

Council
6 February 2017

WELWYN HATFIELD COUNCIL

Minutes of a meeting of the COUNCIL held on Monday 6 February 2017 at 7.30pm in the Council Chamber, Council Offices, The Campus, Welwyn Garden City, Herts AL8 6AE

PRESENT: Councillors L.Sparks (Deputy Mayor)

T.Bailey, J.Beckerman, H.Beckett, D.Bell, D.Bennett, M.Birleson, J.Boulton, S.Boulton, H.Bower, J.Broach, H.Bromley, N.Chapman, A.Chesterman, L.Chesterman, M.Cook, M.Cowan, J.Cragg, I.Dean, J.Dean, J.Fitzpatrick, B.Fitzsimon, C.Gillett, G.Hayes, M.Holloway, S.Johnston, T.Kingsbury, M.Larkins, M.Levitt, S.Markiewicz, G.Michaelides, H.Morgan, N.Pace, M.Perkins, H.Quenet, S.Roberts, B.Sarson, P.Shah, F.Thomson, K.Thorpe, R.Trigg, J.Weston, P.Zukowskyj

OFFICIALS PRESENT: Chief Executive (M.Saminaden)
Executive Director (Public Protection, Planning and Governance) (N.Long)
Executive Director (Resources, Environment and Cultural Services) (K.Ng)
Executive Director (Housing and Communities) (S.Russell)
Head of Law and Administration (M.Martinus)
Head of Resources (T.Neill)
Governance Services Manager (G.R.Seal)
Senior Communications Officer (L.Bertram)
Governance Services Officer (M.Lowe)

38. APOLOGIES

Apologies for absence were received from Councillors P.Mabbott (Mayor), R.Basch, L.Brandon, K.Holman and N.Taylor.

The Deputy Mayor reported that unfortunately the Mayor had fallen and broken her wrist and Members joined her in sending the Council's best wishes to Councillor Mabbot for a speedy recovery.

The Deputy Mayor took this opportunity to invite Members to join her in expressing the Council's congratulations to Her Majesty the Queen in celebrating her Sapphire Jubilee on the day of this meeting commemorating 65 years since she ascended the throne.

39. MINUTES

The Minutes of the special meeting held on 9 January 2017 were confirmed as a correct record and signed by the Deputy Mayor.

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40. DECLARATIONS OF INTERESTS BY MEMBERS

Councillors L.Chesterman, M.Cook, M.Cowan, S.Johnston and P.Zukowskyj declared non-pecuniary interests in the items on the Agenda as appropriate as Members of Hertfordshire County Council.

41. APPOINTMENT OF CHIEF EXECUTIVE

Report of the Chief Executive on the confirmation of the appointment of the new Chief Executive.

It was moved by Councillor J.Dean, seconded by Councillor M.Perkins and

RESOLVED:

- (1) That the Council ratifies the recommendation of the Appointments Committee that Mr Rob Bridge be selected for the position of Chief Executive and Head of Paid Service following the conclusion of the selection process on 16 January 2017.
- (2) That the appointment be confirmed and remunerated in accordance with the Council's approved salary scale for the Chief Executive.
- (3) That delegated authority be given to the current Chief Executive, in consultation with the Leader of the Council, to finalise all the arrangements required, including the starting date for the new Chief Executive.

The Deputy Mayor then introduced and welcomed the new Chief Executive, Mr Rob Bridge to the Council.

42. MATTERS ARISING FROM THE CABINET

The Council considered the following recommendations from the Cabinet meetings on 10 and 24 January 2017:-

42.1. Campus West Tower - Urgent Repairs

The Cabinet had considered the need for urgent repairs required to the tower at Campus West to restore the external finishes to a safe state.

It was moved by Councillor R.Trigg, seconded by J.Dean and

RESOLVED:

That the Council agrees that urgent repairs were required to the tower at Campus West and to a budget of £60,000 in this financial year 2016/17 to cover the estimated cost of the repairs required to the building, the cost to

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be funded initially from the Emergency Reserve using the urgent incident procedure.

42.2. Acquisition of Culpitt House, 70-74 and 80-86 Town Centre, Hatfield

The Cabinet had considered the opportunity to acquire a number of properties in Hatfield Town Centre to add to the Council's holdings in the town.

The Cabinet agreed that authority be delegated to the Executive Director (Resources, Environment and Cultural Services), in consultation with the Executive Member (Governance, Community Safety, Police and Crime Commissioner and Corporate Property) and the Executive Member (Resources) to agree to the exchange of contracts on this transaction, subject to the completion of due diligence, including a full survey of the buildings, title and local searches, verification that the properties were as claimed by the vendor, Energy Performance Certificates, asbestos reports, (including the refurbishment asbestos report that should have been prepared before the works carried out in Culpitt House and the adjoining building where a gymnasium and residential conversions had occurred), financial reports on the tenants where appropriate, tax implications, together with any other information considered relevant by Officers and their external legal and agency advisors (Minute 117.1 refers).

It was moved by Councillor R.Trigg, seconded by J.Dean and

RESOLVED:

- (1) That the Council formalises the provisional offer, subject to contract and due diligence, to acquire Culpitt House, 70-74 and 80-86 Town Centre, Hatfield at a purchase price as detailed in the exempt report of the Director (Resources, Environment and Cultural Services) to the Cabinet meeting on 10 January 2017 plus fees and taxes (Stamp duty land tax and VAT).
- (2) That the Council pays the standard agency fees on acquisition equivalent to 1% of the purchase price to its external agency advisors.
- (3) That the Council pays such fees as might be required, in accordance with the existing legal fee framework agreement in place with Pinsent Masons LLP in dealing with this acquisition estimated at £22,000.
- (4) That the Council pays any other related fees such as those in connection with carrying out a full building survey (and structural survey if indicated as necessary) estimated at £5,000.

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42.3. Pension Fund Triennial Valuation 2016

The Cabinet had considered the results of the 2016 valuation and a one-off lump sum contribution into the fund to help manage the annual contribution from the General Fund.

The Local Government Pension Scheme underwent a financial valuation every three years, the results of which were used to determine the contributions that the Council would need to make to the pension fund for the next three years. The latest 2016 valuation reflected the transfer of staff from the Community Housing Trust into the Council's fund. The funding level of the combined fund stood at 83%.

The actuary was required by Regulations to set a prudent contribution rate in order to ensure the long term solvency of the pension fund. The actuary had proposed to increase the cost of the future accrual from 17% currently to 18.3% of pay for the next three years and had also suggested three options to recover the structural deficit of the Council pension fund.

- Option 1 would require an additional one-off payment of £1.9M in 2016/17 and the contributions for the next three years would remain at £888,000 per annum.
- Option 2 would require an additional one-off payment of a smaller amount of £1.3M in 2016/17 and the annual contributions would be fixed at £1.1M per annum.
- Option 3 did not require any additional one-off payment in 2016/17 but would require contributions of £1.5M, £1.6M and £1.7M in each of the next three years.

The cost would be split between the General Fund and Housing Revenue Account as the pension fund was now combined into a single scheme.

The Cabinet recommended to the council that Option 2 be adopted.

Whilst Option 1 would have the advantage of lowering future payments, it would also result in the Housing Revenue Account deficit being increased beyond a sustainable level in the short term, increasing the borrowing requirement earlier than planned.

By contrast, Option 3 would unduly defer future payments and the Council would fail to optimise the return on an up-front payment.

It was believed that Option 2 provided the best balance between optimising the return on an up-front payment and maintaining adequate Housing Revenue Account reserves. It also enabled the Council to add £100,000 to an earmarked pension reserve each year from 2017/18 to 2019/20.

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Adoption of Option 2 meant that original budget estimates for 2017/18 remained unchanged, as the main impact of the revised (combined) valuation was a change to the one off up-front payment in the 2016/17 financial year.

It was moved by Councillor D.Bell, seconded by J.Dean and

RESOLVED:

That the Council's approach to manage the pension deficit be based on:

- (1) an additional lump sum payment of £1.286M in the financial year 2016/17 to be paid into the pension fund on top of the current budgeted lump sum of £888,000 and to be funded from General Fund and Housing Revenue Account reserves.
- (2) the future employer's contribution rate to the pension fund to be fixed at 18.3% of pay plus an annual lump sum to be determined by the actuary but no more than £1.1M in each of the next three years (2017/18 to 2019/20).
- (3) to create an earmarked reserve for pension contributions and to contribute £100,000 in each of the next three years (2017/18 to 2019/20) into this reserve.

43. BUDGET AND COUNCIL TAX 2017/18

Report of the Executive Director (Resources, Environment and Cultural Services) setting out the proposals for approval of the 2017/18 budgets for revenue (General Fund and Housing Revenue Account) and capital and also asking the Council to approve the Borough element of the Council Tax for 2017/18 (final approval would be sought at the special Council meeting on 23 February 2017) and the Treasury Strategy.

It was moved by Councillor D.Bell and seconded by Councillor J.Dean that the recommendations in the report of the Director (Resources, Environment and Cultural Services) be approved.

43.1. Amendment

An amendment to the recommendations was moved by Councillor K.Thorpe and seconded by Councillor J.Broach:-

"That all pay rises to Councillors be reversed back down to the more modest increase received by every Councillor."

On being put to the meeting there voted:-

FOR the amendment – 18
AGAINST the amendment – 25

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and the amendment was declared LOST.

43.2. Further Amendment

A further amendment to the recommendations was moved by Councillor M.Holloway and seconded by Councillor K.Thorpe:-

“That the Council switch to all out elections.”

On being put to the meeting there voted:-

FOR the amendment – 14

AGAINST the amendment – 29

and the amendment was declared LOST.

43.3. Recommendations

The recommendations were then put to the meeting and it was

RESOLVED:

(25 voting for and 18 against)

Voting FOR: D.Bell, J.Beckerman, D.Bennett, J.Boulton, S.Boulton, H.Bower, H.Bromley, N.Chapman, J.Cragg, I.Dean, J.Dean, B.Fitzsimon, C.Gillett, S.Johnston, T.Kingsbury, M.Levitt, S.Markiewicz, G.Michaelides, H.Morgan, N.Pace, M.Perkins, B.Sarson, L.Sparks, F.Thomson, R.Trigg

Voting AGAINST: T.Bailey, H.Beckett, M.Birleson, J.Broach, A.Chesterman, L.Chesterman, M.Cook, M.Cowan, J.Fitzpatrick, G.Hayes, M.Holloway, M.Larkins, H.Quenet, S.Roberts, P.Shah, K.Thorpe, J.Weston, P.Zukowskyj

(1) That the Council notes the recommendations from the Cabinet and the statement of the Chief Finance Officer on the robustness of budgets and adequacy of reserves (Appendix I to the report) and approves:

- (a) the 2017/18 Revenue (General Fund) budget proposals resulting in a net budget of £14.46M, as shown in Appendix A to the report,
- (b) a £5 increase in Council Tax, bringing the Council's charge on an average Band D to £201.61,
- (c) a Council Tax requirement (excluding Parish precepts) of £8,129,762.

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- (d) the 2017/18 Capital budget programme of £43.626M, as shown in Appendix B to the report, and notes the programme contained plans to spend a further £109.958M over the following three year period to 2021/22.
 - (e) the 2017/18 Revenue (Housing Revenue Account) budget proposals resulting in a net budgeted deficit on the account of £4.721M, as shown in Appendix C to the report,
 - (f) the Medium Term Financial Strategy 2017/18 to 2019/20 (a summary of the forecasts is shown in Appendix D to the report).
 - (g) the fees and charges listed in Appendix E to the report.
 - (h) the prudential indicators as presented to the Cabinet, approving the authorised borrowing limit for 2017/18, as shown in Appendix F to the report.
 - (i) the Annual Minimum Revenue Provision Policy Statement as set out in Appendix G to the report.
 - (j) the Special Expenses scheme as applied in 1994/95 and reviewed in 2014, to be continued for 2017/18 in accordance with the details set out in Appendix H of the report.
 - (k) the Treasury Management Policy and Investment Strategy as presented to the Cabinet 10 January 2017.
- (2) That it be noted the following amounts for the year 2017/18 have been set in accordance with regulations made under Sections 31A and 31B of the Local Government Finance Act 1992 and agreed by the Cabinet on 10 January 2017 (Minute 112 refers).
- (a) the gross 2017/18 Tax Base is 41,273.50 prior to an assumed collection rate of 97.70%.
 - (b) 40,324.2 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 (the Regulations), as its Council Tax Base for the year 2017/18; including deductions for council tax support and a collection rate of 97.70%.
 - (c) part of the Council's Area being the amounts calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amounts of its Council Tax Base for the year for dwellings in those parts of its area to which one or more special items relate.

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	<u>100%</u> <u>TAXBASE</u>	<u>97.70%</u> <u>TAXBASE</u>
Welwyn Garden City	16683.5	16299.8
Hatfield	11206.1	10948.3
Welwyn	4556.2	4451.4
Ayot St Lawrence	70.9	69.3
Ayot St Peter	119.2	116.5
North Mymms	4325.2	4225.7
Essendon	431.1	421.2
Northaw & Cuffley	3343.0	3266.1
Woolmer Green	538.3	525.9

44. EXTERNAL AUDITOR APPOINTMENTS

Report of the Executive Director (Resources, Environment and Cultural Services) on a change to the method of selecting and appointing auditors and seeking approval to the Council joining the national appointment scheme as recommended by the Audit Committee at its meeting on 16 January 2017 (Minute 28 refers).

RESOLVED:

- (1) That the Council accepts the invitation from the Public Sector Audit Appointments Limited, agrees to opt into the national scheme for auditor appointments for each of the five financial years beginning 1 April 2018 and agrees to be an 'opted-in' authority for the purposes of the Regulations.
- (2) That delegated authority be given to the Executive Director (Resources, Environment and Cultural Services) to complete and return the Form of Notice of Acceptance of the Invitation to Opt In on behalf of the Council.

Meeting ended at 9.05pm
GS