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Please ask for:
Alison Marston

31 May 2022

Dear Councillor

You are requested to attend a meeting of the WELWYN HATFIELD BOROUGH COUNCIL CABINET to be held on Thursday 9 June 2022 at 5.00 pm in the Council Chamber, Council Offices, The Campus, Welwyn Garden City, Herts, AL8 6AE.

Yours faithfully



Governance Service Manager

AGENDA
PART 1

1. **APOLOGIES**
2. **MINUTES**
To confirm as a correct record the Minutes of the meeting held on 29 March 2022 (previously circulated).
3. **PUBLIC QUESTION TIME AND PETITIONS**
Up to thirty minutes will be made available for questions from members of the public on issues relating to the work of the Cabinet and to receive any petitions.
4. **ACTIONS STATUS REPORT (Pages 5 - 6)**
Report of the Assistant Director (Legal and Governance) on the status of actions agreed at the last Cabinet meeting.
5. **NOTIFICATION OF URGENT BUSINESS TO BE CONSIDERED UNDER ITEM 14**
6. **DECLARATIONS OF INTERESTS BY MEMBERS**
To note declarations of Members' disclosable pecuniary interests, non-disclosable pecuniary interests and non-pecuniary interests in respect of items on the Agenda.

7. REVENUE OUTTURN REPORT 2021-22 (Pages 7 - 38)
Report of the Executive Director (Finance and Transformation) on the revenue outturn position for the financial year 2021/22, outlining the main variances from the original budget for both the General Fund and Housing Revenue Account.
8. CAPITAL BUDGET OUTTURN REPORT 2021/22 (Pages 39 - 50)
Report of the Executive Director (Finance and Transformation) on the capital expenditure and associated capital funding for both the General Fund and Housing Revenue Account for 2021/22.
9. TREASURY MANAGEMENT AND INVESTMENT STRATEGY ANNUAL REPORT 2021/22 (Pages 51 - 64)
Report of the Executive Director (Finance and Transformation) on the review of the treasury management activity and prudential indicators for the 2021/22 financial year.
10. PERFORMANCE EXCEPTION REPORT - QUARTER 4 (2021-22) (Pages 65 - 74)
Report of the Chief Executive summarising strategic performance data for quarter 4 of 2021-22.
11. COUNCIL ACHIEVEMENTS LIST (JANUARY - MARCH 2022) (Pages 75 - 80)
Report of the Chief Executive on the Council's key achievements and service improvements of Quarter 4 of 2021-22.
12. APPOINTMENT OF CABINET PANELS, COMMITTEES AND BOARDS 2022-23 (Pages 81 - 82)
To appoint Cabinet Panels, Committees and Boards for 2022/23.
13. APPOINTMENT OF REPRESENTATIVES ON EXECUTIVE OUTSIDE BODIES 2022/23 (Pages 83 - 84)
To appoint representatives to executive outside bodies for 2022/23.
14. SUCH OTHER BUSINESS AS, IN THE OPINION OF THE CHAIRMAN, IS OF SUFFICIENT URGENCY TO WARRANT IMMEDIATE CONSIDERATION
15. EXCLUSION OF PRESS AND PUBLIC
The Cabinet is asked to resolve:
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 Item 16 on the grounds that it involves the likely disclosure of confidential or exempt information as defined in Section 100(A)(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 is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

PART II

16. ANY OTHER BUSINESS OF A CONFIDENTIAL OR EXEMPT NATURE AT THE DISCRETION OF THE CHAIRMAN

Circulation: Councillors T.Kingsbury (Chairman) N.Pace
S.Boulton (Vice-Chairman) B.Sarson
S.Kasumu F.Thomson
T.Mitchinson

Corporate Management Team
Press and Public (except Part II Items)

If you require any further information about this Agenda please contact Alison Marston, Governance Services on 01707 357444 or email – democracy@welhat.gov.uk

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Agenda Item 4

Part I

Main author: Alison Marston

Executive Member: Cllr Nick Pace

Not Ward Specific

WELWYN HATFIELD BOROUGH COUNCIL

CABINET – 9 JUNE 2022

REPORT OF THE ASSISTANT DIRECTOR (LEGAL AND GOVERNANCE)

ACTIONS STATUS REPORT

1 Executive Summary

1.1 In order to ensure that actions identified at meetings are completed, this report lists the actions from the last Cabinet meeting, those responsible for completing each action and its current status.

2 Recommendation(s)

2.1 That Members note the status of the following actions which were identified at the last Cabinet meeting on 29 March 2022:-

Minute	Action	Responsible	Status/ Date Completed
104.1	Local Plan - Annual Monitoring Report 2020/21	Sue Tiley	Publication of the Annual Monitoring report was agreed and, that the Head of Planning be given delegated authority to agree any minor alterations to finalise the AMR, following consultation with the Executive Member for Environment, Planning, Estates and Development.
104.2	Social Housing De- Carbonisation Fund	Andrew Harper/ Paul Horsley	It was agreed to give delegated authority to the Chief Executive (in consultation with the Section 151 Officer and Executive Member for Housing and Climate Change) to award the contract for an agent to manage the Social Housing Decarbonisation Project.

During the period 21 March 2022 to 30 May 2022, the following decisions were taken by Cabinet Members exercising their individual delegated powers in accordance with paragraph 18 of the Cabinet Procedure Rules within the Constitution.

	Action	Responsible	Status / Date Completed
2022-07	Extension of Architects' Framework (Decision taken 28 March 2022)	Andrew Harper	It was agreed to extend the Architects Framework by one year (from 1 August 2022 to 31 July 2023).
2022-08	Responsive Repairs Policy (Decision taken 8 April 2022)	Glen Finch	The Responsive Repairs Policy was approved.
2022-13	Resident Permit Parking Schemes, Verge Protection Order and other Waiting	Andy Clarke	It was agreed to introduce the restriction of waiting and permit parking zones order 2022 and the prohibition of stopping and waiting on

	Restrictions in Various Roads, Ellenbrook, Hatfield. (Decision taken 6 April 2022)		verge or footway order 2022 in various roads in Ellenbrook, Hatfield.
2022-14	Housing Rents Write Off (Decision taken 23 March 2022)	Richard Baker	It had been agreed to write off a housing tenancy account to the value of £11,988.62.
2022-15	Award of Contract for Specialist Cleaning Services (Decision taken 8 April 2022)	Sophie Bishop	The contract commenced on the 1 May 2022.
2022-16	M & E Contract (Decision taken 30 March 2022)	Andrew Harper	It was agreed to not extend the current contracts and a new procurement will commence for the following housing services: <ul style="list-style-type: none"> • Door Entry Installations and Maintenance, • Alarm Maintenance • Communal Mechanical and Electrical works. The new contract will start on 1 April 2023.
2022-17	Energy Rebate Discretionary Scheme (Decision taken 29 April 2022)	Farhad Cantel	It was agreed to approve the delegated Energy Bills Rebate Discretionary Scheme, to provide support to other energy bill payers who may not be eligible under the terms of the core scheme and those who could need additional support. Delegated authority was also agreed to be given to the Chief Executive and S151 Officer in consultation with the Leader and Executive Member for Resources to make future changes to this scheme in line with any Government announcements or changes that may be required to make the scheme more accessible.
2022-18	Response to Luton Rising, Future Luton Airport Expansion Consultation 2022 (Decision taken 4 April 2022)	Sue Tiley	The Draft Future Luton Airport Expansion Consultation response was agreed to be issued to Luton Rising (London Luton Airport Limited) on or before 4 April 2022.
2022-19	Cleaning Contract Extension (Decision taken 7 April 2022)	Andrew Harper	It was agreed to extend the Corporate Cleaning Contract with Birkin Cleaning by one year from 1 January 2023 to 31 December 2023.
2022-20	Article 4 Direction – Office to Residential Conversions (Decision taken 13 April 2022)	Matt Pyecroft	It was agreed to confirm an Article 4 Direction to remove Permitted Development rights around converting offices to residential on key employment sites across the Borough.
2022-21	Chilton Green Refurbishment (Decision taken 3 May 2022)	Paul Horsley	It was agreed to commence the procurement for the refurbishment of Chilton Green sheltered accommodation.

Part I

Main author: Helen O'Keeffe

Executive Member:

All Wards

WELWYN HATFIELD BOROUGH COUNCIL

CABINET – 9 JUNE 2022

REPORT OF THE EXECUTIVE DIRECTOR (FINANCE AND TRANSFORMATION)

REVENUE OUTTURN REPORT 2021-22

1 Executive Summary

- 1.1 This report presents the revenue outturn position for the financial year 2021-22 and outlines the main variances from the original budget for both the General Fund (GF) and Housing Revenue Account (HRA).
- 1.2 There was an adverse variance on the General Fund net cost of services of £3.105m (see **Section 3** for further detail). A summary showing the General Fund position is contained in **Appendix A1**. Of the cost of service variances:
 - £4.052m relates to variances directly attributable to the impact of the COVID-19 pandemic.
 - (£0.947m) relates to other favourable variances.
- 1.3 After additional earmarked reserve drawdowns of £9.647m (see Appendix A2) and other variances of £6.468m, this leaves a net favourable change in the General Fund Reserve of £0.074m. It is recommended this be contributed to the modernisation earmarked reserve as set out in section 3.4.
- 1.4 The £0.074m change in general reserves includes the net pandemic impact position, which is net nil (£4.052m of pandemic related service variances, partially offset by Sales, Fees and Charges (SFC) losses compensation scheme income of £0.301m, business support grants released from reserves of £2.832m, additional contributions to reserves for grants received and incomplete work, and additional drawdowns from the covid earmarked reserves of £1.035m).
- 1.5 The closing balance on the Housing Revenue Account is £2.653m, which is a adverse movement of £0.069m from the Current Budget (see **Section 4** for further detail).
- 1.6 Outstanding debts at 31 March 2022 total £2.459m, with rolling debtor days at 38.46 (refer to **Section 5**).

2 Recommendation(s)

- 2.1 The Cabinet note the revenue outturn position for 2021/22.
- 2.2 That Cabinet approve the movements on earmarked reserves as detailed in section 3.4 of the report.
- 2.3 That delegated authority be given to the Section 151 Officer to adjust the 2022/23 budget for items of income and expenditure rolled forward through earmarked reserves.

2.2 The Cabinet note the position on debts set out in section 5 of this report.

3 **General Fund Monitoring**

3.1 General Fund Budgets

3.1.1 Since the original budget was set there are no additional approved drawdowns from general balances. A summary of General Fund reserves is shown in **Appendix A2**.

3.2 General Fund Cost of Service Variances:

3.2.1 The table below summarises the outturn variances by Head of Service. The year to date variances shown in the “Other” column represents the risks and opportunities within the monitoring report, where a year to date variance has been identified for which no year-end forecast has been made. (Each variance listed in Appendices B1 to B8 are marked a, b or c for cross referencing to the table below).

Outturn Position by Service 21/22			
Service	Budget 21/22 £'000	Outturn 21/22 £'000	Variance to Budget £'000
Resources	1,528	4,934	3,405
Environment	7,094	6,616	(478)
Policy & Culture	1,349	2,631	1,282
Law and Administration	2,263	2,250	(13)
Planning	1,041	1,196	155
Public Health and Protection	1,284	803	(480)
Community & Housing Strategy	2,047	1,486	(561)
Corporate Management Team	1,577	1,370	(207)
Total	18,182	21,287	3,105

3.2.2 Explanations for all key outturn variances are included in the Head of Service breakdowns **Appendices B1 to B8**. Key variances to highlight since the Q3 monitoring are summarised below.

	£'000
Quarter 3 net controllable income and expenditure forecast variance	2,375
COVID related Business Support Grants spend to be drawn down from reserves	2,832
Income from parking recovering faster than expected	(655)
Net figure for homelessness projects costs and income – to be funded by grant income	(465)
Increased utility costs	129
Additional contract and system costs associated with government support schemes (Track and Trace, Business Support grants etc) – to be funded by grants	481
Additional income from historic debt summons cases raised following reopening of the courts	(707)
Council Tax support grants received to support the funding of the collection fund deficit	(214)
Summons costs raised (following backlog from 2020/21)	(430)
Reduction in recycling contract costs	(225)

Net figure for waste and recycling income	(68)
Other smaller changes from Q3	52
Net controllable income and expenditure - outturn variance	3,105

3.2.3 **Appendix F** contains a savings tracker to measure agreed budgeted savings against forecasts. Most of the savings are currently anticipated to be delivered, but there are five key items to note:

- a) Long stay car parking (Red) – this additional income is unlikely to be achieved during 2021/22 due to the impact of the pandemic but will remain in the base budget position for future years.
- b) Reduction in GLL management fee (Red) – As anticipated savings associated with the contract could not be delivered due to the impacts of the pandemic.
- c) Procurement (Amber) – it is anticipated that £30k of the savings planned for 2021/22 will be delivered in 2022/23.
- d) Campus West fees and charges (Red) – this additional income is unlikely to be achieved during 2021/22 due to the impact of the pandemic but will remain in the base budget position for future years.
- e) Garage Income (Red) – this additional income was planned from increasing garage occupancy rates but is unlikely to be achieved during 2021/22 due to the impact of the pandemic. It will remain in the base budget position for future years.

3.3 Other General Fund Variances

3.3.1 In response to COVID-19, the Government provided four tranches of funding to local authorities during 2020/21. The council agreed to add an additional £610k to an earmarked reserve during 2021/22 to be used to support ongoing COVID-19 related costs and lost income. The council has submitted a final claim under the SFC Losses compensation scheme for the period April – June 2021 for an estimated £301k towards income losses for the first quarter of the financial year.

3.3.2 The outturn includes a drawdown of £1.035m from the COVID-19 pandemic reserve which was set up in 2019/20 to support the council to meet the demands of the pandemic in 2020/21 and beyond. A drawdown of £348k from the Modernisation reserve is also included for approved modernisation projects such as revenues and benefits transformation and software solutions.

3.3.3 Additional grants of £459k have been received in relation to new burdens and additional work undertaken as part of the pandemic. Some of these have been set aside in earmarked reserves for use during 2022/23.

3.3.4 As highlighted in previous reports, it was expected that there would be variances on interest income and borrowing interest, relating to changes in the Councils cashflow, arising from the COVID-19 pandemic. The council borrowed £20m against the General Fund capital financing requirement in July. The loan was taken at a very low interest rate of 1.57%. The cashflows continue to be closely monitored. The net variance of interest income and capital financing costs is £354k favourable variance, mainly due to capital slippage and increasing interest rates.

- 3.3.5 The COVID-19 pandemic has continued to impact on collection rates, council tax support and business rates reliefs provided during 2021/22. These will all impact on the collection fund surplus or deficit, but due to regulations and accounting practice, any impact in the current financial year will be reversed out from the General Fund and will instead impact in future years. The variance on the collection fund entries for 2021/22 is £6.582m, and this is fully financed by the business rates retention reserve.
- 3.3.6 A bad debts provision was processed in line with accounting standards, leading to an adverse variance of £175k. Should debt be able to be recovered, this will be released back to revenue in future years.
- 3.3.7 An additional revenue contribution to capital was made of £174k, fully financed by earmarked reserves. This is in relation to the decarbonisation projects, and this funding was approved previously by Cabinet.
- 3.4 Earmarked Reserves
- 3.4.1 A summary of General Fund reserves, including the proposed movements below, are shown in **Appendix A2**.
- 3.4.2 The following reserve movements / adjustments to movements are recommended, based upon actual expenditure incurred or income received. These are shown in **Appendix A2** as “Proposed Movements (a)”:
- 3.4.3 Strategic Initiatives Reserve – Several different projects were to be funded from this reserve during 2021/22. £77k was drawn down from the reserve throughout the year to fund previously approved projects.
- 3.4.4 Business Rates Retention Reserve – As outlined in 3.3.5, the recommendation for this reserve is that it is matched to the deficit that has arisen on the collection fund, associated with business rates collection. An additional grant of £200k was received during 2021/22 to lessen the impact of the collection fund deficit. The closing balance on this reserve on 31 March 2022 is £2.391m which will cover the councils share of the actual deficit on the business rates collection fund.
- 3.4.5 Modernisation Reserve – Several different projects were to be funded from this reserve during 2021/22. It is recommended the movement be amended by £62k and that delegation be given to the Section 151 Officer to adjust the 2022/23 budget as required for the completion of these reserve funded projects.
- 3.4.6 Grants and Contributions Reserve – The Council received a number of ringfenced grants associated with the pandemic, along with some other service based grants, which have not yet been fully utilised. The largest grant receipt in this reserve was £485k for the Community Vaccine Champion programme. £398k has been drawn down from the reserve during 2021/22 with the remainder rolled forward into 2022/23. It is recommended that delegation be given to the Section 151 Officer to adjust the 2022/23 budget as required for spending of these grant receipts in line with government guidance.
- 3.4.7 COVID-19 Pandemic Reserve – This reserve was set up in 2019/20 to support with the costs of the pandemic. Additional grant of £610k was added to this reserve during the year, and a drawdown of £1,035k was required to meet the net costs of the pandemic. The balance on this reserve have now been fully spent.

- 3.4.8 Climate Change Reserve – Approval has been given to fund climate change related planning projects from this reserve. A drawdown of 33 is required to fund spend during the year.
- 3.4.9 A drawdown of £176k is required from the Civic Buildings Reserve be utilised to fund the council funded element of the de-carbonisation works at three key sites.
- 3.4.10 The following reserve movements / adjustments to movements are recommended, based upon the outturn position and available balances. These are funded from non covid related variances. These are shown in Appendix A2 as “Proposed Movements (b)”:
- 3.4.11 Commitments Reserve – It is recommended that the Commitments Reserve be topped up by £169k to fund leadership development training and senior management restructure costs which will be incurred during 2022/23.
- 3.4.12 Modernisation Reserve – It is recommended that the Modernisation Reserve be topped up by £74k to fund future modernisation change projects, funded from the remaining favourable variance on the General Fund. .

4 Housing Revenue Account

4.1 Housing Revenue Account Balances

- 4.1.1 Since the original budget was set there are no additional approved drawdowns from balances.

4.2 Virements

- 4.2.1 There have been no officer approved virements between Head of Service areas since the approved budget, and no recommended virements for Cabinet to consider for the Housing Revenue Account.

4.3 Housing Revenue Account Variances:

- 4.3.1 The closing balance on the Housing Revenue Account is £2.653m, which is a adverse movement of £0.069m from the Current Budget. **Appendix C1** provides the HRA Income and Expenditure Statement with outturn variances. **Appendix C2** provides the same information, but in Head of Service format, along with outturn balances for the Housing Revenue Account.
- 4.3.2 Explanations for all key outturn variances are included in the Head of Service breakdowns **Appendices D1 to D4**.
- 4.3.3 The table below summarises the outturn variances by Head of Service/Corporate Director. The year to date variances shown in the “Other” column represents the risks and opportunities within the monitoring report, where a year to date variance has been identified for which no year-end forecast has been made. (Each variance listed in Appendices B1 to B8 are marked a, b or c for cross referencing to the table below).

4.4 Other Housing Revenue Account Variances

- 4.4.1 There is an decrease of £1.236m on the Revenue Contribution to Capital. This has been adjusted due to the variances outlined in Appendix C, particularly the increase in depreciation, and to ensure the HRA maintains a minimum balance of around 5% of total income, as set out in in the Medium-Term Financial Strategy.

5 Outstanding Debts on Debtors System

- 5.1 At the end of March 2022, debts outstanding totalled £2.459. This is an increase of £624k on the December 2021 position of £1.835m.
- 5.2 Performance is measured using a rolling debtor day ratio. The current target is 50 days and at the end of March 2022 the rolling debtor days totalled 38.46 days. This is a decrease on the 39.43 days reported at the end of December 2021.
- 5.3 The outstanding debts that range between 91-365 days old have increased from £457k as at the end of December to £495k at the end of March. The debt in this category includes £5k which is in dispute and one debt totalling £10k for which an instalment plan has been agreed.
- 5.4 One of the largest areas of debtors relates to commercial property. For the majority of tenants which have not been able to pay, deferments and payment plans have been agreed and are being closely monitored. Additional legislation was brought in by the Government during 2020/21 which prevented some usual recovery action being taken, and this has been extended for 2021/22.
- 5.5 There has been a marked improvement in the payment of commercial rental income since restrictions have lifted, as demonstrated by the general reduction in debtor days each month.
- 5.6 The debtors system does not include debts for housing rents, council tax and business rates. **Appendix E** analyses the outstanding debt by age and across services.
- 5.7 Detailed information on outstanding debts is sent to Directors and Heads of Services for action where appropriate and discussed at the regular budget monitoring meetings with the service accountants. A pro-active approach is taken in managing debts by finance, legal and services.

Implications

6 Legal Implication(s)

- 6.1 There are no legal implications arising as a result of this report.

7 Financial Implication(s)

- 7.1 The financial implications are set out within this report.

8 Risk Management Implications

- 8.1 The risks related to this proposal are set out within the report where appropriate.

9 Security & Terrorism Implication(s)

- 9.1 There are no security & terrorism implications arising as a result of this report.

10 Procurement Implication(s)

10.1 There are no procurement implications arising as a result of this report.

11 Climate Change Implication(s)

11.1 There are no climate change implications arising as a result of this report.

12 Link to Corporate Priorities

12.1 The subject of this report is linked to the Council’s Corporate Priority “Engage with our communities and provide value for money”, and specifically to the achievement of “Demonstrate Value for Money”.

13 Equality and Diversity

13.1 An EqIA was not completed because this report does not propose changes to existing service-related policies or the development of new service-related policies.

14 Health and Wellbeing

14.1 There are no direct implications in relation to health and wellbeing arising from this report.

15 Human Resources Implications

15.1 There are no direct human resource implications arising from this report.

16 Communication and Engagement

16.1 There are no direct requirements for communication and engagement arising from this report.

Name of author Helen O’Keeffe
Title Service Manager (Financial Services)
Date 26 May 2022

Appendices:

A1	General Fund Revenue Budget Summary
A2	General Fund Reserves Summary
A3	General Fund – Virement summary by Head of Service
B1-8	Variance analysis by Head of Service/CMT
<i>B1</i>	<i>Head of Resources</i>
<i>B2</i>	<i>Head of Environment</i>
<i>B3</i>	<i>Head of Policy & Culture</i>

<i>B4</i>	<i>Head of Law and Administration</i>
<i>B5</i>	<i>Head of Planning</i>
<i>B6</i>	<i>Head of Public Health & Protection</i>
<i>B7</i>	<i>Head of Housing & Community</i>
<i>B8</i>	<i>Corporate Management Team</i>
C1	HRA Budget Summary
C2	HRA Budget Summary by Head of Service and Reserves
D1-4	Variance analysis by Head of Service / Corporate Director
<i>D1</i>	<i>Head of Community and Housing Strategy</i>
<i>D2</i>	<i>Head of Housing Operations</i>
<i>D3</i>	<i>Head of Property Services (Housing)</i>
<i>D4</i>	<i>Corporate Director (Housing and Communities)</i>
E	Aged Debt for debts outstanding at the end of March 2022
F	Savings Tracker

Welwyn Hatfield Borough Council - Budget Monitoring - General Fund 2021/22

Description	Budget 2021/22 £ '000	Actual £ '000	Variance £ '000
Head of Resources	1,528	4,934	3,405
Head of Environment	7,094	6,616	(478)
Head of Policy and Culture	1,349	2,631	1,282
Resources, Environment and Cultural Services	9,971	14,181	4,210
Head of Law and Administration	2,263	2,250	(13)
Head of Planning	1,041	1,196	155
Head of Public Health and Protection	1,284	803	(480)
Public Protection, Planning and Governance	4,587	4,250	(338)
Head of Community and Housing Strategy	2,047	1,486	(561)
Hilltop Community Centre	0	0	0
Housing and Communities	2,047	1,486	(561)
Corporate Management Team Budgets	1,577	1,370	(207)
Net Controllable Income and Expenditure	18,182	21,287	3,105
Net Recharge to the Housing Revenue Account	(5,101)	(5,080)	21
Net Cost of Services	13,081	16,207	3,126
expenditure			
Income from Council Tax	(11,312)	(11,312)	0
Business Rates Income	(3,812)	(6,142)	(2,330)
Plus/Less collection fund deficit/(surplus)	670	9,582	8,912
Lower Tier Services/Other Government Grants	(124)	(583)	(459)
Capital Grant Adjustment	0	630	630
New Homes Grant	(609)	(610)	(1)
Covid Support Grant	(610)	(911)	(301)
Less Interest & Investment Income (incl. interest from NH)	(70)	(293)	(223)
Capital Financing Costs	949	972	23
Borrowing Interest	420	266	(154)
Provision for bad debts	0	175	175
Revenue Contribution to Capital	0	174	174
Parish Precepts	1,787	1,787	0
Net Total before movements in reserves	370	9,943	9,573
Use of General Fund Balances for Collection Fund	0	0	0
Contribution (from) / to Earmarked Reserves	(150)	(9,723)	(9,573)
Contribution (from) / to GF balances	(220)	(220)	0

Key of variance column = (Decrease in expenditure/increase in income), Increase in expenditure

Reserve	Balance at 1 April 2021	Budgeted Movement	Previously Approved Changes	Proposed Movements (a)	Proposed Movements (b)	Forecast Balance 31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Earmarked Reserves						
Strategic Initiatives Reserve	1,476	(15)	0	(62)	0	1,399
Business Rates Retention Reserve	9,784	0	(670)	(6,723)	0	2,391
Pensions Reserve	1,201	0	0	0	0	1,201
Modernisation Reserve	1,380	0	(348)	61	74	1,167
Commitment Reserves	12	0	0	(12)	169	169
Grants and Contributions Reserve	4,372	0	0	(1,563)	0	2,809
Local Plan Reserve (Other reserves)	300	0	0	0	0	300
COVID-19 Pandemic Reserve (Other reserves)	425	610	(1,035)	0	0	0
Climate Change Reserve (Other reserves)	150	0	0	(33)	0	117
Youth Provision Reserve (Other reserves)	21	0	0	0	0	21
CE Accomodation reserve (Other reserves)	500	0	0	(176)	0	324
Disability Access Reserve	88	0	0	0	0	88
Other Reserves	51	0	0	0	0	51
Total Earmarked Reserves	19,760	595	(2,053)	(8,508)	243	10,037
General Fund Working Balance	6,902	(220)	0	(3)	0	6,679
Total Reserves	26,662	375	(2,053)	(8,508)	243	16,716

Summary of virements between services - 2021/22

Appendix A3

Service	Virement Detail	Virement Total
Head of Resources	(£1k) Centralisation of budgets for lone working devices	24
	(£30k) Redistribution of planned maintenance budgets	
	£17k Realignment of service responsibility (Facilities Management)	
	£38k Centralisation of printing budgets	
Head of Environment	£721k Realignment of service responsibility (Landscape and Ecology)	637
	(£222k) Realignment of service responsibility (Street Wardens and Dog Control)	
	(£22k) Centralisation of printing budgets	
	(£3k) Centralisation of budgets for lone working devices	
	£43 Centralisation of customer services contract costs	
	£55k Redistribution of planned maintenance budgets	
Head of Policy and Culture	(£25k) Redistribution of planned maintenance budgets	(3)
	£22k Centralisation of printing budgets	
Head of Law and Administration	(£17k) Realignment of service responsibility (Facilities Management)	(18)
	(£1k) Centralisation of printing budgets	
Head of Planning	(£722k) Realignment of service responsibility (Landscape and Ecology)	(768)
	(£1k) Centralisation of budgets for lone working devices	
	(£2k) Centralisation of printing budgets	
	(£43) Centralisation of customer services contract costs	
	(£50k) New Planning Structure	
	£50k Realignment of service responsibility (Energy Efficiency)	
Head of Public Health and Protection	£222k Realignment of service responsibility (Street Wardens and Dog Control)	163
	£8k Centralisation of budgets for lone working devices	
	(£15k) tidy up street warden budgets	
	(£2k) Centralisation of printing budgets	
	(£50k) Realignment of service responsibility (Energy Efficiency)	
Head of Community and Housing Strategy	(£1k) Centralisation of budgets for lone working devices	11
	(£8k) Centralisation of printing budgets	
	£20k Funding for positive pathways scheme	
Corporate Management Team	(£1k) Centralisation of printing budgets	(21)
	(£20k) Funding for positive pathways scheme	
Net Recharge to HRA	(£26k) Centralisation of printing budgets	(26)
Total Increase/(Decrease) to Net Cost of Service Budgets		0

Head of Resources

Description	YTD Budget 2021/22 £ '000	YTD Actual (inc Cmmt) £ '000	YTD Variance £ '000
Employees	3,428	4,880	1,451
Premises Related	1,780	2,121	341
Transport Related	38	14	(24)
Supplies and Services	1,222	1,911	689
Third Party Payments	4,947	20,712	15,765
Transfer Payments	28,323	26,203	(2,120)
Income	(38,210)	(50,907)	(12,696)
Controllable Costs	1,528	4,934	3,405

Controllable Variance Analysis	Year to Date Variance
The council continued to provide discretionary based business support grants during 2021/22, which were funded by the government. Some of the funding was received in 2020/21, so the net overspend relates to grants that were previously set aside, and will be drawn down from an earmarked reserve to fund this net overspend.	2,832
A number of digital, office and ICT modernisation projects were undertaken during the year. This will be part funded by recharges to the HRA, and part funded from the Modernisation Earmarked Reserve.	467
The modernisation team have been moved to a central budget code. There are offsetting savings within the services these staff were moved from.	95
Due to the backlog of court summons cases from 2020/21, additional income has been raised in year for summons fess associated with old debt.	(430)
Project costs associated with change, systems, and additional support for government schemes (business support grants, reliefs, track and trace) have incurred additional contract and system costs. These are fully funded by grants, which are included in the general government grants as part of appendix A1.	481
Additional Council Tax Support grants were received. These have been paid to earmarked resreves to support funding the deficit on the collection fund associated with an increased council tax support caseload.	(214)
There has been an increase in utilities costs within the service, as seen nationally.	129
Net benefits costs and overpayment recovery have generated a favourable variance for the service.	(47)
There were budgeted increases in income associated with increases in garage occupancy, which have not been achievable due to the pandemic.	83

There is an net underachievement of budgeted income to cover premises costs at the business centres due to the impacts of the pandemic. Occupancy is rising and is expected to be in a better position for 2022/23. (this excludes any variance on utilities which has been reported seperately).	58
A grant has been received in relation to business support, which will be contributed to	(45)
c) Other small variances.	(4)
TOTAL	3,405

Head of Environment

Description	YTD Budget 2021/22 £ '000	YTD Actual (inc Cmmt) £ '000	YTD Variance £ '000
Employees	1,268	1,056	(212)
Premises Related	650	1,022	373
Transport Related	17	9	(9)
Supplies and Services	388	410	22
Third Party Payments	8,852	8,613	(239)
Transfer Payments	0	0	0
Income	(4,082)	(4,494)	(413)
Controllable Costs	7,094	6,616	(478)

	Year to Date Variance
Controllable Variance Analysis	
Loss of parking income due to the pandemic. There is still uncertainty on the level of expected use of car parks. The council will be able to receive some government support against reduced income for the first quarter of the year only. This is offset against savings within the service for premises and contract costs, along with greater income from permit parking and enforcement, leaving a net adverse variance. The 2022/23 budget includes a reduction to both income and expenditure in relation to car parks.	114
There have been a number of vacancies throughout the service during the year. The main areas of underspend are parking services (£100k), Recycling (£50k) and agency costs.	(190)
Additional income has been generated from the agency contract with Herts County Council in relation to Tree Maintenance.	(40)
There has been a reduction in costs associated with the net gate fees with the recycling contract which has led to a reduction in contract costs.	(225)
General underspends within the cemeteries service has led to a year end favourable variance. This includes premises underspends of £30k) and contractor payments off	(46)
The street furniture maintenance budget has not been fully utilised for the year, leading to a saving in the service.	(40)
Net impact of reducing income from newspaper recycling but increases in mixed domestic recycling. This year there has been an unusually long period of demand for recyclables meaning that we have earned substantially more than expected. This net favourable variance, includes an adverse variance on the AFM income from Herts	(119)
There has been an increase in utilities costs within the service, as seen nationally.	67
Other small variances.	1
TOTAL	(478)

Head of Policy and Culture

Description	YTD Budget 2021/22 £ '000	YTD Actual (inc Cmmt) £ '000	YTD Variance £ '000
Employees	1,676	1,505	(170)
Premises Related	958	1,430	472
Transport Related	2	1	(1)
Supplies and Services	1,280	982	(298)
Third Party Payments	127	364	237
Transfer Payments	0	0	0
Income	(2,694)	(1,651)	1,043
Controllable Costs	1,349	2,631	1,282

Controllable Variance Analysis	Year to Date Variance
This is the net effect, due to the closure and recovery period for Campus West, associated with the pandemic. There is a significant reduction of income, while property and other costs have continued to be incurred. Whilst cinemas have now been allowed to open, the footfall has been not been to pre-pandemic levels, which is having a knock-on impact on revenue. This net impact includes underspends against	814
This is the net effect, due to the closure and recovery period for the community centres, roman baths and mill green museum, associated with the pandemic. Income from other sites such as community centres are expected to be below budget for the year. This include costs for bringing these attractions back into us.	90
Due to the closure of sports facilities, in line with Government Guidance, the Council provided financial support to GLL in 2020/21 as they have seen a significant reduction to income. This is being managed on an open book basis and is being monitored closely. This pressure is partially mitigated by - which would be partially mitigated by grant funding in reserves.	162
There has been an increase in utilities costs within the service, as seen nationally. This is the net postion as there have been savings on some sites, such as community centres , for reduced usage. The largest variance relates to the GLL contract, under which the council pays the utilities for the centres, and for which there is a £318k overspend.	278
In the main, salaries underspends have been netted off against against income losses above, but other vacanices within the communications service have also occurred over the year.	(24)
Other small variances.	(38)
TOTAL	1,282

Head of Law and Administration

Description	YTD Budget 2021/22 £ '000	YTD Actual (inc Cmmt) £ '000	YTD Variance £ '000
Employees	1,807	1,872	65
Premises Related	3	16	14
Transport Related	21	7	(15)
Supplies and Services	716	726	10
Third Party Payments	(34)	85	119
Transfer Payments	0	0	0
Income	(251)	(456)	(205)
Controllable Costs	2,263	2,250	(13)

Controllable Variance Analysis	Year to Date Variance
There is an overspend on salaries in the service. This relates to difficulties in recruiting to professional roles which have needed to be covered by agency, along with restructuring costs.	56
Staff and project costs for Voluntary Registration scheme. This project was agreed in a previous year to undertake voluntary registration of the council's unregistered land. Funds were set aside in the Strategic Earmarked reserve. This project continues, and costs associated for 2021/22 will be drawn down from the reserve, included in Appendix A2.	64
Contract payments for Webcasting are showing an increased cost owing to increase in use.	38
Savings against electoral registration were made in the form of printing, postage, casual salaries, along with additional contributions and costs recovered.	(84)
Savings were made against the learning and development programme. Funds had been set aside specifically for management development programmes and other activities. These will take place following the management restructure, so funds will be carried forward for use in 2022/23 and 2023/24.	(118)
Land Charges has received additional funding of £36k from HMLR associated with the transfer of functions. This funding will be set aside in earmarked reserves to support the ongoing land registration project.	(36)
Due to changes in working practices associated with the pandemic, savings in postage have been seen for 2021/22. Savings have been incorporated into the 2022/23 base budget.	(25)

Budgeted procurement savings of £100k were included for 2021/22. Around £65k of savings have been identified, although these underspends are showing within the relevant services, and a virement will be completed for 2022/23 to reduce the budgets associated with this targeted saving.	100
Other small variances.	(8)
TOTAL	(13)

Head of Planning

Description	YTD Budget 2021/22 £ '000	YTD Actual (inc Cmmt) £ '000	YTD Variance £ '000
Employees	1,655	1,596	(59)
Premises Related	7	0	(7)
Transport Related	8	3	(5)
Supplies and Services	244	480	237
Third Party Payments	13	7	(6)
Transfer Payments	0	0	0
Income	(885)	(889)	(4)
Controllable Costs	1,041	1,196	155

Controllable Variance Analysis	Year to Date Variance
There are a number of vacancies within the service and difficulties in recruiting to certain roles, which has led to an underspend on salaries. The service also made use of a company to support the service, reported below.	(59)
Due to vacancies within the team, an external company was used to support the service. This was unbudgeted, but party funded by the underspend on salaries above.	105
There has been increased spend on the local plan above the budgeted value, associated with the additional work required by the inspector.	60
There is a reduction in income particularly around planning application fees and pre application fees. This is reflective of a down turn in the number of applications being received, likely to be due to increasing costs of living discouraging homeowners from planning home improvements.	32
c) Other small variances.	17
TOTAL	155

Head of Public Health and Protection

Description	YTD Budget 2021/22 £ '000	YTD Actual (inc Cmmt) £ '000	YTD Variance £ '000
Employees	1,353	1,415	62
Premises Related	3	4	1
Transport Related	23	14	(9)
Supplies and Services	127	252	125
Third Party Payments	93	109	16
Transfer Payments	0	0	0
Income	(316)	(991)	(675)
Controllable Costs	1,284	803	(480)

	Year to Date Variance
Controllable Variance Analysis	
There is a net underspend on employee costs associated with vacancies during the year.	(123)
Grants and contributions have been received from the government and county council associated to ongoing pandemic work. These balances will be placed in an earmarked	(426)
There has been a reduction in licencing income associated to the pandemic.	49
There is an underspend on building control associated with a reduction in work undertaken on behalf of the authority.	(23)
Other small variances.	43
TOTAL	(480)

Corporate Director (Housing and Communities)

31 March 2022 variances

Appendix B7

Head of Community & Housing Strategy (GF)

Description	YTD Budget 2021/22 £ '000	YTD Actual (inc Cmmt) £ '000	YTD Variance £ '000
Employees	1,646	1,661	15
Premises Related	18	6	(12)
Transport Related	11	3	(8)
Supplies and Services	281	1,311	1,030
Third Party Payments	434	436	2
Transfer Payments	0	0	0
Income	(343)	(1,931)	(1,588)
Controllable Costs	2,047	1,486	(561)

Controllable Variance Analysis	Year to Date Variance
There is increased expenditure due to several new homelessness prevention projects that are ongoing, these projects are working with other partner organisations such as the YMCA and Resolve. These projects are being funded by grants that we have been proactive in bidding for and receiving from central government. Overall there is a net balance of grant income, which will be contributed to earmarked reserves and utilised	(393)
There have been several vacancies in the service in year. There are also increased capital salaries recharged from the development team.	(106)
Additional income has been received in relation to the sports partnership. This income will be contributed to earmarked reserves for use in future years.	(120)
The 5 year stock condition surveys for Private Sector Housing was budgeted as a one off item for 2021/22. Due to the pandemic, this project has been delayed until 2022/23. This was to be funded from a drawdown in reserves which will also be moved to 2022/23	(50)
Due to ongoing changes in legislation, and an increased caseload, the council is seeing an increase in legal challenges associated with homelessness. Whilst the council has been successful in these cases, there have been associated legal costs.	82
c) Other small variances.	26
TOTAL	(561)

Budgets managed by the Corporate Management Team
31 March 2022 variances

Appendix B8

Corporate Management Team (GF)

Description	YTD Budget 2021/22 £ '000	YTD Actual (inc Cmmt) £ '000	YTD Variance £ '000
Employees	1,382	1,163	(219)
Premises Related	0	0	0
Transport Related	6	1	(5)
Supplies and Services	189	200	11
Third Party Payments	0	6	6
Transfer Payments	0	0	0
Income	0	(0)	(0)
Controllable Costs	1,577	1,370	(207)

	Year to Date Variance
Controllable Variance Analysis	
Vacancies have been held pending the senior management restructure.	(150)
There is an underspend on the corporate projects pot, which projects have been identified for but are not yet complete. This will be moved to earmarked reserves for	(51)
Other small variances	(6)
TOTAL	(207)

Welwyn Hatfield Borough Council - Budget Monitoring - Housing Revenue Account 2021/22

Description	Budget 2021/22	Actual	FYE Variance
	£ '000	£ '000	£'000
Dwelling rents	(49,775)	(49,732)	43
Non-dwelling rents	(381)	(371)	10
Tenants' charges for services and facilities	(1,779)	(1,611)	168
Leaseholders' charges for services and facilities	(711)	(747)	(36)
Contributions towards expenditure	(298)	(573)	(275)
De minimis receipts	-	(8)	(8)
Total Income	(52,944)	(53,043)	(99)
Repairs and maintenance	8,853	12,474	3,621
Supervision and management	9,489	9,096	(393)
Special services	3,168	3,022	(146)
Rents, rates, taxes and other charges	878	977	98
Impairment allowance for doubtful debts	490	58	(432)
Depreciation	15,565	14,951	(614)
Revaluation loss	-	-	-
Debt management costs	29	36	8
Sums directed by Secretary of State	60	58	(2)
Total Expenditure	38,532	40,671	2,139
HRA share of Corporate and Democratic Core	702	790	88
Net Cost of Services	(13,710)	(11,581)	2,129
Less Interest and Non-Statutory Items:			
Interest payable and similar charges	6,761	5,880	(881)
HRA financing and investment income	(60)	(2)	58
Revenue Contribution to Capital	6,839	5,603	(1,236)
Total Adjustments	13,540	11,481	(2,059)
(Surplus) / Deficit on the HRA	(170)	(101)	69

Welwyn Hatfield Borough Council - Budget Monitoring - Housing Revenue Account 2021/22

HRA By Service Area

Description	Budget 2021/22	Actual (inc Cmmt)	Variance
	£ '000	£ '000	£ '000
Community and Housing	(448)	(54)	394
Housing Operations	(44,780)	(45,491)	(710)
Property Services	10,224	13,618	3,394
Corporate Director	7,276	6,417	(858)
Corporate items	27,559	25,409	(2,150)
(Surplus) / Deficit on the HRA	(170)	(101)	69

HRA Reserves

	Current Budget 2021/22	Outturn 2021/22	Variance
	£ '000	£ '000	£ '000
Opening HRA Balance	(2,552)	(2,552)	-
In-year (Surplus) / Deficit	(170)	(101)	69
Closing HRA Balance	(2,722)	(2,653)	69

Head of Community & Housing Strategy (HRA)

Description	YTD Budget 2021/22 £ '000	YTD Actual (inc Cmmt) £ '000	YTD Variance £ '000
Employees	108	70	(38)
Premises Related	200	423	224
Transport Related	1	3	3
Supplies and Services	6	4	(2)
Third Party Payments	0	0	0
Transfer Payments	0	0	0
Income	(762)	(555)	207
Controllable Costs	(448)	(54)	394

Controllable Variance Analysis	Year to Date Variance
a) Additional Council Tax costs at Howlands House due to Covid restrictions on occupancy and voids at Inspira House due to essential repairs.	111
a) Reduced rent and service charge income. This is again due to Covid restrictions on tenancies and Inspira House availability.	147
a) Decreased service charge income at hostels due to Inspira House being unoccupied.	61
a) There have been vacancies within the service, which has led to a year to date underspend.	(38)
a) Due to staff vacancies there is an increased cleaning cost due to using contract cleaners as opposed to staff.	33
a) Variance is due to historical utility bills that have come through	64
c) Other minor variances.	15
TOTAL	394

Head of Housing Operations

Description	YTD Budget 2021/22 £ '000	YTD Actual (inc Cmmt) £ '000	YTD Variance £ '000
Employees	4,189	3,825	(364)
Premises Related	770	921	151
Transport Related	149	94	(55)
Supplies and Services	1,974	1,534	(441)
Third Party Payments	260	242	(17)
Transfer Payments	60	58	(2)
Income	(52,181)	(52,163)	18
Controllable Costs	(44,780)	(45,491)	(710)

Controllable Variance Analysis	Year to Date Variance
a) Service Charge for Major Works for Leaseholders - due to delays in work programmes and therefore the recharging of works.	(36)
a) Decrease in income from rentals, lunch club, children's activities and Freddie's Den at The Hive due to the pandemic. There is also a decrease in income from the community buses as well as Independent Living Alarm Monitoring income reductions due to fewer users than budgeted again due to Covid.	86
a) Car allowance for Independent Living, Neighbourhoods and Income and Home Ownership as well as fuel, tyres and batteries for Community Buses underspent due to lower activity during the pandemic.	(50)
a) Legal and consultancy budgets within Housing Operations, these are reactive budgets and was not used within the service, however the savings has helped contribute towards the overspend in Property services.	(64)
a) There were a number of vacancies within the service including in the Business Excellence, Income and Homeownership team, and Control Centre and Neighbourhoods Team.	(360)
a) Increase in Income on dwelling rent due to a significant number of buy backs during the year.	(103)
b) Bad debts provision reduced as collection rates were kept high.	(120)
a) Queensway House voids contributed towards an increase in Council Tax on void properties £116k. Additional costs on utilities due to tariff increase £64k	187

a) There is a year to date underspend on legal fees and insurance costs for rent recovery due to the pandemic causing legal action to be on-hold.	16
a) There has been an underspend on this area due to more payments to tenants being made from the property services budgets, this saving will contribute to the overspend on that line.	(77)
a) Due to covid-19 some tenants events and training has been put on hold.	(65)
a) This is for landlord insurance, a provision of £63k additional to budget was made based on previous years claims, however there was a reduction in claims giving a saving of £55k	8
a) The variance is a combination of the Orchard Assets project not yet completed hence software licensing not yet required ,and savings on the consultancy and equipment purchasing within the Business Excellence	(142)
a) Temporary accommodation costs of £55k in excess of budget are being incurred due to the need to decant tenants and the lack of suitable properties. Offset by a saving of £9k on the Assisted Transfer Scheme.	47
a) Intercom system maintenance expenditure less than expected as fewer clients due to covid expenditure saving offset by a reduction in alarm	(43)
c) Other minor variances.	6
TOTAL	(710)

Head of Housing Property Services

Description	YTD Budget 2021/22 £ '000	YTD Actual (inc Cmmt) £ '000	YTD Variance £ '000
Employees	1,334	1,482	148
Premises Related	0	49	49
Transport Related	23	4	(19)
Supplies and Services	97	563	467
Third Party Payments	8,771	11,846	3,075
Transfer Payments	0	0	0
Income	0	(327)	(327)
Controllable Costs	10,224	13,618	3,394

Controllable Variance Analysis	Year to Date Variance
a) There is an increase in agency costs due to covering the vacant posts within the team as well as the cost of the fire watch at Queensway House.	641
a) There are a number of vacant posts within the Property Services team, which are in the process of being recruited to, pending the outcome of the Modernisation Review. These savings will be offset by agency staffing costs whilst the recruitment processes take place.	(549)
a) So far this year there has been a higher number of repairs than in previous years, which has been slightly impacted by the pandemic. Additionally, higher material prices are currently affecting the market. This is a trend that is being seen across other local authorities. The forecast position represents the current trend, however there may be savings on this figure if the rate of repairs decreases.	3,075
a) Higher number of legal disrepair cases this year, meaning a higher legal fees expenditure than budgeted.	180
c) There has been increased expenditure within property services on items such as the procurement and challenges of the new Housing Maintenance contract, and recruitment of an external consultant to help with the modernisation of the team. There are savings on the HRA management side which should offset the increased expenditure.	340
c) Due to the overspend on housing repairs with the Mears contract, there is a pain share that Mears will contribute towards this.	(316)
c) Other minor variances	23

TOTAL	3,394
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Corporate Director (Housing and Communities)

31 March 2022 variances

Appendix D4

Corporate Management Team (HRA)

Description	YTD Budget 2021/22 £ '000	YTD Actual (inc Cmmt) £ '000	YTD Variance £ '000
Employees	385	385	0
Premises Related	0	0	0
Transport Related	0	0	0
Supplies and Services	6,952	6,043	(909)
Third Party Payments	0	(1)	(1)
Transfer Payments	0	0	0
Income	(61)	(9)	52
Controllable Costs	7,276	6,417	(858)

Controllable Variance Analysis	Year to Date Variance
a) Investment interest rates are lower than forecast, which has decreased the amount of income expected.	59
b) Interest paid for the rest of the financial year is expected to be lower than budget as the level of borrowing is anticipated to be lower than the budget assumption. The year to date variance is due to the timing of the payments.	(881)
a) There is a current underspend on the HRA management line. This is hoped to be used to fund the overspend on property services for the spend relating to the procurement challenges and consultants.	(30)
c) Other minor variances.	(6)
TOTAL	(858)

Arrears by service at 31st March 2022

Appendix E

	1-30 Days Overdue	31-60 Days Overdue	61-90 Days Overdue	365 Days Overdue	Total Outstanding
Public Protection, Planning & Governance					
Law & Administration	38,692.62	0.00	0.00	1,588.00	40,340.62
Planning	10,047.00	4.86	0.00	12,288.28	22,326.01
Public Health & Protection	43,900.42	38,428.37	1,706.48	2,559.45	89,127.68
	<u>92,640.04</u>	<u>38,433.23</u>	<u>1,706.48</u>	<u>16,435.73</u>	<u>151,794.31</u>
Housing and Communities					
Housing Operations	21,097.80	7,476.93	1,101.54	5,727.13	50,668.26
Housing Property Services	0.00	0.00	0.00	0.00	10,270.00
Community & Housing Strategy ¹	31,917.95	799.00	2,079.23	86,035.94	211,488.21
	<u>53,015.75</u>	<u>8,275.93</u>	<u>3,180.77</u>	<u>91,763.07</u>	<u>272,426.47</u>
Resources, Environment & Cultural Services					
Policy & Culture	11,972.02	0.00	0.00	112.00	25,114.02
Environment - Cemeteries	14,130.00	4,185.00	1,252.00	3,988.48	31,222.48
Environment - Street Cleaning	0.00	0.00	0.00	1,886.00	1,886.00
Environment - Other	146,284.14	12,658.14	73.16	19,963.19	178,790.84
Resources - Shopping Centres	199,782.42	3,854.17	3,854.17	137,479.96	447,626.94
Resources - Hatfield Town Centre ⁸	102,091.78	0.00	16,707.38	54,257.42	322,669.17
Resources - Ground rent	7,214.76	-16.56	-15.50	4,988.70	-37,732.57
Resources - Garages	26,747.09	25,744.34	17,752.45	222,363.77	410,051.97
Resources - Other Corporate Property	65,377.36	7,134.48	953.24	3,397.11	100,017.06
Resources - Broxbourne contract	1,194.00	0.00	0.00	0.00	1,164.00
Resources - Other	369,124.09	140,899.73	0.00	30,684.22	553,640.49
	<u>943,917.66</u>	<u>194,459.30</u>	<u>40,576.90</u>	<u>479,120.85</u>	<u>2,034,450.40</u>
TOTAL	<u>1,089,573.45</u>	<u>241,168.46</u>	<u>45,464.15</u>	<u>587,319.65</u>	<u>2,458,671.18</u>

		Breakdown below:
Rental Deposit scheme	¹	49,717.42
Referred to legal	²	127,034.91
Payment plan	³	32,075.11
Chasing Estates customers		123,842.72
Chasing - other LAs and partner orgs	⁴	10,158.60
Chasing - other orgs & individuals	⁴	27,748.12
Garages - current tenants	⁵	85,910.22
Garages - former tenants	⁵	136,453.55
Balances of less than £50	⁶	2,657.32
Unallocated credits	⁷	-8,278.32

Analysis and actions being taken re debt over 90 days

1. Rental Deposit Scheme - these are deposits provided to residents to enable them to rent a property and are to be repaid when they leave and make up the majority of Community & Housing Strategy debts over 365 days. The more recent debts have instalment plans in place.
2. Referred to legal - the debt is now in the hands of the Council's legal team who will first issue a Letter Before Action and if appropriate seek a County Court Judgement.
3. Payment plan - these customers are paying their debt in instalments, as a result of an agreement with officers or terms set by a court.
4. Chasing - these debts are being actively pursued directly with the customer by the department who provided the service or by Finance. This is the step before considering referring the debt for legal action or when legal action is inappropriate e.g. another local authority or partner organisation.
5. Garages - these debts are being pursued by the Garages Team using direct customer contact and legal action where appropriate. Annual income from garage rents is around £2.3m across over 4,000 garages.
6. Balances of less than £50 - many of these debts are ground rent and an exercise is underway to chase up the non payment of these charges.
7. Unallocated credits - these arise when customers pay a different amount than the invoice issued or where a customer pays in advance of an invoice being raised.
8. Hatfield Town Centre - the total annual rental income from commercial tenants is £544k.

Budget Efficiency Savings 2021 - 2022

Appendix F

Head of Service	Title of the Proposal	2021/22 (Budget) £'000	2021/22 (Actual) £'000	On Track
Resources	Process Review	(15)	(15)	On Track
Resources	Garage Income	(50)	0	Saving will not be delivered
Resources	Insurance Premiums	(40)	(40)	On Track
Resources	Property Maintenance	(35)	(35)	On Track
Resources	Reduced Printing Costs	(30)	(30)	On Track
Resources	Rental Income - General	(200)	(188)	On Track
Resources	Repayment of Borrowing	(230)	(230)	On Track
Environment	Garden Waste	(100)	(100)	On Track
Environment	Long Stay Parking	(25)	0	Saving will not be delivered
Environment	Service Review	(26)	(26)	On Track
Policy and Culture	GLL Management Fee	(72)	0	Saving will not be delivered
Policy and Culture	Campus West Efficiencies	(90)	(90)	On Track
Policy and Culture	Campus West Fees and Charges	(50)	0	Saving will not be delivered
Law and Administration	Net Procurement Savings	(45)	(25)	Risk identified to delivery of saving
Law and Administration	Refreshments	(15)	(15)	On Track
Law and Administration	Training and Development	(61)	(61)	On Track
Planning	Service Review	(35)	(35)	On Track
Planning	Pre Planning Fees	(20)	0	Saving will not be delivered
Public Health and Protection	Refocus Operation Reprise	(20)	(20)	On Track
Community and Housing Strategy	General Efficiencies	(10)	(10)	On Track
Community and Housing Strategy	Shop Mobility	(22)	(22)	On Track
TOTAL		(1,190)	(942)	

On track for delivery of saving	On Track
Risk identified to delivery of saving	Risk identified to delivery of saving
Saving will not be delivered	Saving will not be delivered

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Part I
Item No: 0
Main Author: Helen O’Keeffe
Executive Member: Cllr Stephen Boulton
All Wards

WELWYN HATFIELD BOROUGH COUNCIL
 CABINET – 9 JUNE 2022
 REPORT OF THE EXECUTIVE DIRECTOR (FINANCE AND TRANSFORMATION)

CAPITAL BUDGET OUTTURN REPORT

1 Executive Summary

- 1.1 This report presents the capital expenditure and associated capital funding as at the end of March 2022. The report and appendices detail the changes to the original capital programme and funding plans, as a result of programme commitments and project delivery.
- 1.2 The current approved capital budget is £98.825m (which includes the approved re-phasing of budgets from 2020/21) and the outturn position (including proposed re-phasing of budgets into 2022/23) is £99.006m. A summary of variances to budget and re-phasing is shown in **Table 1** and detailed explanations for key variances in **Section 3.4**.
- 1.3 A financing outturn table showing how the capital programme has been funded is set out in **Section 4** of this report.

2 Recommendations

- 2.1 That Cabinet note the overall capital outturn position and financing for 2021/22.
- 2.2 That Cabinet approve the re-phasing of budgets into 2022/23 as detailed in Appendix A.

3 Capital Programme – Outturn Position

Capital Budgets

- 3.1 The following table tracks approved changes to the original budget during the year, which impact on reserves.

Original Budget – Capital	£53.007m
Rephasing from 2020/21	£39.876m
Supplementary Budget – 1 to 9 Town Centre	£3.383m
Supplementary Budget – Public Buildings Decarbonisation Scheme	£2.559m
Current Budget – Use of Reserves (General and Earmarked)	£98.825m

- 3.2 The capital outturn position is summarised in **Table 1** below and a detailed breakdown by capital scheme can be found in **Appendix A**.

Table 1: Capital Outturn 2021/22 By Fund and Head of Service

	Budget 2021/22	Outturn	Variance	Re- phasing of Capital Schemes	(Under)/ Over Outturn
	£'000	£'000	£'000	£'000	£'000
General Fund					
Planning	1,031	0	(1,031)	1,031	0
Public Health and Protection	52	1	(51)	51	(0)
Public Protection, Planning and Governance	1,083	1	(1,082)	1,082	0
Resources	12,417	6,815	(5,602)	5,917	315
Environment	19,405	6,608	(12,797)	12,732	(65)
Policy and Culture	170	32	(138)	125	(13)
Resources, Environment & Cultural Services	31,992	13,455	(18,537)	18,774	238
Community & Housing Strategy	1,688	307	(1,381)	1,381	0
Housing and Communities	1,688	307	(1,381)	1,381	0
General Fund Total	34,763	13,764	(20,999)	21,237	238
Now Housing	11,548	0	(11,548)	11,548	0
Housing Revenue Account					
Housing Property Services	16,483	13,217	(3,266)	3,531	265
Housing Operations	933	161	(772)	452	(320)
Community & Housing Strategy	35,098	18,944	(16,154)	16,153	(1)
Housing and Communities	52,514	32,321	(20,193)	20,136	(56)
Housing Revenue Account Total	52,514	32,321	(20,193)	20,136	(56)
Grand TOTAL	98,825	46,085	(52,740)	52,921	182

3.3 There is re-phasing of £52.921m into 2022/23, split between funds as follows:

GRF £21.237m – re-phase budget into 2022-23

Now Housing £11.548m – re-phase budget into 2023-24

HRA 20.136m – re-phase budget into 2022-23

Total net re-phasing – £52.921m

3.4 Key outturn variances are outlined below:

GENERAL FUND RE-PHASING £21.237m

Head of Planning re-phasing £1.031m

3.4.1 £1.000m – Angerland Football and Rugby Improvements in Hatfield (App A ref. no 3 and 4)

The Angerland £1.000m is from a S106 planning agreement, and is held by the Council, to be distributed to sports bodies in Hatfield. A Board was set up to receive nominations and award funding. In September 2019 the board agreed to review the criteria associated with the fund. The review has been concluded and in September 2020 it was confirmed that the funding remains available to deliver the two large projects for football and rugby through the capital programme and smaller community sport projects funded via a bid process from the remaining funding held in revenue. There are no large projects progressing through the planning system at present, so the money will continue to be held by the Council for the foreseeable future until such time as a project is progressed.

Head of Resources re-phasing £5.917m

3.4.2 £1.097m – High View Development (App A ref. no 6)

This budget is for retail development fees, including compensation payments to tenants. It is a phased development with fees and payments to be expended throughout the life of the project. The project is still in its first phases with the majority of work being done in 2022/23, therefore it is advisable that £1.097m is slipped into next year when the majority of works are to take place.

£2.758m – Welwyn Garden City Town Centre North (App A ref. no 12)

There have been delays with preparing planning and architectural documents. The majority of the work will therefore slip into 2022/23.

£1.100m – De-carbonisation schemes (App A ref. nos 33-35)

Grants have been received to fund de-carbonisation works at Hatfield Swim Centre, Campus West and Campus East. The Swim Centre has been completed. This work has started at Campus East and Campus West and will continue in 2022/23.

Head of Environment re-phasing £12.732m

3.4.3 £5.712m – Bereavement Services (App A ref. no 37)

Work is ongoing on this project and the estimated completion date is March 2023. The re-phasing relates to work that will be carried out during 2022/23.

£2.825m – Tewin Road Depot (App A ref. no 42)

The project is underway with the majority of work to be carried out in Phase Two.

£3.672m – Household Waste and Recycling Centre (App A ref. no 43)

There has been a delay in signing of the planning conditions which has resulted in the need to re-phase part of this budget for this project.

Head of Community and Housing Strategy re-phasing £1.381m

3.4.4 £1.317m – Disabled Facilities Grants (App A ref. no 54)

Disabled Facilities Grants are expected to spend in line with previous years with the remainder rolled forward to meet future needs.

Now Housing re-phasing £11.548m

3.4.5 £11.548m – Capital Loans to Now Housing (App A ref. no 59)

Capital loans to Now Housing not expected to be required until next year as new acquisitions have not been identified in year for completion.

HOUSING REVENUE ACCOUNT re-phasing £20.136m

Housing Property Services re-phasing £3.531m

3.4.6 £0.992m – Major Repairs (App A ref. no 60 to 73)

There have been delays to the project and due to the nature of the project works are not able to take place during the winter months. Work will start on site in spring 2022 and therefore re-phasing of £0.992m is required.

Community and Housing Strategy re-phasing £16.153m

3.4.7 £16.154m – Affordable Housing Programme (App A ref. nos 78 to 98)

Following delays to commencement and review of cash flows for a number of schemes including Howlands House, Minster House, Ludwick Way and 1-9 Town Centre, Hatfield, re-phasing is required.

4 **Capital Programme – Financing Outturn**

4.1 The financing of the capital programme and cumulative borrowing position (internal and external loans) is shown in Table 2 below:

Table 2 - Capital Financing Summary	Current Budget 2021/22 £'000	Forecast Outturn 2021/22 £'000	Forecast Variance £'000
GENERAL FUND			
Total Expenditure	34,763	13,763	(21,000)
Capital Receipts and Reserves	(4,318)	(1,838)	2,480
Capital Grants and Contributions	(16,132)	(6,572)	9,560
Revenue Contribution to Capital	(196)	(174)	22
Borrowing Requirement for Before MRP and Loans	14,117	5,179	(8,938)
Minimum Revenue Provision	(771)	(817)	(46)
Net Change in Borrowing Requirement for Year (including Loans)	13,346	4,362	(8,984)
Cumulative Borrowing Requirement at year end	52,278	40,857	(11,421)
Capital Reserves and Grants Balance at year end	9,289	12,197	2,908
Borrowing for Now Housing	11,548	-	(11,548)
Cumulative Borrowing Requirement including Now Housing	63,826	43,294	(20,532)
HOUSING REVENUE ACCOUNT			
Total Expenditure	52,514	32,322	(20,192)
Loan Repayment	21,400	21,400	-
Capital Receipts and Reserves	(16,548)	(20,677)	(4,129)
Restricted 141 Capital Receipts	(14,185)	(5,806)	8,379
Revenue Contribution to Capital	(6,840)	(5,603)	1,237
Capital Grants and Contributions	-	-	-
Borrowing Requirement for Year	36,341	21,636	(14,705)
Cumulative Borrowing Requirement at year end	262,158	245,823	(16,335)
Capital Reserves and Grants Balance at year end	533	14,096	13,563

4.2 Key Variances to the General Fund & HRA Financing are as follows:

General Fund:

The expenditure outturn is reduced owing to rephasing of capital schemes into 2022/23.

Capital grants financing has been reduced to reflect the rephasing of the Angerland Football and Rugby schemes into 2022/23, along with grant funded development schemes

such as Welwyn Garden City North. The borrowing requirement has reduced owing to the partial rephasing of the High View redevelopment scheme into 2022/23. Forecast year end reserves have increased to reflect the rephasing.

Housing Revenue Account:

The expenditure outturn is reduced owing to rephasing of capital schemes into 2022/23.

The borrowing requirement in year has been reduced to reflect the reduced outturn and the year end reserves position has increased, reflecting the decreased use of capital receipts and changes in the revenue contribution to capital. There is a reduction in the revenue contribution to capital of £1.237m owing to the increased cost of repairs.

Implications

5 Legal Implication(s)

5.1 There are no direct legal implications arising from this report. However, the individual projects will require legal input into procurement and contractual documentation.

6 Financial Implication(s)

6.1 Financial implications are set out in the body of the report where relevant.

7 Risk Management Implication(s)

7.1 There are none arising directly from this report.

8 Security & Terrorism Implication(s)

8.1 There are none arising directly from this report.

9 Procurement Implication(s)

9.1 There are none arising directly from this report.

10 Climate Change Implication(s)

10.1 There are none arising directly from this report.

11 Health and Wellbeing Implications(s)

11.1 There are none arising directly from this report.

12 Link to Corporate Priorities

12.1 The subject of this report is linked to the delivery of all of the Councils Corporate Priorities.

13 Communications Plan

13.1 There are none arising directly from this report.

14 Equality and Diversity

14.1 An Equality Impact Assessment (EIA) has not been carried out in connection with the proposals that are set out in this report as there is no impact on services directly as a result of the recommendations.

15 Human Resources Implications

15.1 There are none arising directly from this report.

Name of author	Helen O’Keeffe
Title	Service Manager (Financial Services)
Date	26 May 2022

Appendix A - Capital Expenditure Monitoring by Scheme

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CAPITAL MONITORING OUTTURN 2021/22

Ref	Project description	Current Budget	Outturn	Variance	Re-phasing	(Under) / Over Forecast	Report Ref
		£'000	£'000	£'000	£'000	£'000	
GENERAL FUND							
1	Community Infrastructure Levy software	26	0	(26)	26	0	
2	Replacement of Fast Planning	5	0	(5)	5	0	
3	Angerland Football Improvement schemes	800	0	(800)	800	0	3.4.1
4	Angerland Rugby Improvement schemes	200	0	(200)	200	0	3.4.1
	Total Head of Planning	1,031	0	(1,031)	1,031	0	
5	Northgate case management system - replace and	52	1	(51)	51	(0)	
	Total Head of Public Health and Protection	52	1	(51)	51	(0)	
	Total Corporate Director - Public Protection, Planning	1,083	1	(1,082)	1,082	0	
6	Highview Shops	1,319	222	(1,097)	1,097	0	3.4.2
7	Hatfield Town Centre Public Realm	91	17	(74)	74	(0)	
8	Splashlands Development	41	41	(0)	0	(0)	
9	Hatfield Town Centre fees for redevelopment	0	1	1	0	1	
10	Flat Refurbishments Hatfield Town Centre	18	0	(18)	18	0	
11	Redevelopment of 1 and 3-9 Town Centre Hatfield	2,344	2,172	(172)	172	0	
12	Welwyn Garden City Town Centre North	3,961	1,203	(2,758)	2,758	0	3.4.2
13	Huntersbridge car park concrete waterproofing	10	0	(10)	0	(10)	
14	Campus East Fire compartmentalisation	22	0	(22)	22	0	
15	Littleridge Industrial Area resurfacing	22	3	(19)	19	(0)	
16	Hatfield Town Centre Multi Storey Car Park	323	356	33	0	33	
17	Garage Renovations	232	178	(54)	54	0	
18	Garage Forecourt Resurfacing	103	77	(26)	26	0	
19	Link Drive Redevelopment	43	151	108	0	108	
20	Hatfield pop up market stalls	26	0	(26)	0	(26)	
21	Mill Green Museum Window Replacement	49	27	(22)	22	(0)	
22	Commercial property-Energy efficiency	84	4	(80)	80	0	
23	SQL Server Upgrade	35	0	(35)	0	(35)	
24	Hatfield Town Centre Market Place	367	16	(351)	351	0	
25	Gosling	0	55	55	25	80	

Ref	Project description	Current Budget £'000	Outturn £'000	Variance £'000	Re-phasing £'000	(Under) / Over Forecast £'000	Report Ref
26	Campus West drainage	56	191	135	0	135	
27	Hatfield Swim Centre Cathodic protection	66	62	(4)	0	(4)	
28	Rollercity Lighting (Foyer)upgrade	12	6	(6)	0	(6)	
29	Cloud based email and active directory	19	39	20	0	20	
30	Multi Functional Devices-Replacement programme	17	15	(2)	0	(2)	
31	ICT Rolling Program/Refresh	498	520	22	0	22	
32	Lift Replacements/Refurbs	100	0	(100)	100	0	
33	Public Sector De-carbonisation Scheme Hatfield Swim	930	910	(20)	20	0	3.4.2
34	Public Sector De-carbonisation Scheme Campus West	999	107	(892)	892	0	3.4.2
35	Public Sector De-carbonisation Scheme Campus East	630	442	(188)	188	(0)	3.4.2
	Total Head of Resources	12,417	6,815	(5,602)	5,917	315	
36	Parking Improvements (including Woodhall)	371	75	(296)	296	0	
37	Bereavement Services	7,176	1,464	(5,712)	5,712	0	3.4.3
38	Play Area Replacement Scheme	168	0	(168)	168	0	
39	Litter and dog bin replacement programme	6	6	0	0	0	
40	Construction of memorial plynths	14	(0)	(14)	14	(0)	
41	Car park management system	15	0	(15)	0	(15)	
42	Tewin Road Depot Upgrade	5,581	2,756	(2,825)	2,825	(0)	3.4.3
43	Household Waste and Recycling Centre	5,940	2,268	(3,672)	3,672	0	3.4.3
44	Food Caddies-Weekly food waste collections	49	0	(49)	0	(49)	
45	Streetscene Bins, Furniture and Equipment	40	39	(1)	0	(1)	
46	Play Area Replacement Scheme	30	0	(30)	30	(0)	
47	Replacement of sports equipment	15	0	(15)	15	0	
	Total Head of Environment	19,405	6,608	(12,797)	12,732	(65)	
48	Replacement of the Council's Intranet	37	(7)	(44)	37	(7)	
49	Leisure Capital Programme	20	20	0	0	0	
50	Mill Green Museum Brickwork and Masonery	40	0	(40)	40	0	
51	Museum Service - Refit of Pumping Station	48	0	(48)	48	0	
52	Museum Service-Refit and stabilisation of the stable block	25	20	(5)	0	(5)	
	Total Head of Policy and Culture	170	32	(138)	125	(13)	

Ref	Project description	Current Budget £'000	Outturn £'000	Variance £'000	Re-phasing £'000	(Under) / Over Forecast £'000	Report Ref
	Total Corporate Director - Resources, Environment &	31,992	13,455	(18,537)	18,774	238	
53	CCTV upgrades (Welwyn Garden City, Urban and	24	0	(24)	24	0	
54	Better Care Fund and Disabled Facilities Grant	1,592	275	(1,317)	1,317	(0)	3.4.4
55	Decent Homes Private Sector GF	48	28	(20)	20	0	
56	PRG Health	0	0	0	0	0	
57	PRG Sunflower	0	0	0	0	0	
58	PRG Community Inclusion	24	4	(20)	20	0	
	Total Head of Community & Housing Strategy (GF)	1,688	307	(1,381)	1,381	0	
	Total Corporate Director - Housing and Communities	1,688	307	(1,381)	1,381	0	
	TOTAL General Fund	34,763	13,764	(20,999)	21,237	238	
NOW HOUSING							
59	Now Housing	11,548	0	(11,548)	11,548	0	3.4.5
HOUSING REVENUE ACCOUNT							
60	Major Repairs (Mears)	8,545	8,837	292	0	292	
61	Aids and Adaptations	1,364	1,211	(153)	153	(0)	
62	Insulation Improvements	56	28	(28)	28	(0)	
63	Smoke & Carbon Monoxide Alarms	120	66	(54)	54	(0)	
64	Gas Central Heating Replacement Program	1,803	2,075	272	0	272	
65	Fire Related Works (including Queensway House)	221	194	(27)	0	(27)	
66	Major Repairs (other contractors)	1,017	25	(992)	992	(0)	3.4.6
67	Door entry systems	945	305	(640)	640	(0)	
68	Electricity mains	219	73	(146)	146	(0)	
69	Lift replacement	174	23	(151)	151	(0)	
70	Sheltered Refurbishment	717	341	(376)	376	0	
71	Disabled Facilities Grant additional scheme	13	0	(13)	13	0	
72	Better Care Fund- Sheltered Housing Modernisation	633	0	(633)	633	0	
73	Communal aerials	656	40	(616)	345	(272)	
	Total Head of Housing Property Services	16,483	13,217	(3,266)	3,531	265	

Ref	Project description	Current Budget	Outturn	Variance	Re-phasing	(Under) / Over Forecast	Report Ref
		£'000	£'000	£'000	£'000	£'000	
74	Community Buses replacement programme	640	0	(640)	320	(320)	
75	Emergency Alarms replacement programme	185	139	(46)	46	0	
77	Digital Improvements	108	22	(86)	86	0	
	Total Head of Housing Operations	933	161	(772)	452	(320)	
78	AHP - General	1,668	(0)	(1,668)	1,093	(575)	3.4.7
79	AHP - Little Mead	0	8	8	0	8	
80	AHP - Northdown Road	0	3	3	0	3	
81	AHP - Open Market Purchases	4,800	5,094	294	0	294	
82	AHP - Grants to Registered Providers	0	1	1	0	1	
83	AHP - Howlands House Redevelopment and Additional	1,855	351	(1,504)	1,504	0	3.4.7
84	AHP - Minster House Redevelopment and Additional	14,276	10,805	(3,471)	3,471	(0)	3.4.7
85	AHP - The Commons	947	395	(552)	552	(0)	3.4.7
86	AHP - Ludwick Way	1,456	425	(1,031)	1,031	(0)	3.4.7
87	AHP - Burfield	262	231	(31)	31	0	3.4.7
88	AHP - Chequersfield	0	(2)	(2)	0	(2)	
89	AHP - Haymeads	0	12	12	0	12	
90	AHP - Hazel Grove	711	9	(702)	702	0	3.4.7
91	AHP - Haseldine Meadows	1,440	49	(1,391)	1,391	0	3.4.7
92	AHP - Lockley Crescent	1,202	29	(1,173)	1,173	0	3.4.7
93	AHP - Ludwick Green	1,387	78	(1,309)	1,309	0	3.4.7
94	AHP - New Park Street	0	40	40	0	40	
95	AHP - Queensway House	0	217	217	0	217	
96	AHP - High View	750	750	0	0	0	
97	AHP - Swallowfields	961	449	(512)	512	(0)	3.4.7
98	AHP 1-9 Town Centre Hatfield	3,383	0	(3,383)	3,383	0	3.4.7
	Total Head of Community & Housing Strategy (HRA)	35,098	18,944	(16,154)	16,153	(1)	
	(HRA)	52,514	32,321	(20,193)	20,136	(56)	
	TOTAL Housing Revenue Account	52,514	32,321	(20,193)	20,136	(56)	
	TOTAL	98,825	46,085	(52,740)	52,921	182	

Part I

Main author: Helen O’Keeffe

Executive Member: Cllr Stephen Boulton

All Wards

WELWYN HATFIELD BOROUGH COUNCIL

CABINET – 9 JUNE 2022

REPORT OF THE EXECUTIVE DIRECTOR (FINANCE AND TRANSFORMATION)

TREASURY MANAGEMENT AND INVESTMENT STRATEGY ANNUAL REPORT 2021/22

1 Executive Summary

- 1.1 The Council carries out its Treasury Management functions within the framework of the Chartered Institute of Public Finance and Accountancy’s *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code). This requires the Council to approve a treasury management strategy before the start of each financial year, and also receive mid and end of year reports. This report therefore reviews the treasury management activity and prudential indicators for the 2021/22 financial year.

2 Recommendation

- 2.1 It is recommended that Cabinet note the report and actual treasury management prudential indicators for 2021/22.

3 Background

- 3.1 The 2021/22 Treasury Management Strategy was approved by Council at its meeting on 1 February 2021, as part of the “Medium Term Financial Strategy and Governance Framework”.
- 3.2 As the Council borrows and invests substantial sums of money it is exposed to financial risks, including the potential loss of invested funds and the revenue implications of changes in interest rates. The successful identification, monitoring and control of risk are therefore central to this strategy.
- 3.3 The Head of Resources is able to report that treasury management activity undertaken during the financial year complied with the approved strategy, the CIPFA Code of Practice, and the relevant legislative provisions.

4 External context

- 4.1 For context, the Council’s treasury consultants, Arlingclose Ltd have provided a review of the year, attached at Appendix A.

5 Changes to CIPFA codes and PWLB borrowing rules

- 5.1 During 2021 HM Treasury changed the rules about when Councils could borrow from the PWLB. It is now no longer possible for a Council to borrow if they are planning to use the funds for a capital scheme with the sole aim of generating investment return. This Council has no plans for this type of scheme, so can continue to access PWLB borrowing.

- 5.2 This change to the rules was reflected in the updated CIPFA Prudential and Treasury Management Codes published late in 2021. The Codes now make clear councils must not borrow to invest primarily for investment return. The other key changes related to knowledge and skills, and additional reporting requirements, particularly concerning the management of non treasury investments. The Council's treasury management strategy for 2022/23 was updated to reflect some of the key new provisions in the Codes.

6 Borrowing and investment portfolio

- 6.1 A summary of investments and borrowing as at 31 March 2022 is attached at Appendix B.

Borrowing

- 6.2 On 31 March 2022 the Council had a net borrowing requirement of £288.3m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while useable reserves and working capital are the underlying resources available for investment. These factors are summarised below.

	31.3.21 Actual £m	31.3.22 Actual £m
General Fund CFR	36,495	40,857
Now Housing (General Fund) CFR	2,437	2,437
HRA CFR	245,587	245,823
Total	284,519	288,117
Borrowing		
External borrowing	-236,399	-242,323
Internal / (over) borrowing	48,120	46,794
Less: Usable reserves	-55,688	-38,983
Less: Working capital	-8,904	-33,889
Net investments	16,472	26,079

- 6.3 The Council continued to keep borrowing and investments below their underlying levels, known as internal borrowing, in order to reduce risk and keep interest costs low.
- 6.4 The table below summarises the borrowing activity throughout 2021/22. £9.8m out of the £21.4m of HRA borrowing which matured was replaced with further borrowing from the PWLB. This was taken at key times during the year, in consultation with Arlingclose, to manage cashflow and ensure the interest rate payable was as low as possible.
- 6.5 In July 2021 Arlingclose highlighted a beneficial fluctuation in rates and a £20m EIP loan (Equal Instalment of Principal) was taken to fund General Fund capital expenditure.

*Loans with maturities within 1 year **Not time weighted

	Balance on 01/04/2021 £m	Matured in 2021/22 £m	Borrowed in 2021/22 £m	Balance on 31/03/2022 £m	Average rate%** on 31/03/2022
HRA					
Short term loans*	21.400	21.400	0	22.700	2.52
Long term loans	212.999	0	9.800	200.099	2.56
General Fund	0	0.476	20.000	19.524	1.57
Temporary borrowing	2.000	2.000	0	0	
Total	236.399	23.876	29.800	242.323	2.54

Investments

6.7 The average investment balance during 2021/22 was £36.9 million. The tables below summarise the investment activity during this period.

Investment Counterparty	Balance on 31/03/2021 £m	Investments Made £m	Maturities/ Investments Sold £m	Balance on 31/03/2022 £m
UK Government - Short term	0	235.388	235.388	0
Banks & Building Societies - ST deposits/accounts	5.112	17.525	19.637	3.000
AAA rated Money Market Funds	7.360	99.697	87.978	19.079
Pooled Property Fund	*4.000	0	0	*4.000
TOTAL INVESTMENTS	16,472	352.61	343.003	26.079

*Bid Value of shares at 31/03/21 = £3,749,781

*Bid Value of shares at 31/03/22 = £4,407,951

	Weighted average interest rate
Short term investments	0.08%
Long term investments	3.64%
All investments	0.466%
Total interest earned 2021/22	£171,843*

*Net of CCLA management expenses of £26,057

6.8 The maturity profile of all investments at 31 March 2022 is shown below:

	£m
Up to 3 months	19.079
3-6 months	3.000
6+ months	*4,000
Total	26.079

*Property Fund investment – to be held long term; approx. 6 months redemption period

6.9 As the capital programme forecast a significant reduction in investment balances, the emphasis in 2021/22 was on maintaining liquidity for cashflow purposes. Money Market Funds provided high credit quality with instant access, as did the government deposit facility (DMADF) and UK bank notice accounts were also utilised. Ultra low short term rates were seen at the beginning of the year, but with Bank rate rising on three occasions from December 2021 to end the financial year at 0.75%, an increase in return was seen in Q4.

6.10 Despite the challenges presented by the pandemic, the CCLA Property Fund continued to pay a healthy dividend, averaging 3.6% over the year. The value of the fund also grew significantly over the year, from an opening BID price at 31 March 2021 of £3.878m to £4.408m at the end of 2021/22.

6.11 In light of Russia's invasion of Ukraine, Arlingclose contacted managers of the pooled funds the Council invests in and confirmed no direct exposure to Russian or Belarusian assets had been identified. Indirect exposures were immaterial. It should be noted though that any assets held by banks and financial institutions (eg from loans to companies with links to those countries) within MMFs and pooled funds cannot be identified easily or with any certainty as that level of granular details is unlikely to be available to the fund managers or Arlingclose in the short term, if at all.

7 Treasury Management indicators

7.1 The actual treasury management indicators for the 2021/22 financial year were as follows:-

7.2 Maturity structure of borrowing

This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing were:

	Upper Limit	Lower Limit	Actual at 31.3.22	Limit observed in year
Under 12 months	30%	0%	9.8%	✓
12 months and within 24 months	30%	0%	10.4%	✓
24 months and within 5 years	50%	0%	35.3%	✓
5 years and within 10 years	80%	0%	34.1%	✓
10 years and within 20 years	100%	0%	10.2%	✓
20 years and above	100%	0%	0.2%	✓

Time periods for this indicator start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

7.3 Principal sums invested for periods longer than a year

The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits were:

	2021/22 £000	2022/23 £000	2023/2024 £000
Limit on principal invested beyond year end as at 31/03/21	5,000	5,000	5,000
Actual principal invested beyond year end As at 31/03/21*	4,000	4,000	4,000
Limit observed in year	✓	✓	✓

*Includes £4m in CCLA Property Fund

7.4 Borrowing Limits

The Council is required to set limits on its borrowing activity. The authorised limit is what we determine to be our maximum affordable borrowing in any one year. It is not the amount the Council expects to borrow to meet its capital expenditure requirements, but provides headroom over and above our capital requirements to allow for unusual cash movements, or to take advantage of low interest rates and to borrow in advance of need.

The operational boundary is based on the Council's estimate of most likely scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and is a key tool for in-year monitoring. The operational boundary is set based upon our expected year end position and may be exceeded during the year based on cashflow requirements and the timing of borrowing repayments.

Other long-term liabilities comprise finance leases and other liabilities that are not borrowing but form part of the Council's debt.

The table below shows that the authorised limits for borrowing have been complied with in the year 2021/22.

	Maximum in period £m	31.3.22 Actual £m	2021/22 Operational Boundary £m	Complied	2021/22 Authorised Limit £m	Complied
External Borrowing	252.462	239.886	309.323	✓	339.323	✓
Other Long Term Liabilities	2,103	2,103	2.302	✓	2.302	✓
External Borrowing for Now Housing	2,437	2,437	14.043	✓	24.043	✓
TOTAL	257,002	244,426	325.668	✓	365.668	✓

8 Investment Strategy indicators

8.1 The actual Investment Strategy indicators for 2021/22 were as follows:

8.2 Service Based Investments – Loans

There are a number of loan arrangements with local charities, residents, the council's joint venture, employees and the wholly owned housing company, Now Housing.

The main risk associated with service loans is that the borrower will be unable to repay the principal amount lent and/or interest due. In order to limit the risk and ensure exposure remains appropriate and proportionate, limits are set and monitored, as in the table below:

	2021/22	2021/22
Category of borrower	Limit £000	Actual Balance £000
Joint Venture	172	107
Local Charities	130	97
Local residents	4,981	4,202
Employees	500	41
Now Housing	24,043	2,226
Total	19,826	6,673

8.3 Service Based Property Investments

The council holds a large portfolio of assets for service reasons which also generate returns for the Council. Whilst the primary purpose of holding these assets is not financial return, they do face similar risks to those assets held purely for financial return.

The council monitors performance and risks of service based property investments:

	2020/21 Actual £'m	2021/22 Estimate £'m	2021/22 Actual £'m
Income Generating Assets held for service purposes			
Ratio: Loan to value (CFR to asset base)	£1 : £2.71	£1 : £2.35	£1 : £2.85
Ratio: Principal cover (MRP to income stream)	£1 : £9.71	£1 : £12.95	£1 : £12.06
Ratio: Interest cover (interest cost to income)	£1 : £13.08	£1 : £17.21	£1 : £29.65
Non-Income Generating Assets held for service purposes			
Cost of borrowing in relation to council tax	£5.96	£5.97	£5.97

8.4 The Loan to Value ratio (CFR to Asset Base) reflects the council's borrowing in relation to its asset base. This is favourably lower than originally forecast, due to an upward revaluation of assets, in particular industrial units and neighbourhood centres.

8.5 The Principal cover ratio (MRP to income stream) reflects how much income is generated by the operational assets of the council, against the annual charge to revenue for the principal repayment of debt. Due to lower income generation in

2021/22, partially attributable to the pandemic, this is adversely impacted, although has improved compared to the 2020/21 value.

- 8.6 The Interest Cover ratio (interest cost to income) monitors the risks around interest cover and links to income. Whilst income was lower than expected due to the pandemic, the additional grant receipts and delays in capital expenditure had a positive impact on cash balances. These factors combined to provide a favourable position on the ratio.
- 8.7 The cost of borrowing in relation to council tax was as expected for the year.

9 Revised CIPFA Codes

- 9.1 In December 2021 CIPFA published a new Prudential Code for Capital Finance and a new Treasury Management Codes of Practice. These follow the Public Accounts Committee's recommendation that the prudential framework should be further tightened following continued borrowing by some authorities for investment purposes.
- 9.2 In the Prudential Code the key provision which was strengthened was the approach to borrowing in advance of need in order to profit from additional sums borrowed. The Code is clear that borrowing for debt-for-yield investment is not permissible under the Prudential Code. New provisions have been added so that an authority incorporates an assessment of risk to levels of resources used for capital purposes. There is a new requirement that capital strategies are required to report investments under the following headings: service, treasury management and commercial investments.
- 9.3 The main changes to the updated Treasury Management Code include the introduction of the liability benchmark as a treasury management indicator and that the purpose and objective of each category of investments should be described within the Treasury Management Strategy.

Implications

10 Legal Implications

- 10.1 This report contains no legal implications.

11 Financial Implications

- 11.1 This report is for information only so has no direct financial implications. The impact of investment income and loan interest payments is regularly reviewed as part of budget monitoring processes.

12 Risk Management Implications

- 12.1 Management of risk associated with investment and borrowing is the main objective of the Council's treasury management strategy. This is achieved through robust counterparty monitoring and selection criteria, prudent cash flow forecasting, a range of exposure limits and indicators, and procedures designed to prevent fraud and error.

13 Security & Terrorism Implications

- 13.1 This report contains no security or terrorism implications.

14 Procurement Implications

14.1 This report contains no procurement implications.

15 Human Resources Implication(s)

15.1 There are no direct human resources implications associated with this report.

16 Health and Wellbeing Implication(s)

16.1 There are no direct health and wellbeing implications associated with this report.

17 Communication and Engagement Implication(s)

17.1 There are no direct communication and engagement implications associated with this report.

18 Climate Change Implications

18.1 This report contains no climate change implications.

19 Link to Corporate Priorities

19.1 The subject of this report is linked to the Council's Corporate Priority 'Engage with our communities and provide value for money' and specifically to the achievement of 'Deliver value for money'.

20 Equality and Diversity

20.1 An Equality Impact Assessment (EIA) was not completed because this report does not propose changes to existing service-related policies or the development of new service-related policies.

Name of author	Helen O'Keeffe
Title	Service Manager (Financial Services)
Date	23 May 2022

Appendix A – Arlingclose Ltd – Economic Context
Appendix B – Investments and Loans at 31 March 2022

External Context by Arlingclose Ltd

Economic background: The continuing economic recovery from the coronavirus pandemic, together with the war in Ukraine, higher inflation, and higher interest rates were major issues over the period.

Bank Rate was 0.1% at the beginning of the reporting period. April and May saw the economy gathering momentum as the shackles of the pandemic restrictions were eased. Despite the improving outlook, market expectations were that the Bank of England would delay rate rises until 2022. Rising, persistent inflation changed that.

UK CPI was 0.7% in March 2021 but thereafter began to steadily increase. Initially driven by energy price effects and by inflation in sectors such as retail and hospitality which were re-opening after the pandemic lockdowns, inflation then was believed to be temporary. Thereafter price rises slowly became more widespread, as a combination of rising global costs and strong demand was exacerbated by supply shortages and transport dislocations. The surge in wholesale gas and electricity prices led to elevated inflation expectations. CPI for February 2022 registered 6.2% year on year, up from 5.5% in the previous month and the highest reading in the National Statistic series. Core inflation, which excludes the more volatile components, rose to 5.2% y/y from 4.4%.

The government's jobs furlough scheme insulated the labour market from the worst effects of the pandemic. The labour market began to tighten and demand for workers grew strongly as employers found it increasingly difficult to find workers to fill vacant jobs. Having peaked at 5.2% in December 2020, unemployment continued to fall and the most recent labour market data for the three months to January 2022 showed the unemployment rate at 3.9% while the employment rate rose to 75.6%. Headline 3-month average annual growth rate for wages were 4.8% for total pay and 3.8% for regular pay. In real terms, after adjusting for inflation, total pay growth was up 0.1% while regular pay fell by 1.0%.

With the fading of lockdown – and, briefly, the ‘pingdemic’ – restraints, activity in consumer-facing sectors improved substantially as did sectors such as oil and mining with the reopening of oil rigs but materials shortages and the reduction in the real spending power of households and businesses dampened some of the growth momentum. Gross domestic product (GDP) grew by an upwardly revised 1.3% in the fourth calendar quarter of 2021 according to the final estimate (initial estimate 1.0%) and took UK GDP to just 0.1% below where it was before the pandemic. The annual growth rate was revised down slightly to 7.4% (from 7.5%) following a revised 9.3% fall in 2020.

Having increased Bank Rate from 0.10% to 0.25% in December, the Bank of England hiked it further to 0.50% in February and 0.75% in March. At the meeting in February, the Monetary Policy Committee (MPC) voted unanimously to start reducing the stock of its asset purchase scheme by ceasing to reinvest the proceeds from maturing bonds as well as starting a programme of selling its corporate bonds.

In its March interest rate announcement, the MPC noted that the invasion of Ukraine had caused further large increases in energy and other commodity prices, with the expectation that the conflict will worsen supply chain disruptions around the world and push CPI inflation to around 8% later in 2022, even higher than forecast only a month before in the February Monetary Policy Report. The Committee also noted that although GDP in January was

stronger than expected with business confidence holding up and the labour market remaining robust, consumer confidence had fallen due to the squeeze in real household incomes.

GDP growth in the euro zone increased by 0.3% in calendar Q4 2021 following a gain of 2.3% in the third quarter and 2.2% in the second. Headline inflation remains high, with CPI registering a record 7.5% year-on-year in March, the ninth successive month of rising inflation. Core CPI inflation was 3.0% y/y in March, was well above the European Central Bank's target of 'below, but close to 2%', putting further pressure on its long-term stance of holding its main interest rate of 0%.

The US economy expanded at a downwardly revised annualised rate of 6.9% in Q4 2021, a sharp increase from a gain of 2.3% in the previous quarter. In its March 2022 interest rate announcement, the Federal Reserve raised the Fed Funds rate to between 0.25% and 0.50% and outlined further increases should be expected in the coming months. The Fed also repeated its plan to reduce its asset purchase programme which could start by May 2022.

Financial markets: The conflict in Ukraine added further volatility to the already uncertain inflation and interest rate outlook over the period. The Dow Jones started to decline in January but remained above its pre-pandemic level by the end of the period while the FTSE 250 and FTSE 100 also fell and ended the quarter below their pre-March 2020 levels.

Bond yields were similarly volatile as the tension between higher inflation and flight to quality from the war pushed and pulled yields, but with a general upward trend from higher interest rates dominating as yields generally climbed.

The 5-year UK benchmark gilt yield began the quarter at 0.82% before rising to 1.41%. Over the same period the 10-year gilt yield rose from 0.97% to 1.61% and the 20-year yield from 1.20% to 1.82%.

The Sterling Overnight Rate (SONIA) averaged 0.39% over the quarter.

Credit review: In the first half of FY 2021-22 credit default swap (CDS) spreads were flat over most of period and are broadly in line with their pre-pandemic levels. In September spreads rose by a few basis points due to concerns around Chinese property developer Evergrande defaulting but then fell back. Fitch and Moody's revised upward the outlook on a number of UK banks and building societies on the Authority's counterparty to 'stable', recognising their improved capital positions compared to 2020 and better economic growth prospects in the UK.

Fitch also revised the outlook for Nordea, Svenska Handelsbanken and Handelsbanken plc to stable. The agency considered the improved economic prospects in the Nordic region to have reduced the baseline downside risks it previously assigned to the lenders.

The successful vaccine rollout programme was credit positive for the financial services sector in general and the improved economic outlook meant some institutions were able to reduce provisions for bad loans. However, in 2022, the uncertainty engendered by Russia's invasion of Ukraine pushed CDS prices modestly higher over the first calendar quarter, but only to levels slightly above their 2021 averages, illustrating the general resilience of the banking sector.

Having completed its full review of its credit advice on unsecured deposits, in September Arlingclose extended the maximum duration limit for UK bank entities on its recommended lending list from 35 days to 100 days; a similar extension was advised in December for the non-UK banks on this list. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remains under constant review.

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INVESTMENTS

Deal ref	Counterparty	Start date	Maturity date ^{*1}	Rate %	Amount £'m
7577	SANTANDER UK	04/12/2007	95 day	0.550	3.000
7824	ABERDEEN STERLING LIQUIDITY FUND	10/01/2012		0.510	4.000
7893	MORGAN STANLEY SLF	08/01/2013		0.550	3.079
7968	BLACKROCK INSTITUTIONAL SLF	13/05/2014		0.530	4.000
8119	INSIGHT SLF	30/06/2016		0.570	4.000
8203	AVIVA INVESTORS SLF CLASS 3	01/04/2019		0.510	4.000
	CCLA PROPERTY FUND ^{*2}	01/12/2015		3.667	4.000
Total					26.079

^{*1} Investments with no end date are instant access accounts / pooled funds with no fixed maturity date

^{*2} Q4 dividend. Bid price at 31.3.22 - £4,407,951

BORROWING

Loan ref	Lender	Start date	Maturity date	Rate %	Amount £'m
500953	PUBLIC WORKS LOAN BOARD	28/03/12	15/06/22	2.48	5.600
500945	PUBLIC WORKS LOAN BOARD	28/03/12	15/09/22	2.48	5.700
500942	PUBLIC WORKS LOAN BOARD	28/03/12	15/12/22	2.56	5.700
500943	PUBLIC WORKS LOAN BOARD	28/03/12	15/03/23	2.56	5.700
500949	PUBLIC WORKS LOAN BOARD	28/03/12	15/06/23	2.63	6.000
500960	PUBLIC WORKS LOAN BOARD	28/03/12	15/09/23	2.63	6.050
500910	PUBLIC WORKS LOAN BOARD	28/03/12	15/12/23	2.7	6.050
500908	PUBLIC WORKS LOAN BOARD	28/03/12	15/03/24	2.7	6.100
500940	PUBLIC WORKS LOAN BOARD	28/03/12	17/06/24	2.76	6.400
500961	PUBLIC WORKS LOAN BOARD	28/03/12	16/09/24	2.76	6.450
500939	PUBLIC WORKS LOAN BOARD	28/03/12	16/12/24	2.82	6.450
500933	PUBLIC WORKS LOAN BOARD	28/03/12	17/03/25	2.82	6.500
500938	PUBLIC WORKS LOAN BOARD	28/03/12	16/06/25	2.87	6.800
500918	PUBLIC WORKS LOAN BOARD	28/03/12	15/09/25	2.87	6.800
500932	PUBLIC WORKS LOAN BOARD	28/03/12	15/12/25	2.92	6.900
500958	PUBLIC WORKS LOAN BOARD	28/03/12	16/03/26	2.92	7.000
500906	PUBLIC WORKS LOAN BOARD	28/03/12	15/06/26	2.97	7.250
500947	PUBLIC WORKS LOAN BOARD	28/03/12	15/09/26	2.97	7.300
500941	PUBLIC WORKS LOAN BOARD	28/03/12	15/12/26	3.01	7.350
500930	PUBLIC WORKS LOAN BOARD	28/03/12	15/03/27	3.01	7.400
500955	PUBLIC WORKS LOAN BOARD	28/03/12	15/06/27	3.05	7.700
500935	PUBLIC WORKS LOAN BOARD	28/03/12	15/09/27	3.05	7.750
500922	PUBLIC WORKS LOAN BOARD	28/03/12	15/12/27	3.08	7.900
500951	PUBLIC WORKS LOAN BOARD	28/03/12	15/03/28	3.08	6.449
508351	PUBLIC WORKS LOAN BOARD	11/01/19	11/07/28	2.06	7.000
508352	PUBLIC WORKS LOAN BOARD	11/01/19	11/01/29	2.1	6.100

508405	PUBLIC WORKS LOAN BOARD	28/01/19	28/07/29	2.13	7.100
508919	PUBLIC WORKS LOAN BOARD	25/03/19	25/09/29	1.93	7.000
108105	PUBLIC WORKS LOAN BOARD	30/08/19	01/08/30	1.31	5.000
169772	PUBLIC WORKS LOAN BOARD	11/03/20	01/03/31	2.11	5.000
199267	PUBLIC WORKS LOAN BOARD	15/05/20	01/09/31	1.12	5.500
316535	PUBLIC WORKS LOAN BOARD	11/03/21	01/03/32	1.66	5.500
316543	PUBLIC WORKS LOAN BOARD	11/03/21	01/09/32	1.69	5.500
366785	PUBLIC WORKS LOAN BOARD	25/06/21	01/06/33	1.81	5.800
492531	PUBLIC WORKS LOAN BOARD	08/03/22	15/02/34	2.15	4.000
372793	PUBLIC WORKS LOAN BOARD	09/07/21	01/07/42	1.57	19.524
Total					242.323

WELWYN HATFIELD BOROUGH COUNCIL
CABINET 9 JUNE 2022
REPORT OF THE CHIEF EXECUTIVE

PERFORMANCE EXCEPTION REPORT – QUARTER 4 (2021-22)

1 Executive Summary

- 1.1 This report summarises our corporate performance data on an exception basis following the monitoring and review of performance reports by Corporate Directors and Heads of Service. This report covers the period 1 January to 31 March 2022.
- 1.2 Any corporate projects and key performance indicators reported as ‘target not met’ are exception reported in the appendices to this report.

2 Recommendation

- 2.1 That Cabinet note the contents of this report and approves any proposed actions highlighted in the appendices.

3. Explanation

- 3.1 A performance exception report is presented to the Cabinet on a quarterly basis as part of our current performance management framework.
- 3.2 By working with Corporate Directors and Heads of Service in the production of this report we embed accountability for performance within our Officer structure. This allows for a flow of detailed information to and from the council’s leadership.

4. Legal Implications

- 4.1 There are no direct legal implications arising from the contents of this report.

5. Financial Implications

- 5.1 Failure to deliver corporate projects and key performance indicators may have a financial impact for the council. Where this is the case, it will be referenced in the report and associated appendices.

6. Risk Management Implications

- 6.1 A risk assessment of our performance management framework is reviewed quarterly on the council’s strategic risk register.

7. Security and Terrorism Implications

- 7.1 There are no security and terrorism implications directly arising from the contents of this report.

8. Procurement Implications

- 8.1 There are no procurement implications directly arising from the contents of this report.

9. Climate Change Implications

9.1 There are no direct climate change implications directly arising from the contents of this report.

10. Health and Wellbeing Implications

10.1 There are no health and wellbeing implications directly arising from the contents of this report.

11. Communication and Engagement Implications

11.1 There are no communication and engagement implications directly arising from the contents of this report.

12. Human Resources Implications

12.1 There are no human resources implications directly arising from the contents of this report.

13. Link to Corporate Priorities

13.1 This report is linked to all the council's current corporate priorities as it shows the status of those corporate projects and performance targets associated within each priority.

14. Equality and Diversity

14.1 An Equality Impact Assessment has not been completed because this report does not propose changes to existing service-related policies or the development of new service related policies.

Appendices:

Corporate Plan Projects and Key Performance Indicators

Author: Thom Burn - 01707 357245

Title: Corporate Strategy and Engagement Manager

Date: 23 May 2022

Business Plan Projects – Q4

Progress for all corporate projects under each of our five Corporate Priorities is summarised here.

Corporate Priority	Purple (completed)	Green (on schedule with no risks)	Amber (on schedule – with risks)	Red (not on schedule)	Grey (not started)	Totals
1. Attractive and accessible green spaces supporting the borough's wellbeing	8 73%	1 9%	2 18%	0 0%	0 0%	11
2. Evolving, vibrant town centres and a growing economy	14 93%	1 7%	0 0%	0 0%	0 0%	15
3. Quality homes through managed growth	7 32%	8 36%	3 14%	4 18%	0 0%	22
4. A sense of community where people feel safe	15 88%	1 6%	0 0%	1 6%	0 0%	17
5. A well-run council which puts our customers first	20 65%	5 16%	4 13%	2 6%	0 0%	31
Totals	64 67%	16 17%	9 9%	7 7%	0 0%	96

Corporate Plan Ref	Project	Head of Service	Performance Note
3.1.3	Conclude examination hearing sessions and adopt the Local Plan	Chris Dale	Hearing sessions completed. A report has been taken to CPPP setting out recommendations for additional sites to enable the plan to be found sound. CPPP rejected the officer recommendation and made an alternative recommendation to Special Cabinet on 18th Jan which was adopted. The proposed approach was not accepted by the Planning Inspector however the prospect of a plan which identifies sites for a 10 year period is currently being explored.
3.1.6	Prepare, consult upon and adopt Supplementary Planning Document Masterplans for strategic sites allocated in the Local Plan	Chris Dale	This work cannot progress until the Local Plan has been adopted. In the event the emerging local plan is not adopted a review of available options will be undertaken by the Council.
3.1.7	Prepare, consult upon and adopt design codes for the borough and/or particular communities	Chris Dale	Only limited work has progressed on this as officers have been prioritising completion of the local plan. In the event the emerging local plan is not adopted the Council will review options for progressing design codes.
3.4.2	Prepare, submit, examine and adopt a new Community Infrastructure Levy Charging Schedule	Chris Dale	Work on this has been put on hold pending progress of the emerging local plan. If the local plan is not adopted officers will review available options for progressing the adoption of CIL.
4.1.12	Establish a good practice forum with local Registered Providers to help meet local need and improve quality of homes	Sian Chambers	It is proposed that the Forum is delayed until later in the Summer, due to covid restrictions, which mean that a face to face event is not possible at the moment.
1.2.1	Prepare, consult upon and adopt a Green Corridor Strategy which stretches east-west across the borough and between Welwyn Garden City and Hatfield	Chris Dale	This is dependent on progress of the emerging Local Plan.

Corporate Plan Ref	Project	Head of Service	Performance Note
5.3.1	Develop a marketing strategy for our culture, entertainment and community services including the launch of a new customer membership card	Thom Burn	Strategy to be finalised once business plan for museum/mill is in place.

Key Performance Indicators – Q4

A summary of our Key Performance Indicators collected over Q4 is shown here.

Total Number of Key Performance Indicators	KPI's met / exceeded	KPI's not met	KPI's within tolerance	KPI's with no data reported due to the COVID pandemic
56	35 63%	9 16%	9 16%	3 5%

9 Key Performance Indicators did not meet their targets in Quarter 4. These are exception reported in the table below, along with notes to explain their performance and a comparison to last year.

Brief description of indicator	Q4 2020-21 Performance		Q4 2021-22 Performance		Service Comments
	Target	Outturn	Target	Outturn	
BPI 04 - The time taken to process new housing benefit / council tax benefit claims in working days	16 Days	14	16 Days	17	The performance for Q4 was good and an improvement on Q3 but slightly below target. This was due to a loss of staff at a critical time and the volume of work. Improvements have been made throughout Q4 and there has been a restructuring of the benefits team which will assist with workloads.
BPI 26 - The percentage of all major planning applications processed and decided on within 13 weeks	70	100	70	40	Five major planning applications were determined in this period, two of which were determined within 13 weeks or other period agreed with the applicant, resulting in 40% of major applications being determined within the required or agreed period.

Brief description of indicator	Q4 2020-21 Performance		Q4 2021-22 Performance		Service Comments
	Target	Outturn	Target	Outturn	
BPI 29 - The total number of families living in temporary accommodation in the borough (where the council have a duty)	100	96	100	114	There are currently 114 households in TA, which is the highest for some time. The absence of a TA manager has reduced the ability to manage the service to the required standards and this has reduced move on. Increases in reviews has also kept people in accommodation for longer. the addition of inspira house has allowed us to provide better accommodation and difficulties in accessing private sector accommodation all contribute to higher numbers in accommodation
BPI 30 - The number of Decent Home assessments undertaken in properties in the Private Sector	200	89	200	87	The team have been continuing to inspect properties, but the number of inspections have been reduced largely due to the impact of Covid, where occupiers are self isolating. Plus inspections take longer, as the process has to be controlled to reduce the risks. The team have also had a large number of complex enforcement cases, which takes resources away from day to day inspection activities.
BPI 33 - The percentage of council tenants 'satisfied' overall with the responsive repairs service provided (based on the last repair completed)	100	72	100	58	Further analysis is being undertaken to understand the customer feedbacks and to put corrective management actions in order to improve the scores in the future.

Brief description of indicator	Q4 2020-21 Performance		Q4 2021-22 Performance		Service Comments
	Target	Outturn	Target	Outturn	
BPI 37 - The average void property re-let time in days for normal general needs housing (YTD)	18	26	18	24	Q4 - Performance YTD for quarter 4 remains the same as at quarter 3 at 23.9 days, although period end dropped slightly to 24 days. Due to investment in the stock when the properties become void, few voids are being classified as 'normal voids', which makes it difficult to affect the performance turned positive from quarter to quarter. We continue to experience some delays with voids being returned in time with discussions with Mears on-going.
BPI 65 - The percentage of Housing Needs Register applications assessed within 28 days	95	76	95	76	A high number of applications have been received this quarter. March has seen the team impacted by sickness as well as a long standing member of the team retiring. Of the 178 applications received in March, to date, 62 of those have been processed and all within the 28 day target.
BPI 66 - The percentage of all responsive repairs completed in target	95	100	95	84	This indicator relates to the time taken to complete repairs against published performance targets. They are Emergencies (24 hours), Urgent (5 working days) and Routine (25 working days). All emergency repairs were completed on time. In terms of numbers, 981 repairs were completed late out of 6249 repairs for the quarter. This had a knock-on effect to the average length of time to complete a repair which is at 17.35 days against a target of 15. However, all appointments with customers made were kept albeit a high number were offered outside of the target timescales (981). There is a trend downwards in the performance of Mears showing in the indicators. As a result we are monitoring this risk closely with weekly performance review meetings now in place and a recent letter sent to Mears from the Council's CEO asking for plans and assurance on performance until the end of the Contract.

Brief description of indicator	Q4 2020-21 Performance		Q4 2021-22 Performance		Service Comments
	Target	Outturn	Target	Outturn	
BPI 85 - The number of approved premises inspections and category A & B food inspections that are undertaken and risk rated within a month of their 'due date'	100	n/a	100	20	All inspections being delivered in line with the FSA recovery plan. All Category A, B and approved premises inspected. One new approved premises, Arla Foods, Hatfield now approved as a cold store and collection centre.

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Part I

Main author: Thom Burn

Executive Member: Terry Mitchinson

All Wards

WELWYN HATFIELD BOROUGH COUNCIL
CABINET – 9 JUNE 2022
REPORT OF THE CHIEF EXECUTIVE

COUNCIL ACHIEVEMENTS LIST (JANUARY TO MARCH 2022)

1 Executive Summary

- 1.1 This report collates and summarises the council's key achievements and service improvements for the final quarter of 2021-22.

2 Recommendation(s)

- 2.1 That Cabinet notes the report and contents of this Achievements List.

3 Explanation

- 3.1 Appendix A highlights the council's achievements taken from our press releases, decisions taken at committees, community-based activities and events and business plan projects achieved in the quarter.

Implications

4 Legal Implication(s)

- 4.1 There are no direct legal implications arising from the contents of this report.

5 Financial Implication(s)

- 5.1 There are no direct financial implications arising from the contents of this report.

6 Risk Management Implications

- 6.1 There are no direct risk implications arising from the contents of this report as it collates and reports on actions already completed and/or information already in the public domain.

7 Security & Terrorism Implication(s)

- 7.1 There are no direct security and terrorism implications arising from the contents of this report.

8 Procurement Implication(s)

- 8.1 There are no direct procurement implications arising from the contents of this report.

9 Climate Change Implication(s)

- 9.1 There are no direct climate change implications arising from the contents of this report

10. Health and Wellbeing Implications

10.1 There are no direct health and wellbeing implications arising from the contents of this report.

11 Communication and Engagement Implication(s)

11.1 The Achievements List contains information about press releases and whether they were used by local media. A summary of achievements over the relevant period is also covered in issues of ONE Welwyn Hatfield, the council's community newsletter which is delivered to every home in the borough.

12 Link to Corporate Priorities

12.1 This report is linked to the all of the council's corporate priorities, specifically to *Our Council*, to effectively communicate what we do and how we perform.

13 Equality and Diversity

13.1 An Equality Impact Assessment was not completed because this report does not propose changes to existing service-related policies or the development of new service-related policies.

Name of author **Thom Burn (01707) 357245**
Title **Corporate Strategy and Engagement Manager**

Date **23 May 2022**

Appendix A Council Achievements List (Jan-Mar 2022)

Achievements List 2021-22 (Quarter 4, Jan – March 2022)

Corporate Priorities

- One – Attractive and accessible green spaces supporting the borough’s wellbeing
- Two – Evolving, vibrant town centres and a growing economy
- Three – Quality homes through managed growth
- Four – A sense of community where people feel safe
- Five – A well run council which puts our customers first

(Press releases: U: Used by local media – print or online, N: Not used by local media)

Achievement	Source	Corporate Priority
January 2022		
Remodelling work began on the Anniversary Gardens in WGC town centre. The remodelling included a new path, benches, bins and thoughtful landscaping to provide enjoyment throughout the different seasons.	Press release (U)	One and Two
Hatfield Rise opened in latest phase of £45m Hatfield regeneration. Hatfield Rise, in High View, a partnership between Welwyn Hatfield Borough Council and Lovell Homes, is a new development leading the town's ambitious plan to provide more quality new homes. It will deliver a range of housing - from one- and two-bedroom contemporary apartments to three-bedroom houses - over the next two and a half years.	Press release (U)	Three
Electric vehicle (EV) drivers benefitted from free charging for the month through the council's newly operational EV charging points, in the public car parks at Woodhall, Shoplands, Hollybush, Westfield, Moors Walk and Haldens.	Press release (U)	Two

Achievement	Source	Corporate Priority
February 2022		
<p>The first ever Youth Awards ceremony was a success and took place at Campus West, Welwyn Garden City. The awards recognise those individuals who excelled, exceeded expectations, and/or overcame various challenges in their chosen categories. All nominees were invited to attend along with the judges, members and senior officers. The ceremony celebrated all the nominees and young people in Welwyn Hatfield. Throughout the evening there were performances from young people including FK Dance Academy, singer Imogen Davis, and cellist Ella Harrison, showcasing some of the talent in Welwyn Hatfield.</p>	Press release (U)	Four and Five
<p>Construction began on 91 high-quality apartments to support independent living for residents aged 60 and over at Minster Close. Minster House will offer one and two-bedroom apartments designed to standards that will enhance the health and wellbeing of its residents, maximising living space and making the most of the natural light.</p>	Press release (U)	Three
March 2022		
<p>Tree officers were joined by members of Digswell Residents Association (DRA) and children from St. John's Primary School to plant trees on land at Digswell Viaduct as part of the Queen's Green Canopy initiative – part of the Platinum Jubilee celebrations.</p>	Press release (U)	One
<p>Further progress was made on the One Town Centre development in Hatfield town centre. The multimillion-pound development consists of three blocks providing 71 new homes with commercial units on the ground floors. The development will provide 38 affordable housing units.</p>	Press release (U)	Three
<p>Construction began on a new depot and recycling centre in Tewin Road, Welwyn Garden City. New modern facilities will include a vehicle wash, workshop, material bays, fuel station and a two-storey carpark and storage areas.</p>	Press release (U)	Two and Five
<p>WHBC re-signed the Armed Forces Covenant, pledging to make sure that the armed forces are valued and supported by everyone.</p>	Press release (U)	Five

Achievement	Source	Corporate Priority
<p>Construction started on the new facility at Oak Hill Lawn Cemetery and Crematorium in Hatfield, the first crematorium in the borough. WHBC identified a need for improved cremation services to address increased waiting times and distances required to travel to existing local crematoriums. The development will provide a new larger chapel, for both burial and cremation funeral services, as well as combining the facilities needed for both cremation and burial services. The chapel will also serve as a space for remembrance services throughout the year.</p>	<p>Press release (U)</p>	<p>Five</p>

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APPOINTMENT OF CABINET PANELS, COMMITTEES AND BOARDS

Cabinet Housing Panel

11 Members, Ratio 6:3:2

Conservative		Liberal Democrat	Labour
J Cragg	C	G Moore	M Birleson
F Thomson	VC	D Jones	L Crofton
R Lass		T Rowse	
T Travell			
R Trigg			
S Tunstall			

Cabinet Planning and Parking Panel

13 Members, Ratio 7:3:3

Conservative		Liberal Democrat	Labour
A Hellyer	C	J Quinton	M Holloway
S Boulton	VC	R Platt	L Musk
G Michaelides		S Bonfante	P Shah
D Richardson			
C Stanbury			
S Thusu			
F Wachuku			

Campus West Cabinet Panel

9 Members, Ratio 5:2:2

Conservative		Liberal Democrat	Labour
T Mitchinson	C	R Platt	M Birleson
G Ganney		D Panter	J Weston
B Sarson			
S Tunstall			
F Wachuku			

Cabinet Grants Appeals Committee

3 Members of the Cabinet

Conservative		Liberal Democrat	Labour
T Kingsbury	C		
S Boulton			
T Mitchinson			

Welwyn Garden City Estate Management Appeal Panel

9 Members from Welwyn Garden City Wards, Ratio 5:2:2

Conservative		Liberal Democrat	Labour
A Hellyer	C	J-P Skoczylas	L Chesterman
N Pace		J Ranshaw	M Holloway
F Thomson			
S Tunstall			
F Wachuku			

APPOINTMENT OF CABINET PANELS, COMMITTEES AND BOARDS 2022-23

Estate Management Scheme Member Group

7 Members, preference for WGC Ward Councillors, Ratio 4:2:1

Conservative		Liberal Democrat	Labour
S Boulton	C	J Quinton	M Holloway
A Hellyer		J Ranshaw	
F Thomson			
F Wachuku			

Whitley Committee

3 Members, Ratio 1:1:1 and 3 employees of the Council appointed by the Welwyn Hatfield Branches of the Joint recognised Unions. The Chairman of the Committee shall be a Member nominated by the Cabinet and the Vice-Chairman shall be a member of the Staff Side and nominated by the Staff Side. Members to provide their own substitutes).

Conservative	Liberal Democrat	Labour
T Kingsbury	J Ranshaw	L Chesterman

NOMINATIONS FOR APPOINTMENTS OF REPRESENTATIVES ON OUTSIDE BODIES
2022/23

	Organisation	Number of Reps	Period of Office	Nominations 2021/22
1.	Arts Council England Local Government Forum	1 + 1 officer	1 year	Nick Pace
	Hertfordshire Arts Partnership	1	1 year	Nick Pace
2.	Local Cultural Consortium	3	1 year	Sunny Thusu Gail Ganney Terry Mitchinson
3.	Joint Waste Management Group	Executive Members of Hertfordshire Authorities	1 year	Samuel Kasumu
4.	Hertfordshire Infrastructure Planning Panel	1 Member with Planning Portfolio	1 year	Tony Kingsbury
5.	Hertfordshire Police and Crime Panel	1 Member and a Reserve	4 years	Bernard Sarson Roger Trigg (R)
6.	Hertfordshire Armed Forces Community Covenant Board	1	1 year	Steve McNamara
7.	Hertfordshire Lifestyle and Legacy Partnership	1	1 year	Terry Mitchinson
8.	Hatfield 2030+	1 Executive Member	1 year	Tony Kingsbury
9.	Hatfield Community Sports Fund Board	1 Executive Member	1 year	Terry Mitchinson
10.	Hertfordshire Sustainability Forum	1	1 year	Paul Smith
11.	Hertfordshire Climate Change and Sustainability Partnership	1 + substitute (preferably a member with executive responsibility for climate change)		Samuel Kasumu Fiona Thomson
12.	WGC Business Improvement District Company Board	1 Executive Member	1 year	Tony Kingsbury
13.	District Councils' Network	1 Leader of the Council	1 year	Tony Kingsbury
14.	Panshanger Park Liaison Group	1	1 year	Stan Tunstall

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