

Report to the Council

Committee: Cabinet

Date: 28 July 2015

Subject: Call-In and Urgency for the Licence For North Weald Market, Provision Of New Depot – Oakwood Hill, Loughton and Tender for Insurance Policies

1. LICENCE FOR NORTH WEALD MARKET

Recommending:

To note that the Chairman of Council agreed that the following decision of the Cabinet (11 June 2015) be treated as a matter of urgency and not be subject to the call-in provisions in accordance with Overview and Scrutiny Rule 21 (Call-In and Urgency):

- (1) That the Cabinet agrees the recommended course of action proposed by the Asset Management and Economic Development Cabinet Committee that, given the unlikely prospect of an improved trading position by the current market operator, (Hughmark International), the Council exercises its rights to determine the licence, giving six months notice, by 30 June 2015;**
- (2) That the Council re-tenders the opportunity to hold regular outdoor events on the current market area at North Weald Airfield to include, but not restricted to outdoor markets; and**
- (3) That the results of this procurement exercise be reported to a future meeting.**

1. A licence to operate North Weald Airfield Market was granted to Hughmark Continental Ltd in September 2010, expire in 2017.
2. In late 2014, the Cabinet agreed a variation to the current licence to reflect the trend of declining trade and income generated by the market. In varying the licence, the Cabinet sought a formal review of the position after six months of further trading. The Asset Management and Economic Development Committee met on the 23 April 2015, to review the performance of the market in the interim period, and proposed a recommended course of future action to the Cabinet.
3. The Chairman of the Council agreed to waive the call-in procedure set out in Overview and Scrutiny Rule 20 of the Constitution, as any delay likely to be caused by the call-in process would seriously prejudice the Council's interests, as a result of its failure to meet a contractual obligation to give notice of determining the licence by 30 June 2015.

2. PROVISION OF NEW DEPOT – OAKWOOD HILL, LOUGHTON

Recommending:

To note that the Chairman of Council agreed that the following decision of the Cabinet (11 June 2015) be treated as a matter of urgency and not be subject to the call-in provisions in accordance with Overview and Scrutiny Rule 21 (Call-In and Urgency):

(1) To accept the tender of £2,385,176 from T. J. Evers Ltd to undertake the design, build and construction of the new depot at Oakwood Hill for Grounds Maintenance and Fleet Operations.

1. As part of the development of the Epping Forest Shopping Park, it is necessary for the Council's services currently based at its depot at Langston Road, Loughton to be relocated to a new depot facility at Oakwood Hill. Tenders had recently been received for the construction of the new depot.
2. The Chairman of the Council agreed to waive the call-in procedure set out in Overview and Scrutiny Rule 20 of the Constitution, as any delay likely to be caused by the call-in process would seriously prejudice the Council's interests, by virtue of delaying the relocation of services from the existing Langston Road Depot, thereby adversely impacting the programme for the delivery of the Epping Forest Shopping Park.

3. TENDER FOR INSURANCE POLICIES

To note that the Chairman of Council agreed that the following decision of the Cabinet (11 June 2015) be treated as a matter of urgency and not be subject to the call-in provisions in accordance with Overview and Scrutiny Rule 21 (Call-In and Urgency):

(1) To note the outcome of the tender exercise for the Council's insurance policies and enter into an agreement with Zurich Municipal for five years with an option to extend for a further two years.

1. The Council's long-term insurance agreement with Zurich Municipal expires at the end of June 2015. To maximise interest from the market, the portfolio of policies was broken down into different lots to give insurers the opportunity to bid for all of the policies or just those that they specialised in. The policies were broken down into four main lots with those then sub-divided into smaller lots to give a total of eleven bidding opportunities. As some insurers provide a substantial discount where all of their policies are taken a fifth lot was included which allowed tenderers to bid for all of the lots as a group.
2. The deadline for submitting tenders was noon on 26 May and tenders were received from four different companies. Tenders were then evaluated to determine the most economically advantageous outcome for the Council, with 60% of the marks being awarded for price and 40% for quality. Zurich Municipal were the only company to bid for all of the policies together and offer a package discount. The bid from Zurich Municipal for all the policies together was £687,813 per annum (inclusive of IPT).
3. As all of the quality assessments for Zurich Municipal were satisfactory and the combined policy offer was cheaper than the use of individual lots, the Cabinet considered that a new long-term agreement should be entered into with Zurich Municipal.
4. The Chairman of the Council agreed to waive the call-in procedure set out in Overview and Scrutiny Rule 20 of the Constitution, as any delay likely to be caused by the call-in process would seriously prejudice the Council's interests, as there would be a gap between the expiry of the old policies and the commencement of the new policies, leaving the Council uninsured for a short period.