

CABINET

7 September 2020

- Present: Mayor Taylor (Chair)
- Councillors K Collett, S Johnson, I Sharpe, M Watkin and T Williams
- Also present: Councillors N Bell, A Dychton and F Ezeifedi
- Officers: Managing Director
Group Head of Democracy and Governance (Shared Services) Director of Finance
Executive Head of Corporate Strategy and Communications
Interim Head of Property
Mayor's Political Assistant
Democratic Services Manager

The Mayor welcomed everyone to the virtual Cabinet meeting. He introduced the councillors and officers present. He advised that at the end of each item he would ask each member of Cabinet how they wished to vote.

20 Apologies for absence

Councillor Parker, chair of Overview and Scrutiny Committee gave her apologies; she would have been attending as an observer. There were no other apologies for absence.

21 Disclosure of interests (if any)

Councillor Collett advised the meeting that she represented Watford Borough Council on the West Herts Crematorium Joint Committee.

22 Minutes of previous meeting

The minutes of the meeting held on 6 July 2020 were agreed. It was noted that the minutes would be signed once officers and members were able to return to the Town Hall.

23 Conduct of meeting

The Mayor reported he would go through the agenda as published. He welcomed the non-Cabinet members to the meeting. He added that before the

final item on the agenda members would be asked to exclude press and public from the meeting due to the commercially sensitive information contained in the report.

24 **Petition - Victoria House, 45-47 Vicarage Road**

Cabinet received a petition from Mr Lee Moyes regarding illegal parking and the blocking of access to the neighbouring property, Kimberley House. It was noted that Mr Moyes was unable to attend the meeting.

The Mayor advised that the issues raised in the petition had been monitored by council officers. The owner of 45-47 Vicarage Road had been contacted and he was happy to meet the Mayor, officers and the petitioner to address the concerns raised in the petition.

The Mayor confirmed that the petitioner would receive a written response.

25 **Appointment to Council Companies**

Cabinet received a report of the Group Head of Democracy and Governance requesting approval for the replacement of the outgoing Head of Commercial on the board of directors for Hart Homes (Watford) Limited and Watford Commercial Services Limited and also on the Partnership Board of Watford Health Campus Partnership LLP.

Following a request from Councillor Bell, the Interim Head of Finance confirmed the number of meetings the Group Head of Commercial had attended for Hart Homes (Watford) Limited and Watford Commercial Services Limited. A written response with exact details would be forwarded to Councillor Bell.

RESOLVED –

1. that Alan Gough, Group Head of Community and Environmental Services, be appointed to the Board of Hart Homes (Watford) Limited with immediate effect.
2. that Andrew Cox, Group Head of Service Transformation, be appointed to the Board of Watford Commercial Services Limited with immediate effect.
3. that Tom Dobrashian, Group Head of Place Shaping, be appointed to the Partnership Board of Watford Health Campus Partnership LLP with immediate effect.

Ombudsman's Decision

Cabinet received a report of the Group Head of Democracy and Governance which set out the findings of the Local Government and Social Care Ombudsman into a matter relating to the handling of a claim for housing and council tax benefits.

Councillor Watkin, Portfolio Holder for Resources, introduced the report. He advised that he was confident that following a review of the service's procedures the same problem would not re-occur.

The Group Head of Democracy and Governance informed Cabinet that the council had complied with the Ombudsman's recommendations. A written apology had been sent and compensation paid.

In response to a question from Councillor Bell, the Group Head of Democracy and Governance reported that a detailed work programme had been developed in response to the investigation. The work included additional training, amended processes and more staff had been employed to cover the backlog. Regular reviews were held with managers. She assured members that lessons had been learnt.

RESOLVED –

that the Ombudsman's decision be noted.

West Herts Crematorium Joint Committee – Loan Agreement

Cabinet received a report of the Interim Director of Finance requesting Council approval for the council to enter into a loan facility agreement on behalf of West Herts Crematorium Joint Committee together with the other member authorities with Dacorum Borough Council.

Councillor Watkin, Portfolio Holder for Resources, explained that officers were seeking permission for the council to underwrite one-fifth of the loan to Dacorum Borough Council. The funding would be used towards a new crematorium in Hemel Hempstead.

Councillor Collett noted that the demand for cremations had been rising before coronavirus. It was necessary to become more creative and flexible with services.

RESOLVED –

1. that Cabinet recommends to Council that Watford, as one of the member authorities of the West Herts Crematorium Joint Committee, signs a loan facility agreement between Hertsmere Borough Council, St Albans City and District Council, Three Rivers District Council and Watford Borough Council as borrowers with Dacorum Borough Council as lender for £6 million to part fund a new Crematorium in Hemel Hempstead, subject to all the other 4 borrowing authorities passing similar resolutions;
2. that Cabinet recommends to Council that Watford also signs a Deed of Contribution and Indemnity with all five partner authorities of the West Herts Crematorium Joint Committee, namely Dacorum Borough Council, Hertsmere Borough Council, St Albans City and District Council, Three Rivers District Council and Watford Borough subject to all the other member authorities passing similar resolutions;
3. that Cabinet recommends that Council notes that in agreeing to 1 and 2 above that Watford are underwriting one fifth of the £6 million loan facility should the West Herts Crematorium Joint Committee default on repayment of the loan.
4. that delegated authority be given to the Director of Finance to agree the final terms of the loan and indemnity agreements.

28

Croxley Park update

Cabinet received a report of the Interim Head of Regeneration and Property, which provided an overview of the current position in regard to the financial performance of Croxley Business Park. It was noted that the report would be presented to Finance Scrutiny Committee on 10 September.

Councillor Johnson, Portfolio Holder for Property, introduced the item and provided highlights of the report. He advised that the council was meeting all the assumptions on the site's purchase.

The Interim Head of Regeneration and Property added that the acquisition modelling had been updated by Grant Thornton and it was now possible to run scenarios and get better predictions.

The Interim Director of Finance noted that the uplift in the finance lease had been less than 1% and not 2.5% as originally envisaged in the financial model.

In response to questions from Councillor Bell, Councillor Johnson responded that the vacancy rate for the industrial element had reduced from 25% to 17%. The

council's property consultants had reported that the situation at the Park was the same if not slightly better compared to other similar business parks.

The Interim Director of Finance advised that the outstanding debt mostly related to one tenant. Negotiations had taken place and it was gradually reducing. The rent collection rate was in line with previous quarters. In addition she confirmed that the funds from Columbia Threadneedle Investments could only be used for the purposes stated at purchase.

RESOLVED –

that the contents of the report be noted and that it will be shared with and discussed at the Finance Scrutiny Committee meeting on 10 September.

29

Appointment of Money Market Fund Managers

Cabinet received a report of the Interim Director of Finance that sought endorsement of the investment of the reserve fund with Royal London Asset Management.

Councillor Watkin, Portfolio Holder for Resources, introduced the report. The council had decided to seek professional management advice following the receipt of £92 million in connection with Croxley Park, as detailed in the report.

The Interim Director of Finance commented that she had delegated authority to make the appointment, but was seeking an endorsement from Cabinet.

RESOLVED –

1. that the investment of the Croxley Park reserve fund with Royal London Asset Management using its Sustainable Managed Growth Trust Fund and Sustainable Diversified Trust be endorsed. The final placement of the money between the two funds would be based on the advice of the fund managers given the expected cash flows within the Croxley Park model.
2. that it be noted, that in order to facilitate the longer term investment and give flexibility over timing of the initial investment, the money will be transferred initially into a suitable cash fund within RLAM.

30 **Exclusion of press & public**

RESOLVED –

that, under Section 100A (4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during consideration of the items there would be disclosure to them of exempt information as defined in Section 100(1) of the Act for the reasons stated below in terms of Schedule 12A.

31 **Appointment of Money Market fund Managers (continued)**

Cabinet received a presentation from Royal London Asset Management.

32 **Relocation Options for Watford Mencap**

Cabinet received a report of the Interim Head of Regeneration and Property about the relocation of Watford Mencap. The report contained commercially sensitive information that could not be publicly disclosed at the present time.

The report was discussed.

RESOLVED –

1. that the council seeks to acquire the property up to the approved maximum consideration plus ancillary costs of purchase, capped at the approved sum (subject to survey and valuation).
2. that on completion of the acquisition the council enters into a sub sale to WM with a back to back completion or deferred completion of no more than 3 months from the date of acquisition to WM at the same purchase price as that paid to the vendor. That in the event that Heads of Terms for the onward sale are not agreed with WM before the council is required to exchange contracts with the vendor that the acquisition be reviewed.
3. that a maximum grant (if required) up to the approved level be made to WM to assist them with purchase.
4. that delegated authority to the Interim Head of Regeneration and Property to agree final purchase and onward disposal terms in consultation with the Portfolio Holder for Property prior to exchange of contracts for the acquisition.

Mayor

The Meeting started at 7.00 pm
and finished at 8.00 pm