

**SUPPLEMENTARY REPORT FOR
SHAREHOLDER SUB COMMITTEE
Thursday 7 November 2019 at 7.30 pm
Council Chamber - Civic Centre**

The attached documents are due to be considered at the meeting listed above and were unavailable for circulation when the agenda for the meeting was published. The agenda item to which the documents relate is noted below.

AGENDA

9. Replacement of HTS (Property and Environment) Ltd Fleet (Pages 2 - 3)

REPORT TO: SHAREHOLDER SUB COMMITTEE

DATE: 7 NOVEMBER 2019

TITLE: REFERENCE FROM HTS (PROPERTY AND ENVIRONMENT) LTD – REPLACEMENT OF HTS (PROPERTY AND ENVIRONMENT) LTD FLEET

LEAD OFFICER: JOHN PHILLIPS, MANAGING DIRECTOR HTS (PROPERTY AND ENVIRONMENT) LTD
(01279) 446673

RECOMMENDED that the Sub Committee:

- A** Authorises HTS (Property and Environment) Ltd to seek a loan of £670,000 from the Council and approve the purchase of 42 new vehicles.
- B** Recommends to Cabinet that a loan to HTS (Property and Environment) Ltd of £670,000 is approved for the purpose of purchasing 42 new vehicles.

BACKGROUND

1. The HTS Board approved the purchase of the vehicles in line with its agreed Business Plan to replace vehicles which are now uneconomical to maintain and repair.

ISSUES/PROPOSALS

2. The Scheme of Delegation requires Sub Committee to approve any borrowing by HTS over the value of £100,000. Therefore, approval is sought for the Sub Committee to authorise HTS to enter into a loan agreement of £670,000 to facilitate the purchase of 42 vehicles as part of its ongoing vehicle refresh programme.
3. This cycle of fleet replacement includes a single electric vehicle. This early initiative move HTS towards a green fleet commitment and will be used to evaluate the use of such vehicles against current HTS operating model and is linked to company's wider electrification plans having regard to the Shareholders 'Climate Emergency' commitment.
4. HTS have utilised The Procurement Partnership to undertake the tendering process through the Hertfordshire County Council Purchase Framework 2019.
5. In seeking to raise the funding through the Council subject to Cabinet approval the interest rate applied will be determined both by the prevailing interest rates available to the Council at the time of the advance and giving due consideration to the requirements of State Aid regulations.

IMPLICATIONS

Environment and Planning (Includes Sustainability)

The maintenance of an effective fleet is an essential pre-requisite for the delivery of a high quality environmental service to local residents.

Author: Andrew Bramidge, Head of Environment and Planning

Finance (Includes ICT, and Property and Facilities)

HTS (P&E) Ltd have factored the financing costs of the fleet replacement programme into the company business plan and associated financial plans accordingly. Any financial implications for the Council will be included within the report to Cabinet in due course subject to SSC agreeing to the company undertaking the borrowing.

Author: Simon Freeman, Head of Finance and Deputy to the Chief Executive

Housing

As outlined in the report.

Author: Andrew Murray, Head of Housing

Community Wellbeing (Includes Equalities and Social Inclusion)

None specific.

Author: Jane Greer, Head of Community Wellbeing

Governance (Includes HR)

The decision accords with the revised terms of reference approved by Cabinet in December 2018.

Author: Simon Hill, Head of Governance

Appendices

None.

Background Papers

None.

Glossary of terms/abbreviations used

HTS – HTS (Property and Environment) Ltd