

Cabinet
5 August 2020

WELWYN HATFIELD COUNCIL

Minutes of a meeting of the CABINET held on Wednesday 5 August 2020 at 5.00pm.

This Cabinet meeting was held remotely in line with new regulations passed under the Coronavirus Act 2020, using the Zoom application.

These regulations have been passed under to ensure Local Authorities can conduct any necessary business under the current public health emergency.

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

S.Boulton (Executive Member, Environment and Planning)
T.Mitchinson (Executive Member, Leisure, Culture and
Communications)

N.Pace (Executive Member, Housing and Community)
B.Sarson (Executive Member, Regeneration, Economic
Development and Partnerships)

F.Thomson (Executive Member, Governance, Public
Health and Climate Change)

OFFICIALS PRESENT: Corporate Director (Resources, Environment and Cultural Services) (K.Ng)
Corporate Director (Housing and Communities) (S.Russell)
Head of Law and Administration (M.Martinus)
Principal Planner (S.Chivers)
Governance Services Manager (A.Marston)
Senior Communications Officer (L.Creed)

155. MINUTES

The Minutes of the meeting held on 8 July 2020 were approved as a correct record and noted by the Chairman.

156. ACTIONS STATUS REPORT

The status of actions agreed at the Cabinet meeting on 8 July 2020 in the report of the Corporate Director (Public Protection, Planning and Governance) was noted.

157. DECLARATIONS OF INTERESTS BY MEMBERS

Councillor S.Boulton declared a non-pecuniary interest in the items on the Agenda as a Member of Hertfordshire County Council.

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158. ITEMS REQUIRING KEY DECISION

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

158.1. COVID-19 Impact on the Council's Finances (Forward Plan Reference FP996)

Report of the Corporate Director (Resources, Environment and Cultural Services) on how the Council's finances have been impacted by Covid-19.

(1) The Decision Taken

RESOLVED:

- (1) Cabinet noted the estimated financial impact outlined in the report and is subject to change as the government makes further policy announcements.
- (2) Cabinet noted the budget setting and business plan review timetable as set out in the report.

(2) Reasons for the Decision

An earlier estimate was provided to Cabinet in May 2020, and to Full Council on 20 July. Since then, the Council have been able to analyse the first quarter outturn reports for both the General Fund and HRA, which were presented in separate items.

The Council's strong financial position means that we had so far been able to absorb the impact of the pandemic without having to make budget cuts to front-line services, or to capital programme. A result of which should be proud of.

The revised negative impact upon the General Fund now stands at £4.8M. From this should be deducted £1.5M of government grant support received, producing a net predicted impact of £3.3M.

Of the estimated £3.3M impact, £1.3M is forecast to impact upon the 2020/21 financial year and this is reflected in the outturn report. £2.0 million, relating to predicted shortfalls of Council tax and business rates, will be accounted for via the collection fund, and will impact upon the 2021/22 financial year and beyond.

For the HRA, the estimated impact has come down from £1.8M to £0.5M. This positive movement is a result of Ministry of Housing, Communities and Local Government (MHCLG) extending the deadline for the remittance of Right to Buy receipts.

All these figures will be refined as the Council monitor outturns each quarter and begin to review the MTFS and commence the 2020/21

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budget process. More government help is, as indicated, possible, through the income guarantee.

158.2. Quarter 1 Revenue Monitoring 2020/21 (Forward Plan Reference FP988*)

Report of the Corporate Director (Resources, Environment and Cultural Services) on the forecast revenue outturn position as at Quarter 1 for the financial year 2020/21 and outlines the main variances from the original budget for both General Fund and Housing Revenue Account.

(1) The Decision Taken

RESOLVED:

- (1) The revenue forecast outturn position as at Quarter 1 was noted.
- (2) The virements, detailed in section 3.2 were approved.
- (3) The position on debts set out in sections 5 of the report were noted.

(2) Reasons for the Decision

At the end of Quarter 1, there was an adverse variance on the General Fund net cost of services of £3.9M.

Most of this, or £2.8M, is related to the impact of Covid. This has been partly offset by government funding of Covid losses of £1.5M. This leaves a net Covid impact for 2020/21 of £1.3M.

The remaining £1.1M variance on the net cost of services is almost entirely due to the delayed one-off pension payment of £1.2M. This has been absorbed by a release from the earmarked reserve previously established for this purpose, so has no net impact upon the General Fund balance.

There are no substantial variances in the HRA, as rent collection is currently holding up. The overall adverse variances noted in Section 4.1 have been absorbed by adjusting the Revenue Contribution to Capital. The recent announcement that Right to Buy receipts can be held onto for longer has relieved some of the previously estimated Covid related pressure on the HRA. The revised estimation of £350,000 is a capital, rather than a revenue risk, and is explained in the Capital Outturn report.

Debtors, particularly for our commercial estate, have, as expected, risen considerably in the quarter. Much of this is the result of deferred payment plans being established with commercial tenants.

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As mentioned in the previous agenda item, considerable Covid related uncertainties remain, and the 2021/22 budget will be challenging. But the Council can be proud that past financial prudence means we have so far been in a position to absorb the shock without having to cut front line budgets.

(**Note:** *This item is part of Quarter 1 Revenue Monitoring 2020/21 (Forward Plan Reference FP988)).

158.3. Quarter 1 Capital Budget Monitoring Report 2020/21 (Forward Plan Reference FP988*)

Report of the Corporate Director (Resources, Environment and Cultural Services) on the capital expenditure and associated capital funding for Quarter 1.

(1) The Decision Taken

RESOLVED:

- (1) The Capital forecast outturn position as at Quarter 1 was noted.
- (2) That the virement set out in section 3.3.3 was approved.
- (3) Cabinet noted the forecast position as at 30 June 2020 for funding of the Capital programme and reserve balances.

(2) Reasons for the Decision

The majority of the variances, explained in the report, are due to the re-phasing of projects.

Whilst the impact of Covid has led to some unavoidable delays on certain projects, most of these are now again making progress. Despite these delays, the Council have not had to make any budgetary cuts to the capital programme to date as a result of Covid.

As noted in Section 4.3, there remains a risk that £350,000 of Right to Buy receipts may have to be remitted to the government, although this figure is lower than our original estimate, as the deadline has been extended.

Councillor T.Mitchinson acknowledged the work of the Council's Financial Officers and thanked them for their hard work. The Council was currently in a better financial position to tackle future challenges than most Councils in the Country and Hertfordshire.

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(**Note:** That reference to 3.3.3 was missing from recommendation 2.2 of the report).

(**Note:** *This item is part of Quarter 1 Revenue Monitoring 2020/21 (Forward Plan Reference FP988)).

158.4. Article 4 Direction - Employment Sites (Forward Plan Reference FP957)

Report of the Corporate Director (Public Protection, Planning and Governance) on the confirmation of the Article 4 Direction.

(1) The Decision Taken

RESOLVED:

- (1) Cabinet noted the results of the public consultation which took place for six weeks in October and November 2019.
- (2) Cabinet approved the confirmation of the Article 4 Direction covering the most important office sites in the Borough and to start on 12 October 2020.

(2) Reasons for the Decision

Permitted Development rights exist to convert B1a offices into C3 residential.

The Council had lost 30,000 sqm of office space and gained 435 flats with further commitments of 10,000 sqm of office space and 226 flats.

Other schemes have used Permitted Development as fall-back position to secure permission.

Herts LEP study showed that Herts County Council had lost 400,000 sqm office space which would have a negative impact on growth and economic performance.

Permitted Development schemes do not provide affordable housing or S106 contributions.

Article 4 Direction means that office-to-residential schemes will once again require permission. They will not be banned but will have to get the Council's permission.

A draft Article 4 Direction was issued in October 2019 for public consultation. It was necessary to wait twelve months to let compensation claims fall-away.

The Article 4 Direction proposal covered:

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Welwyn Garden City Employment Area
Hatfield Business Park
Great North Road and Beaconsfield Road, Hatfield
Sopers Road, Cuffley

Planning Officers did not consider Old Hatfield to be strategic office location. There was a limited response to the consultation of the Article 4 Direction, out of the comments received 15 were in support, 3 were opposed and 3 were unknown. There were no substantive issues for the A4D.

The Article 4 Direction was unanimously agreed at the meeting of Cabinet Planning and Parking Panel on 30 July 2020. However since then, the Council had received a letter from JLL on the 5 August on the Article 4 Direction.

Response to JLL letter received 5th August 2020

JLL point: The A4D is neither expedient nor reasonable

Response: Whether it is expedient to confirm the A4D is a matter of judgment for the Council based on careful assessment of the evidence and consultation responses. The CPPP report makes clear that this has taken place. There is clearly a significant loss of employment (office) floorspace taking place through PD conversions, and the gains in terms of additional housing units are not necessarily sufficient to outweigh the harm to the local economy.

It is accepted that the Council must act reasonably at all times, based on evidence, which it is doing in this case.

JLL point: The A4D will prevent the Council from making best use of brownfield land for housing and therefore require more Green Belt land to be released

Response: Although use of brownfield sites for housing can be sustainable, this needs to be balanced against other key planning objectives including maintaining a reasonable stock of employment land, thereby reducing the need to travel outside the town/borough for work and contributing to sustainable living. Officers and CPPP have undertaken this balancing exercise and considered all consultation responses.

Further, the Local Plan does propose allocation of a significant number of brownfield sites for housing, where suitable and appropriate. A4D does not remove possibility of permission being granted for change of use, it simply ensures proper scrutiny of the principle of development of a site through the application process and can ensure that

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infrastructure necessary to make the development sustainable can be secured through S106.

JLL point: The area covered by the A4D in Welwyn Garden City (i.e. the whole Employment Area) is excessive

The Welwyn Garden City Employment Area as defined in the Local Plan is a reasonable and logical extent for the coverage of the A4D in WGC. The office properties likely to be affected by the A4D are distributed throughout this area. The fact that other uses exist in this area is not relevant because the A4D will not apply to these uses. To exclude them all from the area covered by the A4D would lead to a strange 'patchwork' of designated areas which would be less easy to interpret for developers, property owners and the public.

158.5. Parking Strategy (Forward Plan Reference FP975)

Report of the Corporate Director (Resources, Environment and Cultural Services) on the approval of the Parking Strategy 2020-2030.

(1) The Decision Taken

RESOLVED:

Cabinet agreed to adopt the Parking Strategy 2020-2030.

(2) Reasons for the Decision

The strategy provided a policy framework for managing on and off-street parking across the Borough for the next 10 years. It also set out how parking issues were currently dealt with and identifies several objectives and proposed actions.

The Cabinet Planning and Parking Panel unanimously supported the strategy and regular progress updates would be provided to the Committee in the future.

Whilst this item could have been dealt with under Executive member decision notice, Councillor S.Boulton felt that given the importance of the strategy, it should be presented to a Cabinet meeting for adoption.

158.6. Draft Community Infrastructure Levy Charging Schedule (Forward Plan Reference FP994)

Report of the Corporate Director (Public Protection, Planning and Governance) on the approval of the draft Community Infrastructure Levy Charging Schedule for final public consultation prior to examination and adoption.

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(1) The Decision Taken

RESOLVED:

Cabinet approved the Draft CIL Charging Schedule in Appendix A and Instalments Policy (Option D as set out in Appendix B) for public consultation.

(2) Reasons for the Decision

The Community Infrastructure Levy (CIL) was a locally set planning charge to help fund supporting infrastructure.

There was an estimated infrastructure funding gap of £156M over plan period.

The Council prepares Infrastructure Funding Statement and spends collected CIL monies in accordance with the statement. It was particularly useful for strategic infrastructure that were difficult to fund via S106s.

A preliminary CIL report was published in 2017. Further viability work was carried out by BNP Paribas in light of changing property markets, potential impacts of Brexit, etc, but prior to the coronavirus pandemic.

The BNP work judged whether sites are viable/deliverable and can afford levy.

The sites were based on the Submitted Local Plan as agreed by Full Council in 2016. This is the plan that is under consultation at present. The CIL Charging Schedule would be updated if the Local Plan changes later in the year.

11 plus homes = £70 Hatfield, £100 WGC/W Hatfield /Welham Green,
£230 villages

Schemes of less than 11 homes = £230 everywhere, as no affordable housing

Supermarkets = £85

Other retail = £20

All other uses = £20, except education, healthcare, emergency services
= £0

Panshanger = £100

Birchall = £100

Symondshyde = £100

HAT1 = £0 due to estimated £51 million of S106 costs

CIL is estimated to generate between £30-35M over the plan period. Town and Parish Councils will keep 15% from their area, 25% if

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neighbourhood plan. There could be mechanism to ringfence 15% for WGC as there is no town council.

The Council would be allowed to keep up to 5% of CIL for administrative costs. The timetable enables CIL to be adopted in advance or alongside the Local Plan.

The Community Infrastructure Levy (CIL) was unanimously agreed at the meeting of Cabinet Planning and Parking Panel on 30 July 2020.

158.7. Award of Construction Contract for Tewin Road Depot (Forward Plan Reference FP997)

Report of the Corporate Director (Resources, Environment and Cultural Services) on the award of contract for the redevelopment of Tewin Road Depot.

(1) The Decision Taken

RESOLVED:

Cabinet, in accordance with the unanimous recommendation of the Cross Party Streetscene Mobilisation Board, agreed to approve delegate authority to be given to the Corporate Director (Resources, Environment and Cultural Services), in consultation with the Executive Member (Environment), to award the construction contract to RG Carter Cambridge Limited subject to the following - the construction cost will be no greater than £8.5M; and satisfactory planning is achieved for the redevelopment.

(2) Reasons for the Decision

Members had previously agreed to re-develop Tewin Road depot into a new modern streetscene depot and co-locate with a new household waste and recycling facility, which would replace the Cole Green Lane HWRC.

The Cross Party Streetscene Mobilisation Board had been overseeing the procurement of a contractor to design and build the depot. Cabinet approved the appointment of RG Carter at its meeting on 11 February 2020 to carry out the initial works and in order to avoid any delay in the project, it was unanimously supported by the Cross Party Board to recommend to Cabinet to approve delegated authority to award the contract as outlined in the report.

Meeting ended 5.30pm
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