

Cabinet
15 June 2021

WELWYN HATFIELD COUNCIL

Minutes of a meeting of the WELWYN HATFIELD COUNCIL CABINET held on Tuesday 15 June 2021 at 5.00 pm in the Council Chamber, Council Offices, The Campus, Welwyn Garden City, Herts, AL8 6AE.

PRESENT: Councillors T.Kingsbury (Leader of the Council) (Chairman)
D.Bell (Deputy Leader and Executive Member, Resources)

S.Boulton (Executive Member, Environment, Planning, Estates and Development)
N.Pace (Executive Member, Governance and Public Health)
B.Sarson (Executive Member, Leisure and Community Safety)
F.Thomson (Executive Member, Housing and Climate Change)

OFFICIALS Chief Executive (K.Ng)
PRESENT: Corporate Director (Public Protection, Planning and Governance) (N.Long)
Head of Law and Administration (M.Martinus)
Head of Resources (R.Baker)
Governance Services Manager (A.Marston)

1. MINUTES

The minutes of the meeting held on 9 March 2021 was approved as a correct record.

2. ACTIONS STATUS REPORT

The status of actions arising from Cabinet decisions, as outlined in the report of the Corporate Director (Public Protection, Planning and Governance), was noted.

3. DECLARATIONS OF INTERESTS BY MEMBERS

Councillors S.Boulton, T.Kingsbury and F.Thomson declared a non-pecuniary interest in items on the Agenda as Members of Hertfordshire County Council.

4. ITEMS REQUIRING KEY DECISION

The following items for decision in the current Forward Plan were considered:-

Cabinet
15 June 2021

4.1. Bereavement Services Contracts (Forward Plan Reference FP1042)

Report of the Chief Executive on an update on the future delivery model for the Bereavement Service and the main construction contract.

(1) The Decision Taken

RESOLVED:
(unanimous)

(1) That the Bereavement services are delivered in accordance with section 3.2 of the report.

(2) That delegated authority is given to the Chief Executive, in consultation with the Cemetery Procurement Board to award the contract for the main construction contractor.

(2) Reasons for the Decision

The Cemetery Procurement Board had been overseeing the procurement process for the future operation of the cemetery and crematorium operation.

At its most recent meeting, the Board agreed to recommend to Cabinet that services should be provided in the manner set out in Section 3 of the report.

The Board also agreed to shortlist five contractors. Bids are due to be returned by 28 June 2021.

Once the bids have been evaluated, it is proposed that, rather than bring a subsequent report to Cabinet once a preferred contractor is recommended by the final meeting of the Procurement Board, delegated authority is to be given to the Chief Executive, in consultation with the Board, to award the contract in order to meet relevant key timelines.

4.2. Award of Decarbonisation Contracts (Forward Plan Reference FP1046)

Report of the Chief Executive on approval being sought to dispense with Contract Procedure Rules in appointing Design Installation Service Limited (DIS) and Barry Beard Limited (BB) to deliver the decarbonisation schemes to Hatfield Swim Centre, Campus East and Campus West.

(1) The Decision Taken

RESOLVED:
(unanimous)

Cabinet
15 June 2021

- (1) That in accordance with paragraph 14k (Alternative Procedures in Prescribed Circumstances) of the Contract Procedure Rules, that Cabinet agree to appoint Design Installation Service Limited to act as Principal Contractor with a separate appointment to Barry Beard Limited to undertake work in 2021 in accordance with the information and reasons contained in the report.
- (2) Cabinet approved the drawdown of £196k from earmarked reserves for the council's contribution towards the total project cost of £2.559M. The remaining £2.363M of costs will be met by grant funding received.

(2) Reasons for the Decision

In March of this year, the Council was successful in obtaining £2.4M of the Decarbonisation Funding from the Department for Business, Energy and Industrial Strategy for the installation of low carbon heating measures in Campus East, Campus West and Hatfield Swim centre.

Part of the conditions for the funding was that the schemes must be completed by September 2021, which has a direct impact on the ability to follow the usual route for procuring the suppliers.

Officers had explored the use of national frameworks and approached a number of suppliers, however they were not suitable for the award of contract for the reasons set out in Part 2 of the report.

Officers then approached the Mechanical and Electrical services contractor who had previously been used to deliver for the council's appointed consultants on similar projects, namely DIS Limited and Barrie Beard Ltd. These two companies work closely together and had taken a proactive approach to the tender process.

4.3. YMCA Peartree Lane (Forward Plan Reference FP1047)

Report of the Chief Executive on the proposed purchase of residential development land at Peartree Lane, Welwyn Garden City.

(1) The Decision Taken

RESOLVED:
(unanimous)

- (1) That the Council seek to negotiate with the YMCA to acquire this site.
- (2) That delegated authority is granted to the Head of Resources in consultation with the Leader and the Executive

Cabinet
15 June 2021

Member for Resources, to negotiate this purchase, provided it is at a sum no greater than that set out in the exempt report on this matter and subject to confirmation from a qualified valuer that the council is acting on market terms.

- (3) That subject to successful negotiation of a purchase price of less than or equal to the value set out in the exempt report on this matter, that a budget be recommended to Council. The value recommended will be linked to the negotiated purchase price plus stamp duty land tax.
- (4) That subject to successful negotiation and approval of budget, that delegated authority is granted to the Head of Resources in consultation with the Leader and the Executive Member for Resources, to appropriate the site to the Housing Revenue Account for the value set out in the exempt report on this matter, or dispose of the site to its subsidiary company Now Housing Limited or on the open market.

(2) Reasons for the Decision

The YMCA intend to redevelop their site to provide improved accommodation. Part of the project will be funded by Homes England. As the YMCA work closely with the Council in helping us to address homelessness, this provision of improved accommodation is in the Council's interest.

But the project is only viable if the YMCA are able to sell part of the site for residential development. At present, the Council holds certain covenants on this part of the site which cannot simply be waived. Any payment by the YMCA to extinguish the covenants would render the overall redevelopment scheme unviable.

But as explained in the report, if the Council were to purchase this part of the site, the covenants would fall away automatically, and the Council would acquire a residential development site at a discounted sum. The discount arises from the overage provision due to the Council.

With such a purchase, the Council would have the opportunity to sell the land from the General Fund, develop itself or within Now Housing, or appropriate it to the Housing Revenue Account. These options would be evaluated subsequent to an acquisition.

The acquisition will therefore enable the Council to acquire a development site at a discount, as well as enabling the YMCA to proceed with a project that is in the Council's interest and will benefit from a Homes England grant.

Cabinet
15 June 2021

5. REVENUE OUTTURN REPORT 2020-21

Report of the Chief Executive on the revenue outturn position for the financial year 2020/21 and outlines the main variances from the original budget for both the General Fund (GF) and Housing Revenue Account (HRA).

The Council has suffered an adverse variance at this level of £3.7M, with a Covid related adverse impact of approximately £4.0M offset by £300k of other positive variances.

Adverse Covid impacts included lost commercial rental income of approximately £500k, (against our original estimate of £450k), lost business centre income of £200k, lost recoveries from court closures of £368k, additional expenditure related to homelessness of £966k, lost parking income of £892k, and lost income from the closure of Campus West of £1.1M. However, the additional support required to Greenwich Leisure Limited (GLL) had not resulted in a significant cost to the extent originally estimated.

The £966k impact related to homelessness is the extent to which housing benefit payments have exceeded amounts received from the Department for Work and Pensions (DWP). This adverse impact has risen sharply from that estimated at Quarter 3, and not all of this may be Covid related. An officer group is currently investigating this issue.

The estimated adverse Covid impact has been offset by local authority support grants received of £1,790k, fees and charges compensation from central government of £1,460k, as well as a drawdown from a previously established Covid earmarked reserve of £222k.

This leaves an “uncovered” Covid adverse variance for 2020/21 of just over £500k, most of which related to the loss of commercial rents, which has not been covered by government support.

Council Tax receipts are shown as on budget for 2020/21. Bear in mind that any lost revenue in 2020/21 will only impact us over the three years from 2021/22 onwards. We had originally estimated a loss of £500k in respect of 2020/21 Council Tax, but this now looks overly pessimistic.

Although Business Rates are shown as being £14.6M, or £9.6M over budget, in reality this is simply a timing difference due to the way we are required to present Business Rate reliefs. The reliefs received and administered in 2020/21 will be charged out in the next 3 years via the Collection Fund, so have been transferred to an earmarked reserve. Business Rates should be seen as on budget for 2020/21, as any loss will only be borne in the three years from 2021/22 onwards. We have estimated a future loss of £1.0M in respect of 2020/21.

Cabinet
15 June 2021

Overall, as can be seen in Appendix A1, we have drawn down £1.6M from the General Fund reserves. This results from the contribution to the pension reserve of £1.2M, plus uncovered Covid losses, partially offset by some positive other variances. This leaves us with General Fund reserves at the start of the 2021/22 year of £6.9M.

We are increasing the Covid pandemic earmarked reserve by £242k, leaving a balance of £425k. This is certain to be needed in 2021/22, as the level of government support for next year, beyond that already announced, is uncertain. Deferred Council Tax and Business Rate loss from 2020/21 will start to impact, and Covid related Business Rate reliefs are scheduled to end this Summer. Furthermore, it is very likely that loss of commercial rental income will carry on into 2021/22, and this element is not covered by government support.

As noted in the report, debtors continue to rise. The most difficult area here is, unsurprisingly, the difficulties that a number of our commercial tenants face as a result of Covid restrictions. This problem will persist into 2021/22. We continue to manage debtors closely, and, where applicable, we are encouraging tenants to agree payment plans with us.

There are no substantial variances in the HRA, as rent collection continues to hold up, to an extent that the necessary increase in the bad debt provision is less than originally forecast. The announcement that Right to Buy receipts can be held onto for somewhat longer has relieved some of the previously estimated Covid related pressure on the HRA, and the latest projection indicates that there is no imminent need to remit such receipts to the government.

Considerable Covid related uncertainties remain, and these will persist into the current financial year. But we can be pleased that, for financial year just ended, thanks to proactive financial management, previously accumulated reserves, and government support, we have weathered the storm in 2020/21 without having to cut frontline services.

The Leader thanked the Executive Member (Resources) and Officers for their hard work.

**RESOLVED:
(unanimous)**

- (1) Cabinet noted the revenue outturn position for 2020/21.
- (2) Cabinet approved the movements on earmarked reserves as detailed in section 3.4 of the report.
- (3) That delegated authority be given to the Section 151 Officer to adjust the 2021/22 budget for items of income and expenditure rolled forward through earmarked reserves.

Cabinet
15 June 2021

- (4) Cabinet noted the position on debts set out in section 5 of this report.

6. CAPITAL BUDGET OUTTURN REPORT 2020/21

Report of the Chief Executive on the capital expenditure and associated capital funding for both General Fund and Housing Revenue Account for 2020/21.

Whilst the impact of Covid led to some unavoidable delays on certain projects earlier in the year, these all returned to progress later in the year. Other than delays suffered, we did not have to make any budgetary cuts to our 2020/21 capital programme as a result of Covid.

Of note is the transfer of capital budget from the Strategic Property Investment to Bereavement Services and the Tewin Road depot upgrade.

Variances have been underspends due to the difficulty of forecasting the timing of expenditure. In such cases, budgets have been rephased into 2021/22. This includes Now Housing, where the outturn includes the Chequersfield project, but the remainder of the 2020/21 budget has been rephased.

RESOLVED:
(unanimous)

- (1) Cabinet noted the overall capital outturn position and financing for 2020/21.
- (2) Cabinet approved the re-phasing of budgets as detailed in Appendix A.

7. TREASURY MANAGEMENT AND INVESTMENT STRATEGY ANNUAL REPORT 2020/21

Report of the Chief Executive on the review of the treasury management activity and prudential indicators for the 2020/21 financial year.

Within the Housing Revenue Account (HRA), overall borrowing was £234.4M at 31 March, 2021, a decrease from £237.9M at the beginning of the year. Repayment of existing debt slightly exceeded any new borrowing needed to continue to finance our ambitious Affordable Housing Programme. The level of any new HRA borrowing will depend upon the rhythm of this programme and the extent to which Right to Buy receipts are available. It is not envisaged that borrowing will rise back above the original £305M, so we currently have sufficient borrowing headroom.

Cabinet
15 June 2021

Notwithstanding continued capital expenditure in both the HRA and General Fund, investment balances remained above £15M at year end. Delays to our capital programme have deferred the need to borrow within the General Fund, but this may change later in the new financial year.

In section 5.9 of the report, returns on our investments are currently minimal, but we have to maintain a certain level for liquidity purposes.

In section 6 of the report, we remain within our maturity and overall borrowing limits. Our liquidity levels have been carefully monitored throughout 2020/21 as we assess the financial impact of the Covid pandemic.

In section 7, it follows the introduction of new indicators in the Medium Term Financial Strategy. These form part of the new Financial Management Code, which applies from 2021/22. The indicators are designed to monitor loan affordability, gearing, and the borrowing impact upon council tax.

RESOLVED:
(unanimous)

Cabinet noted the report and actual treasury management prudential indicators for 2020/21.

8. GRANT AWARD FROM CONTAIN OUTBREAK MANAGEMENT FUND

Report of the Corporate Director (Housing and Communities) on an opportunity to be part of a joint bid to Hertfordshire's Health Protection Board, for money from the Contain Outbreak Management Fund (COMF) to enhance the council's Community Grants programme and help support capacity within local charitable and voluntary organisations in connection with covid19 infection control.

An opportunity arose to be part of a joint bid, alongside other Hertfordshire district councils, to Hertfordshire's Health Protection Board, a multi-agency group which was set up in response to the Covid19 pandemic. The bid was to receive money from the Contain Outbreak Management Fund to enhance the council's Community Grants programme and help support capacity within local charitable and voluntary organisations in connection with covid19 infection control and recovery.

The joint bid was considered at the Board on the 25 May 2021 and as a result this council has been awarded £100,000 to distribute as grant support to local charitable and voluntary organisations, who meet the criteria of the COMF scheme.

The money is available to the Council from 1 June 2021 and needs to be issued by 31 December 2021.

Cabinet
15 June 2021

In order to maximise the number of organisations that can benefit, but equally provide meaningful support, it is recommended that the maximum amount of grant per organisation is limited to £10,000.

RESOLVED:
(unanimous)

Cabinet noted the content of the report and agree that that the grants should be made available through the community grant programme and overseen by the Grants Board.

9. PERFORMANCE EXCEPTION REPORT - QUARTER 4 (2020-21)

Report of the Chief Executive summarising strategic performance data for Quarter 4 of 2020/21.

Business Plan Projects

71 projects were set for 2020/21 before the full impact of the Covid pandemic became known.

The Council has achieved 43 (61%) of these projects with the remaining 28 projects (39%) rolled forward into 2021/22. There were 4 projects that were unable to start in the year and these are briefly exception reported in the report.

Performance Indicators

56 key performance indicators were set across the Council's services in 2020/21.

11 of these were not met in this quarter and they were not exception reports. Also it was not possible to collect a further 7 indicators in this quarter as no data was available due to the pandemic closing some of the services.

All business projects and performance indicators have been refreshed for 2021/22 to support the Council's new Corporate Plan which runs from this year to 2024.

RESOLVED:
(unanimous)

Cabinet noted the contents of the report and approved any proposed actions highlighted in the appendices.

10. COUNCIL ACHIEVEMENTS LIST (JANUARY - MARCH 2021)

Report of the Chief Executive on the Council's key achievements and service improvements for Quarter 4 of 2020-21.

Cabinet
15 June 2021

January 2021

A new healthy hub project was launched, a virtual Holocaust Memorial Day was held online, New affordable homes were acquired in Chequersfield in Welwyn Garden City and we made a Council Budget announcement for 2021/22.

February 2021

A new Climate Change Strategy was agreed for the Council, the Council was successful in applying for decarbonisation scheme grants for three of our building assets to reduce their carbon emissions and provided an update on the Campus West Car Park proposals in response to public feedback.

March 2021

The Council was successful in the 'Tree City of the World Award' application, we provided an update on the introduction of kerbside food waste collections, the Council prosecuted a private HMO Landlord for breaches of Housing and Fire Safety Standards; the Council opened the new Hatfield Multi-Storey Car Park and reported on the Council's new Corporate Plan and supporting priorities for the next three years.

RESOLVED:
(unanimous)

Cabinet noted the report and contents of the Achievements List.

11. APPOINTMENT OF CABINET PANELS, COMMITTEES AND BOARDS 2021-22

To appoint Cabinet Panels, Committees and Boards for 2021/22.

RESOLVED:
(unanimous)

Cabinet agreed the appointments to Committees and Boards for 2021/22.

12. APPOINTMENT OF REPRESENTATIVES ON EXECUTIVE OUTSIDE BODIES 2021/22

To appoint representatives to executive outside bodies for 2021/22.

RESOLVED:
(unanimous)

Cabinet
15 June 2021

Cabinet agreed the appointments of representatives on executive outside bodies 2021/22.

13. EXCLUSION OF PRESS AND PUBLIC

RESOLVED:

That under Section 100(A)(2) and (4) of the Local Government Act 1972, the press and public be now excluded from the meeting for Agenda item 18 (Minute 14 refer) on the grounds that they involved the likely disclosure of confidential or exempt information as defined in Section 100A(3) and paragraph 3 (private financial or business information) of Part 1 of Schedule 12A of the said Act (as amended).

In resolving to exclude the public in respect of the exempt information, it was considered that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

14. ITEMS OF AN EXEMPT NATURE REQUIRING KEY DECISION

The following items of an exempt nature for decision were considered:-

14.1. Purchase of Land YMCA Peartree (Forward Plan Reference FP1047)

Report of the Chief Executive on the purchase of residential development land at Peartree Lane, Welwyn Garden City.

(1) The Decision Taken

RESOLVED:
(unanimous)

The council sought to negotiate to acquire the site for no more than the amount set out in the report.

(2) Reasons for the Decision

The purpose of the report was to set out the exempt matters in support of the recommendation made in item 7C.

As set out in the Part I report the council hold the benefit of a number of covenants and an overage provision over the YMCA site in Peartree Lane, Welwyn Garden City. This site is being brought forward for redevelopment by One YMCA.

The site will be worth £4.0M if purchased by the Council, and the approval sought in item 7C is to negotiate for a purchase price not exceeding the amount set out in the report.

Cabinet
15 June 2021

14.2. Award of Decarbonisation contracts (Forward Plan Reference FP1046)

Report of the Chief Executive on seeking approval to dispense with Contract Procedure Rules in appointing Design Installation Service Ltd (DIS) and Barry Beard Ltd (BB) to deliver the decarbonisation schemes to Hatfield Swim Centre, Campus East and Campus West.

(1) The Decision Taken

RESOLVED:
(unanimous)

Cabinet noted the process followed before reaching recommendations made in the Part I report to dispense the Contract Procedure Rules.

(2) Reasons for the Decision

The Building Services team sought Cabinet approval to dispense with Contract Procedure Rules in appointing Design Installation Service Ltd (DIS) and Barry Beard Ltd (BB) to deliver the decarbonisation schemes to Hatfield Swim Centre, Campus East and Campus West.

The part II report provided the background on suppliers which were approached under existing frameworks before a decision was taken to recommend the dispensation of the contract procedure rules.

14.3. Agency Staff Contract Award (Forward Plan Reference FP1040)

Report of the Corporate Director (Public Protection, Planning and Governance) on the award of agency staff contracts.

(1) The Decision Taken

RESOLVED:
(unanimous)

That a contract with a maximum duration of four years is awarded to Randstad Solutions Limited commencing on 1 July 2021, with the ability to terminate the contract at any time after the first 12 months.

(2) Reasons for the Decision

Following consideration by the General Procurement Board, it was decided that the Council should change from multi supplier to single supplier framework for our agency staffing requirements. A mini competition took place using the ESPO MSTAR framework and

Cabinet
15 June 2021

Randstad Solutions Limited scored the highest against the agreed evaluation criteria.

Meeting ended 5.30pm
AM