

Cabinet
5 January 2021

WELWYN HATFIELD COUNCIL

Minutes of a meeting of the CABINET held on Tuesday 5 January 2021 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)
B.Sarson (Executive Member, Regeneration, Economic
Development and Partnerships)
F.Thomson (Executive Member, Governance, Public
Health and Climate Change)

OFFICIALS Chief Executive (K.Ng)
PRESENT: Corporate Director (Public Protection, Planning and Governance) (N.Long)
Legal Services Manager (S.Saunders)
Governance Services Manager (A.Marston)
Senior Communications Officer (L.Creed)

209. APOLOGY

An apology for absence was received from Councillor N.Pace (Executive Member, Housing and Community).

210. MINUTES

The Minutes of the meetings held on 19 November and 1 December 2020 were approved as correct records and noted by the Chairman.

211. ACTIONS STATUS REPORT

The status of actions agreed at the Cabinet meeting on 1 December 2020 in the report of the Corporate Director (Public Protection, Planning and Governance) was noted.

Cabinet
5 January 2021

212. ITEMS REQUIRING KEY DECISION

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

212.1. Council Tax Base 2021/22 (Forward Plan Reference FP1007)

Report of the Chief Executive on the approval of the Council's taxbase for the year 2021/22 and the collection rate.

(1) The Decision Taken

RESOLVED:

- (1) That the Council's taxbase for the year 2021/2022 be approved, incorporating a collection rate of 99.40%.
- (2) That in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012, the amount calculated by the Borough Council as its taxbase for the year 2021/2022 shall be 43,462.4 and its constituent elements shall be:

	<u>100% TAXBASE</u>	<u>99.40% TAXBASE</u>
Welwyn Garden City	18,084.8	17,976.3
Hatfield	12,241.0	12,167.6
Welwyn	4,713.2	4,684.9
Ayot St Lawrence	70.1	69.7
Ayot St Peter	113.9	113.2
North Mymms	4,424.9	4,398.4
Essendon	427.2	424.6
Northaw & Cuffley	3076.8	3,058.3
Woolmer Green	572.8	569.4
Total	43,724.7	43,462.4

(2) Reasons for the Decision

All tax collecting local authorities have to estimate a Council Tax Base for the forthcoming financial year. The methods of estimation are largely prescribed by regulation.

The estimated Tax Base is the number of taxable homes in the borough, expressed in Band D equivalent terms. Generally speaking,

Cabinet
5 January 2021

the higher the tax base for any given level of Council General Fund expenditure, the lower the required Council Tax rate. For example, a growing tax base is generally a good thing.

In estimating the tax base for 2021/22, two key assumptions need to be made:

- The collection rate and this is assumed to be 99.4%.
- The growth in the number of homes. This is estimated to be 816.

To the extent that the actual collection rate or the growth in the number of homes turns out to be different from the estimates, this will be adjusted through the Collection Fund in following years. Any financial impact is borne in proportion by all precepting authorities.

The estimated Band D equivalent Tax Base for Welwyn Hatfield for 2021/22 is 43,462 split between the various settlements, as set out in the attached report.

212.2. Budget Proposals and Medium Term Financial Forecasts 2021/22 (Forward Plan Reference FP1015)

Report of the Chief Executive on the budget proposals for 2021/22.

(1) The Decision Taken

RESOLVED:

Cabinet approved the following budget proposals and noted that any comments from Overview and Scrutiny Committee will be returned to Special Cabinet on 19 January 2021 for consideration, before final recommendations are made to Council:

General Fund

- (1) The proposed General Fund Budget as summarised in Appendix A, and detailed in appendix B.
- (2) The inclusion of the savings and growth proposals into the budget as detailed in appendices C and D.
- (3) The approval of the 2021/22 fees and charges which have been incorporated into the budget proposals, as set out in appendix E.
- (4) The increase in the Council's Band D Tax of £4.23 (1.97%), taking the average Band D Tax to £219.15 for 2021/22.

Cabinet
5 January 2021

- (5) That £610,000 is added to the Covid-19 earmarked reserve from the 2021/22 budget, the expenditure of which will be delegated to the Section 151 Officer in consultation with the Executive Member for Resources. This will be fully funded from the one off Covid-19 Support Grant received from the Government.
- (6) That the Special Expenses Scheme continue into 2021/22, and the Special Expenses detailed in Appendix M be approved for inclusion in the Council Tax for 2021/22, subject to consultation with Town and Parish Councils.

Housing Revenue Account (HRA)

- (1) That dwelling rents are increased by CPI+1% in accordance with Government legislation, resulting in an average rent of £109.01 per week.
- (2) To continue the policy of charging formula rent when vacant properties are re-let.
- (3) The approval of the Housing Revenue Account budget for 2021/22 as shown in appendix F.
- (4) The approval of the 2021/22 fees and charges which have been incorporated into the budget proposals, as set out in appendix H.
- (5) The Medium-Term Financial Strategy (MTFS) to maintain HRA working balances to a minimum of 5% of rental income.

Capital Programme

- (1) The approval of the Capital Programme for 2021/22 to 2025/26 as set out in Appendix I.
- (2) The approval of the Capital Financing for the Capital Programme, for 2021/22 to 2025/26 as set out in Appendix J, and note the forecast capital balances in Appendix K.

Medium Term Financial Strategy

- (1) The approval of the Medium-Term Financial Strategy and Financial Governance Framework, including all annexes and prudential indicators for 2021/22 – 2023/24 as set out in Appendix L.

- (2) Reasons for the Decision

Cabinet
5 January 2021

The report will go on for consideration at the Overview and Scrutiny Committee (OSC) on 13 January 2021. Recommendations made by OSC and any changes will be considered by Special Cabinet on 19 January 2021, prior to the proposals being considered at Full Council on 1 February 2021.

The current 2020/21 financial year has been marked by the serious adverse effects upon the Council's finances of the COVID pandemic.

In the original 2020/21 budget, approved prior to the arrival of COVID upon the scene, it was always planned to draw down on General Fund reserves by £1.6M, mainly to fund an additional Earmarked Reserve for future payments to reduce the pension fund deficit.

Since then, adverse COVID impacts of £3.3M had been identified for the current year. These have been partly offset by government support payments totalling £2.0M. Furthermore, the COVID Earmarked reserve set aside at the end of 2019/20 of £405k will be fully drawn down to offset the adverse COVID variance. So the forecast net adverse variance from COVID for 2020/21 is approximately £900k, which is why the forecast drawdown of General Fund balances has risen from £1.6M to £2.5M, which means we aim to start 2021/22 with General Fund balances of £6M.

The 2021/22 General Fund budget has been drawn up at a time when the extent to which COVID will have on-going impacts into the new financial year is extremely uncertain. The Council have received confirmation that we will receive £610k of government support for COVID impacts in 2021/22, and the Council propose to transfer this to an Earmarked Reserve to offset any adverse impacts as they arise. However, it remains the case that our budget will be vulnerable if COVID financial impacts for 2021/22 exceed £610k. At present, this risk is unquantifiable, and will have to be monitored during the 2021/22 budget monitoring process.

Council Tax is proposed to rise by 1.97%, and this, combined with the increase in the Tax Base, will generate an additional £371,000 of income, net of Town and Parish Precepts.

Business Rate income, however, is expected to fall, both as a result of WHBC leaving the "pool" arrangement, and of minimal expected business rate growth.

As part of the COVID financial impact assessment for 2020/21, a potential collection loss of £2.0M of Council Tax and Business Rates was identified. This will hit the Council through the Collection Fund, and are able to spread these losses over 3 years from 2021/22. The 2021/22 amount is therefore around £670k.

Cabinet
5 January 2021

The amount of New Homes Bonus the Council receive is predicted to fall from over £1M to just over £600k. However, we will receive a new “Lower Tier Services Grant of £124k.

An item of note is the first budgeted contribution from Now Housing, which is expected to generate £40k of net interest income on loans by WHBC to the company in 2021/22.

Overall, therefore, after establishing an Earmarked Reserve of £610k for COVID related impacts, a General Fund “gap” of £220k is projected for 2021/22. When taken together with the £670k 2020/21 Collection Fund deficit to be borne directly by reserves in 2021/22, this results in projected General Fund reserves falling to £5.1M at the end of 2021/22.

Whilst this appears to leave reserves in an adequate state, the £670k per annum Collection Fund draw upon reserves continues through 2022/23 and 2023/24. Furthermore, no allowance has yet been made for 2021/22 COVID losses in excess of the £610k government support announced to date. Therefore it is clear that in future years, the Council will have to drive further savings from the modernisation programme, as well as maximising income opportunities where possible, to ensure reserves remain adequate.

The Housing Revenue Account has been far less impacted by COVID than the General Fund, and rent collection levels have held up well. The impairment allowance for bad debts, at £490k, is in line with the current year, and the level of the provision is felt to be adequate.

It is intended to maintain HRA balances at a minimum level of £2.5M.

This will be achieved by managing the level of new HRA borrowing to take account of the requirement to meet the repayment schedule of existing borrowing, and to finance the Affordable Housing Programme.

£32.4M relates to the General Fund. Notable items include £6.9M for Bereavement Services, £4.4M for the Tewin Road Depot upgrade, £4.7M funded by Hertfordshire County Council for the Household Waste and Recycling Centre, and £11.5M of loans to Now Housing.

Much of the Hatfield Town Centre and WGC North capital spend will either be complete by the end of 2020/21, or is already covered by the 2020/21 capital budget, so may be subject to further re-profiling into 2021/22 if the need arises.

£39.5M relates to the Housing Revenue Account. Of the total, £28.7M relates to the Affordable Housing Programme, including £13.2M for Minster House redevelopment, and £7.0M for Howlands House redevelopment. Other than the Affordable Housing Programme, Long

Cabinet
5 January 2021

Term Major Repairs and the Gas Central Heating Replacement Programme account for £7.6M of HRA capital spend.

For the General Fund, the significant increase in external borrowing noted at the time of the 2020/21 budget is sustained. A substantial and increasing part of this is the funding of lending by the Council to Now Housing. In future years, it is anticipated that this activity will generate an increasing interest spread for the Council, although only £40k of net revenue has been included for 2021/22. There is also a requirement to fund the on-going capital programme.

For the Housing Revenue Account, new borrowing to fund the Affordable Housing Programme is predicted to slightly outstrip repayment of existing debt until 2022/23, but, thereafter, repayments will exceed new borrowing, resulting in an overall fall in HRA debt levels by 2025/26.

The Medium Term Financial Strategy (MTFS) is set out in Appendix L, and highlights a number of the opportunities and challenges faced by the Council in the period through to 2023/24 notably the likely requirement to find a further £1.9M of annual General Fund revenue savings by 2022/23.

The combination of a General Fund budget gap of £1.7M in 2022/23 and a further £0.6M in 2023/24, would imply a reduction of General Fund balances to £2.9M. This may reduce further depending on the collection fund position and a further update will be provided to Special Cabinet on 19 January.

Nevertheless, the report demonstrates the Council's commitment to achieving financial stability, and the Council does have a track record to be proud of in this respect. It is intended that the situation will be improved by the driving out of further efficiencies from the Modernisation Programme, and the identification of further opportunities to increase income generation.

Cabinet Members thanked Officers for their hard work on the Council's budget for 2021/22.

212.3. Climate Change Grant (Forward Plan Reference FP1018)

Report of the Corporate Director (Public Protection, Planning and Governance) on the proposed process and criteria for providing grants to local businesses for the purpose of improving their carbon footprint.

(1) The Decision Taken

RESOLVED:

Cabinet
5 January 2021

- (1) Cabinet considered and approved the proposed process and criteria for providing grants to local businesses for the purpose of improving their carbon footprint.
- (2) Cabinet agreed that the maximum grant to be paid to each eligible business will be up to £5,000 of agreed energy saving works and that all works to be undertaken by an eligible business must be recommended in the Council's energy audit report, relevant to the particular business and which is provided to the business concerned.
- (3) That delegated authority be given to the Head of Planning in conjunction with the Executive Member, Governance, Public Health and Climate Change to amend the carbon emission reduction criteria should this be required once more detailed information becomes available through the energy audit on local business premises.

(2) Reasons for the Decision

The Council had declared a climate change emergency, established a Climate Change Member Group and is consulting on a climate change strategy.

One of the actions in the draft strategy was involvement in an Eastern New Energy project to help up to 30 small businesses in the Borough that are keen to reduce their carbon footprint and save on energy costs.

Officers would promote the scheme locally, identify interested businesses, carry out an energy audit of their premises and activities and then recommend changes they can make to reduce their energy use and carbon emissions.

The Climate Change Member Group has agreed that £50,000 of earmarked general fund monies should be used to help support this project.

It is proposed that local businesses that have had an energy audit should be eligible to bid for up to £5,000 to help them implement agreed works. They may of course choose to spend more than this if they wish.

In practice we anticipate that most businesses will seek far less than the full amount, so the fund will help a large number of local businesses.

It is advised that grants should only be awarded where it has been found that every £1,000 of spend will achieve a minimum reduction of

Cabinet
5 January 2021

0.5 tonnes of carbon emissions per year, to ensure the grant achieves its intended aims.

212.4. Hatfield Town Centre Multi-Storey Car park update (Forward Plan Reference FP1024)

Report of the Chief Executive on the construction of the Hatfield Multi-Storey Car Park.

(1) The Decision Taken

RESOLVED:

That, subject to the approval of an appropriate TRO, Cabinet:

- (1) Agreed that the car park charges as summarised in Tables 1 and 2 of the report, be recommended for inclusion as part of the fees and charges of the charges to be considered by Council as part of the budget approval process for 2021/22.
- (2) Noted the contents of the report, in particular the project timetable in Table 3.

(2) Reasons for the Decision

The construction work on the Multi-Storey car park in Hatfield was progressing well and is scheduled to be completed in the Spring.

The car park will be open 24 hours a day, 7 days per week and will be available for short stay, long stay and season tickets. The proposed charges are summarised in Tables 1 and 2 in the report and subject to Council approval, will form part of the 2021/22 fees and charges. It should be noted that based on the business parking survey results, customers typically need to park for less than 3 hours. The Council will be retaining 3 hours free parking in the multi-storey car park and indeed Hatfield will remain the only town in Hertfordshire to offer free parking for up to three hours. The proposed tariff was supported by the majority of Members sitting on the Cross Party Hatfield Town Centre Regeneration Board.

In order to introduce parking restrictions in the Hatfield Town Centre car parks, it is necessary to create a Traffic Regulation Order (TRO). The timetable to introduce the TRO is set out in the report. The TRO relates to the parking restrictions being proposed including pay and display parking and disabled bays, rather than the actual car park charge.

Cabinet
5 January 2021

213. 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 10 (Minute 214 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.

214. ITEM OF AN EXEMPT NATURE REQUIRING KEY DECISION

The following item of an exempt nature for decision was considered:-

214.1. Sale of Consortium Newspaper (Forward Plan Reference FP1021)

Exempt report of the Chief Executive on the Award of Contract for the Sale of Consortium Newspaper.

(1) The Decision Taken

RESOLVED:
(unanimous)

The General Procurement Board unanimously agreed to recommend to Cabinet that a waiver be made to Contract Procedure Rules and make a direct award to Palm Recycling Limited for the period 1 June 2021 to 30 May 2023 (with an optional one-year extension) for both News and Pams and Mixed Papers.

(2) Reasons for the Decision

Welwyn Hatfield was currently the lead authority in a consortium of Hertfordshire and Chelmsford Borough Council to sell their recovered Newsprint and Mixed paper.

In February 2020 Cabinet agreed a one-year contract (for the period June 2020 to May 2021) at fixed prices as there was so much uncertainty in the market at the time.

The General Procurement Board met to agree the procurement options of the new contract beyond May 2021. It was unanimously agreed to negotiate a new contract with Palm recycling.

Cabinet
5 January 2021

For News and Pams, the new price will be based on the average of the mid-point of the Lets Recycle and Euwid indices + £5 per tonne and there will be a minimum guarantee price of £45.00 per tonne.

For mixed paper, the new price will be based on the average of the mid-point of the Lets Recycle and Euwid indices + £2.50 per tonne. The minimum guarantee price will be zero, which means we would not need to pay to have the material collected.

All the authorities within the consortium agreed that this is the best outcome achieved under the current market condition.

Meeting ended 5.30pm
AM