

MINUTES OF THE CABINET HELD ON

5 December 2019

7.30 - 8.25 pm

PRESENT

Committee Members

Councillor Mark Ingall, Leader of the Council
Councillor Mike Danvers, Portfolio Holder for Resources
Councillor Danny Purton, Portfolio Holder for Environment
Councillor John Strachan, Portfolio Holder for Regeneration
Councillor Mark Wilkinson, Portfolio Holder for Housing

Additional Attendees

Councillor Tony Edwards

Other Councillors

Councillor David Carter
Councillor Bob Davis
Councillor Andrew Johnson

Officers

Brian Keane, Chief Executive
Andrew Bramidge, Head of
Environment and Planning
Rebecca Farrant, Operations Manager
Simon Freeman, Head of Finance and
Deputy to the Chief Executive
Jane Greer, Head of Community
Wellbeing
Simon Hill, Head of Governance
Adam Rees, Governance Support
Officer
Andrew Murray, Head of Housing

74. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Eugenie Harvey and Lanie Shears.

75. DECLARATIONS OF INTEREST

Councillor Bob Davis declared a pecuniary interest in Item 10, HTS (Property and Environment) Ltd Best Value Review, as a remunerated Council appointed director of HTS (Property and Environment) Ltd.

76. MINUTES

RESOLVED that the minutes of the meeting held on 17 October 2019 are agreed as a correct record and signed by the Leader.

77. MATTERS ARISING

None.

78. **WRITTEN QUESTIONS FROM THE PUBLIC**

None.

79. **WRITTEN QUESTIONS FROM COUNCILLORS**

None.

80. **PETITIONS**

None.

81. **FORWARD PLAN**

The item 'Local Development Plan – Approval of Modifications Prior to Consultation' was not to be considered at the meeting. The Planning Inspector had written to the Council confirming that the MHCLG had requested that no council was written to in respect of their local plan until after the General Election. The item would be considered at either the January or February Cabinet meeting depending on when the Inspector's letter was received.

The item 'Town Wide Employment Sites Article 4 Direction' would no longer be considered as no objections had been received in respect of the Pinnacles Article 4 Direction.

The item 'Flat Block Refurbishment – Carters Mead' would no longer be considered as the tender was under the threshold that would require Cabinet's approval.

RESOLVED that the Forward Plan is noted.

82. **RECENT RELEVANT DECISIONS TAKEN BY THE LEADER, DEPUTY OR PORTFOLIO HOLDER(S)**

None.

83. **HTS (PROPERTY AND ENVIRONMENT) LTD BEST VALUE REVIEW**

Councillor Bob Davis left the meeting.

Cabinet received a report on the outcome of the Best Value review into HTS (Property and Environment) Ltd.

Proposed by Councillor Mark Ingall (seconded by Councillor Mark Wilkinson) it was:

RESOLVED that:

- A** The Best Value Review into Harlow Trading Services (Property and Environment) Ltd (HTS) and associated recommendations be received.
- B** HTS be advised that the current contract will be extended for the maximum five year period provided for within the current contract subject to (C) below.
- C** Subject to B being approved above:
- i) The recommendations of the Best Value report be adopted as an action plan for the contract extension with the recommendations below required to be completed as part of the pre-contract extension process:
 - a) Variation of the cost reporting structure for HTS to correlate with the Council's cost centre arrangements (Economy Recommendation 1);
 - b) The annual contractual price indexation being changed (Economy Recommendation 2);
 - c) The setting of the mix of third party works, and directly awarded Council capital works, the Local Authority Trading Company (LATC) is to deliver (Economy Recommendation 3);
 - d) Alternative mechanisms for penalty and/or reward under the contract, are put in place (Economy Recommendation 17); and
 - ii) The Chief Executive, in consultation with the Leader of the Council, is delegated authority to negotiate and agree all matters in respect of the extension of the contract for the continued provision of services by HTS.
- D** The 'Business as Usual' activities in Appendix 2 of Appendix A are monitored for their completion by the Shareholder Sub Committee.

84. **TREASURY MANAGEMENT STRATEGY STATEMENT 2019/20: MID-YEAR REVIEW**

Councillor Bob Davis returned to the meeting.

Cabinet considered a report on the mid-year review of the Treasury Management Strategy Statement 2019/20.

Proposed by Councillor Mike Danvers (seconded by Councillor Mark Ingall) it was:

RESOLVED that:

- A** The Mid-Year Review of the Treasury Management Strategy, as set out in Appendix A to the report, be noted and referred to Council for consideration.

85. **JOINT FINANCE AND PERFORMANCE REPORT, QUARTER 2 2019/20**

Cabinet received the quarter two joint finance and performance report for 2019/20, which set out the Council's financial and operational performance between July and September 2019.

Proposed by Councillor Mike Danvers (seconded by Councillor Mark Ingall) it was:

RESOLVED that Cabinet:

- A** Noted the projected outturn position set out in sections three and four of Appendix A to the report for the second quarter (July – Sept) of 2019/20 as follow:
 - i) An adverse variation on controllable budgets of £441,000 representing 0.81 per cent of the gross General Fund Budget.
 - ii) A total projected underspend of £75,000 representing - 0.14 per cent of the gross General Fund Budget.
 - iii) The Council performed on or above target for 48 out of 49 (98 per cent) of its quarterly performance indicators.

86. **HOUSING REVENUE ACCOUNT, QUARTER 2 FINANCE REPORT 2019/20**

Cabinet received a report which provided an update on the Housing Revenue Account (HRA) for the second quarter of 2019/20 and asked that Cabinet noted variances in the HRA budget, as well as the forecast budget of the HRA and the Major Repairs Reserve.

Proposed by Councillor Mike Danvers (seconded by Councillor Mark Wilkinson) it was:

RESOLVED that:

- A** Noted:
 - i) A favourable variation against the approved HRA operational/controllable budget of £272,000 representing

(-)0.05 per cent of the gross Housing Revenue Account (HRA) budget.

- ii) An unfavourable non-operational variance of £489,000 representing 0.1 per cent of gross HRA budget which includes adjustments to housing capital programme financing resulting from the re-alignment of budgets and associated funding.

B Noted the forecast balance at 31 March 2020, of £6,826,000 in respect of the Housing Revenue Account and nil in respect of the Major Repairs Reserve (MRR).

87. **CAPITAL PROGRAMMES, QUARTER 2 FINANCE REPORT 2019/20**

Cabinet received a report which provided an update on the Council's Housing and Non Housing Capital Programmes.

Proposed by Councillor Mike Danvers (seconded by Councillor Mark Wilkinson) it was:

RESOLVED that Cabinet:

A Noted the progress in the delivery of the Council's Housing and Non Housing Capital Programmes as at Quarter 2 (29 September 2019) as follows:

- i) Housing Capital Programme – forecast outturn £21,615,000 (revised estimate £23,743,000).
- ii) Non Housing Capital Programme – forecast outturn £14,559,000 (revised estimate £19,654,000).

B Approved a business case in the Non Housing Capital Programme for new CCTV in Old Harlow (£31,000) to improve the images available to assist with tackling crime and anti-social behaviour.

C Approved capital funding in the Housing Capital Programme of £140,000 for the purchase of the 50 per cent interest in an equity share property in Little Pynchons. The Council currently owns a 50 per cent interest and the purchase of the other half interest in the property will add a three bed house to the lettable social housing stock. This purchase fell outside of the rules for the use of retained receipts.

D Noted purchase of the freehold of Osler House (£200,000) from Harlow Health Centres Trust under an Option Agreement dated 15 January 2016, as part of the development work at Prentice Place.

88. **CONTRACT AWARD FOR INSURANCE SERVICES**

Cabinet received a report to award a contract for the provision of the Council's insurance services.

Proposed by Councillor Mike Danvers (seconded by Councillor Mark Ingall) it was:

RESOLVED that Cabinet:

A Noted the outcome of the insurance tender process for the Council's main insurance programme as detailed below:

Policy Type	2020 Best Insurer Premium	Best Insurer
Lot 1 – Material Damage, Business Interruption, Money and Specified All Risks	£89,520.06	Zurich Municipal Insurance
Lot 2 – Property Owners	£32,989.77	QBE Insurance via RMP
Lot 3 – Contractor's All Risks	£6,626.07	HSB Engineering via RMP
Lot 4 - Terrorism	£17,436.00	Lloyd's Underwriters via Alesco
Lot 5 – Employer's Liability, Public/Products Liability, Officials Indemnity, Libel & Slander, Land Charges and Public Health Act	£163,032.79	Zurich Municipal Insurance
Lot 6 – Professional Indemnity	£4,258.82	QBE Insurance via RMP
Lot 7 - Crime	£4,411.76	QBE Insurance via RMP
Lot 8 - Computer	£2,923.81	HSB Engineering via RMP

Lot 9 – Engineering Inspection & Insurance	£33,479.64	Zurich Municipal Ins
Lot 10 – Motor Fleet	£3,320.06	Zurich Municipal Ins
SUB-TOTAL	£357,998.78	
Claims Handling (Liability only)	Not applicable	
Insurance Premium Tax @ 12%	£39,941.97	
VAT (Claims Handling and Engineering Inspection only) @ 20%	£5,029.80	
GRAND TOTAL	£402,970.55	

- B** Noted the outcome of the insurance tender process for Residential leaseholders Buildings Insurance as detailed within this report, which will be awarded to Ocaso SA subject to the outcome of the second leaseholder consultation.
- C** Delegated authority to the Head of Finance and Deputy to the Chief Executive to make final contract awards following the outcomes of any minor clarifications, which are not expected to materially affect the evaluation.
- D** Approved the retention of Arthur J Gallagher as insurance brokers for the duration of the Long Term Agreement.
- E** Delegated authority to the Head of Finance and Deputy to the Chief Executive and to seek revised terms from unsuccessful tenderers as set out in the Invitation to Tender (ITT) should the need arise once quoted premiums have been reviewed based on claims experience as at 31 January 2020 and to reflect any portfolio changes since submission of the ITT.

89. **AWARD OF CONTRACT FOR REPLACEMENT OF WATER MAIN AND CENTRAL HEATING SYSTEMS - MOOR TOWER, NICHOLLS TOWER, STORT TOWER AND EDMUNDS TOWER**

Cabinet received a report on the replacement of water main and central heating systems in Moor Tower, Nicholls Tower, Stort Tower and Edmunds Tower.

Proposed by Councillor Mark Wilkinson (seconded by Councillor Mark Ingall) it was:

RESOLVED that:

- A** The most economically advantageous tender submitted by Contractor A be accepted in the sum of £2,739,481.88 subject to contract and Leaseholder consultation.

90. **FLAT BLOCK REFURBISHMENT - LITTLE BRAYS**

Cabinet received a report to award a contract to refurbish a number of flats in Little Brays.

Proposed by Councillor Mark Wilkinson (seconded by Councillor Mark Ingall) it was:

RESOLVED that:

- A** The most economically advantageous tender submitted by Contractor C be accepted in the revised sum of £419,597.98 for the delivery of external refurbishment and repairs to five flat blocks at Little Brays subject to formal contract and leaseholder consultation.

91. **CHANGES TO THE MEMBERSHIP OF THE LOCAL DEVELOPMENT PLAN PANEL**

RESOLVED that Councillor Tony Edwards be appointed to the Local Development Plan Panel in place of Councillor Jodi Dunne.

92. **COMMUNICATIONS FROM COMMITTEES/WORKING GROUPS/PARTIES AND PANELS**

- a) Referral from Shareholder Sub Committee - Replacement of HTS (Property and Environment) Ltd Fleet

Cabinet received a referral from the Shareholder Sub Committee to approve a loan to purchase 43 new vehicles.

Proposed by Councillor Mark Ingall (seconded by Councillor Mike Danvers) it was:

RESOLVED that:

- A** A loan to HTS (Property and Environment) Ltd (HTS) of £670,000 be approved, in principle, for the purpose of purchasing 43 new vehicles.

B HTS (Property and Environment) Ltd be requested to mitigate actions to alleviate any impact on climate change. In addition, to keep under review changes to electric vehicle technology so that they are well placed to take advantage for the next fleet renewal period.

b) Referral from Cabinet Overview Working Group - Local Council Tax Support Scheme Proposals 2020/21

Cabinet received a referral from the Cabinet Overview Working Group in relation to the proposals for 2020/21 Local Council Tax Support Scheme.

Proposed by Councillor Mark Ingall (seconded by Councillor Mike Danvers) it was:

RESOLVED that:

A Cabinet recommended to Full Council that the current Local Council Tax Support Scheme remains unchanged for 2020/21.

93. **MINUTES OF PANELS/WORKING GROUPS**

RESOLVED that the minutes of the following meetings are noted.

a) Minutes of meeting Thursday, 7 November 2019 of Shareholder Sub Committee

94. **MATTERS OF URGENT BUSINESS**

None.

LEADER OF THE COUNCIL