



URGENT DELEGATED DECISION

Date: 23 April 2020

Request to the Head of Paid Service to exercise delegated authority as per Responsibility of Functions in Part IV, page 28 of the Constitution.

“to determine any matter within the referred or delegated powers and duties of a committee / sub-committee / board / working which is so urgent that a decision must be made before the next meeting of that committee / sub-committee / board / working group is due to be held.”

Limits on delegation: -

- Before making a decision using this delegated power, The Head of Paid Service shall consult with and take cognisance of the views of the Chairman (or in his absence the VC) of the relevant Committee / Sub-Committee etc; and
- Any decision taken by the Head of Paid Service under this delegated power shall be reported to Members within five working days of the decision taken.

Usual Decision Maker:

This decision would have been taken by both the Corporate Policy and Resources and Prosperous Communities Committees but all Committee Meetings have been suspended due to the COVID-19 situation.

Call-in does not apply.

Background

The background to this decision is as detailed in the report titled Hemswell Cliff Managed Estate Contract, published [here](#).

Reason for Urgency and Rationale for use of urgent Delegated Decision

In light of the current COVID 19 situation, an urgent decision is required as work is part of a stabilisation and normalisation strategy at Hemswell Cliff which has been in place since 2017. It was proposed that continuation of this work programme within the agreed contractual terms was approved as a key part of the notable improvements made in this area.

The 2 and half year break in the contract is due December 2020.

The rationale for the decision is contained with the report

Notes of Consultation Relevant to the Decision

N/a

Decision

Approval is given for the further continuation of the estate management work at Hemswell Cliff under the existing contractual arrangements, with authority delegated to the Head of Paid Service to ensure that necessary due diligence is in place throughout.

Financial Detail and Implications

As stated in the body of the report, officers meet regularly with the Directors of HRC and these meetings include a briefing on spend against budget and forecast impact on the reserves of the company, as well as agreeing future year budgets and the closure of accounts at year-end.

The HRC accounts are closely monitored in order to ensure that spend is managed within the budget agreed with HRC Directors for the financial year. A summary is provided to show all income and expenditure by category against agreed budget, forecast contribution/to from reserves at year end, and the forecast total balance of reserves at year end, which is held on the WLDC balance sheet.

There is transparent communication of performance, spend and future years planning provided to both HRC Directors and tenants.

Officers actively work with suppliers to drive down costs and consider all viable options for planned works to optimise the budget available, and there has been a significant reduction in the level of outstanding debt, which we inherited from the previous management company.

Officers have worked with the Directors to produce a 5-year plan – which allows for future planning of significant project work and demonstrates that the company is able to maintain the service charge at £350 per household and deliver planned major works, whilst maintaining reserve balances above an agreed minimum level. If Directors continue with the 5-year planning after the contract with WLDC ends it will enable them to plan for works and make decisions on whether service charge increases are required in future in order to achieve those plans.

A Statement of Accounts (SOA) is produced annually by WLDC and issued to HRC Directors with transparent working papers. Please see Appendix D for the 2018/19 SOA.

For prudence, the management contract income was budgeted for 9 months of 2020/21 within the MTFP, up to the break clause date of December 2020. If approval were given to

continue for the length of the contract additional income of £6k would be received for the management of the contract during 2020/21.

The contract value for the two years 2021/22 and 2022/23 will be built into the MTFP once agreed, as part of the budget setting process for 2020/21. The current contract value is an additional £20,200 pa (£24,200 incl. VAT) to the bottom line.



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Ian Knowles
Head of Paid Service

As the Chairman of the Corporate Policy and Resources Committee I have been fully consulted on this matter



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Leader of the Council

As the Chairman of the Prosperous Communities Committee I have been fully consulted on this matter



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Chairman of the Prosperous Communities Committee

As the Leader of the Opposition I have been fully consulted on this matter



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Leader of the Opposition.

Date all Members were notified of the decision 29 April 2020