to be open for business at the end of June 2020 but this was likely to be delayed until September 2020.

Balfour Beatty had completed the detailed technical design and were now seeking at least three tenders for each of a range of sub-contract packages. They had also now obtained quotations for connections for the utilities on site. Surface water drainage was being managed on-site by a system of swales connecting to a storm water drain, which would discharge into the new attenuation pond, in the northwest corner.

Members were advised that the infrastructure required on site was being procured in 3 stages, and detailed of this could be found in the report.

The Council had considered a number of options and the Cabinet Member highlighted the following 3 options;

- It was a planning condition that the new pond, in Zone D, was created and landscaped as soon as possible to allow removal of the existing pond, on the

southern boundary. Removal of this latter pond was required to create the southern highways junction.

- Partial completion would require additional expenditure, in the future, to meet the cost of remobilisation by a contractor and as a result of construction cost inflation. Partial completion was likely to be subject to delay as it may require a new procurement process as Balfour Beatty were unlikely to be cost effective for smaller contracts.
- The four businesses, currently planning to relocate to Horizon 120, were subject to lease expiry on their current premises. If they did not have confidence in delivery, it would be in their best interest to seek other alternatives.

The Cabinet Member made reference to a number of risks which can be found in the main report.

Members were reminded that Full Council had received a business case for Horizon 120 at its meeting held on 19th February 2019. A capital budget was approved to progress a phased delivery of infrastructure works, having completed the relevant land acquisitions. The business plan was reviewed and reported to Full Council on 22nd July 2019, where an increase in the capital budget for infrastructure was approved, this included provision for a second access to the site.

The Council had now received updated cost estimates provided by Balfour Beatty, which had taken into account proposals to increase the scope of infrastructure works and to complete them as a single phase. A review of all other professional and other fees had also been undertaken, along with a revised cash flow.

Members were also advised that financing costs had increased overall due to a combination of earlier and higher expenditure coupled with re-profiling of serviced land sales and market value assumptions. The Project Director had advised that there was potential for costs to be reduced through tendered sub-contractor works; however, there were also risks from increased costs on utilities. The assumption by the Project Director at this stage was that these were likely to be outweighed by the expected reduction in the feasibility estimate.

DECISION:

That Cabinet approved:

1. The infrastructure works contract to be procured through the Scape Group Framework, subject to approval being obtained from Council.
2. That the Corporate Director (Growth), in consultation with the Corporate Director (Finance), award the infrastructure works contract at the completion of the procurement process.
3. That Cabinet recommends to Full Council that the scheme budget, for Horizon 120, be increased.

REASON FOR DECISION: The purpose of the recommended decision is:

- To enable the infrastructure works to be completed in one phase; and

- Allow for a constructor to be procured through the appropriate route to ensure that the scheme proceeds in accordance with the project timescales.

DECISION: That, under Section 100(A)(4) of the Local Government Act 1972 the public and press be excluded from the meeting to consider the private report under Agenda Item 9a and for the private report to remain private on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12 of the Act.

7 **HORIZON 120 - INFRASTRUCTURE - PRIVATE**

INFORMATION: Consideration was given to a report detailing the cost of the Horizon 120 development site in Great Notley.

Members were reminded that this site was originally allocated in the Local Plan over a decade ago, to be developed as a site for jobs in the District alongside Notley Garden Village residential site on the opposing side of the A131. A private developer was unwilling or unable to proceed and the jobs alongside housing were not delivered. The District Council now had both the opportunity and responsibility to recognise the potential of Horizon 120, achieving what the private sector, working alone, failed to deliver over the preceding 10 years. The proposals were consistent with the agreed vision but required decisions that were beyond the delegated authorities approved in July and December 2019 and the purpose of this report was to make specific recommendations and to seek further delegated authority in order to expedite effective governance and decision making while minimising delay.

Members were informed that further to previous reports, a Local Development Order (LDO) had now been finalised and adopted; earthworks had commenced and the land transaction, authorised by Cabinet on 2nd December 2019, had been completed.

It was reported that prior to the Covid-19 crisis, five companies had agreed terms for bespoke buildings, providing over two hundred thousand square feet on seventeen acres. Unfortunately, since that time, one company had withdrawn. The remaining four companies were committed and would require buildings to be delivered within the next 18 months. The current requirements would utilise approximately twelve acres.

The development was being actively marketed by two local agents and via a website which was being updated monthly. Enquiries were still being generated albeit at a reduced level during the lockdown period. It was noted that no interest has been received from hotel operators. The hotel sector was likely to be one of the worst affected by the Covid-19 crisis and one of the last to recover. It was therefore unlikely that hotel interest, in the development, would be secured in the short or medium term.

Members were advised that the earthworks were being undertaken by Balfour Beatty and this had commenced on site. These works included profiling the site to allow a gradient from the southeast corner to the northwest corner, or Zone D, where a new attenuation pond, and wildlife habitat, was being created. The earthworks contract also included the creation of a new highways junction, on the southern boundary, which would serve the Gridserve development. The electric forecourt was originally expected to be open for business at the end of June 2020 but this was likely to be delayed until September 2020.

Balfour Beatty had completed the detailed technical design and were now seeking at least three tenders for each of a range of sub-contract packages. They had also now obtained quotations for connections for the utilities on site. Surface water drainage was being managed on-site by a system of swales connecting to a storm water drain, which would discharge into the new attenuation pond, in the northwest corner.

Members were advised that the infrastructure required on site was being procured in 3 stages, and detailed of this could be found in the report.

The Council had considered a number of options and the Cabinet Member highlighted the following 3 options;

- It was a planning condition that the new pond, in Zone D, was created and landscaped as soon as possible to allow removal of the existing pond, on the southern boundary. Removal of this latter pond was required to create the southern highways junction.
- Partial completion would require additional expenditure, in the future, to meet the cost of remobilisation by a contractor and as a result of construction cost inflation. Partial completion was likely to be subject to delay as it may require a new procurement process as Balfour Beatty were unlikely to be cost effective for smaller contracts.
- The four businesses, currently planning to relocate to Horizon 120, were subject to lease expiry on their current premises. If they did not have confidence in delivery, it would be in their best interest to seek other alternatives.

The Cabinet Member made reference to a number of risks which can be found in the main report.

Members were reminded that Full Council had received a business case for Horizon 120 at its meeting held on 19th February 2019. A capital budget was approved to progress a phased delivery of infrastructure works, having completed the relevant land acquisitions. The business plan was reviewed and reported to Full Council on 22nd July 2019, where an increase in the capital budget for infrastructure was approved, this included provision for a second access to the site.

The Council had now received updated cost estimates provided by Balfour Beatty, which had taken into account proposals to increase the scope of infrastructure works and to complete them as a single phase. A review of all other professional and other fees had also been undertaken, along with a revised cash flow.

Members were also advised that financing costs had increased overall due to a combination of earlier and higher expenditure coupled with re-profiling of serviced land sales and market value assumptions. The Project Director had advised that there was potential for costs to be reduced through tendered sub-contractor works; however, there were also risks from increased costs on utilities. The assumption by the Project Director at this stage was that these were likely to be outweighed by the expected reduction in the feasibility estimate.

DECISION:

That Cabinet approved:

1. The infrastructure works contract to be procured through the Scape Group Framework with the value, as set out in the report, subject to approval being obtained from Council for the additional sum, as set out in the report, to the scheme budget.
2. That the Corporate Director (Growth), in consultation with the Corporate Director (Finance), award the infrastructure works contract up to the value, as set out in the report, at the completion of the procurement process.
3. That Cabinet recommends to Full Council that the scheme budget, for Horizon 120, be increased by the sum as set out in the report.

REASON FOR DECISION: The purpose of the recommended decision is:

- To enable the infrastructure works to be completed in one phase; and
- Allow for a constructor to be procured through the appropriate route to ensure that the scheme proceeds in accordance with the project timescales.

The meeting commenced at 7.15pm and closed at 7.57pm.

COUNCILLOR G BUTLAND
(Leader of the Council)