

**Please note that by law this meeting can be filmed, audio-recorded, photographed or reported electronically by the use of social media by anyone attending. This does not apply to any part of the meeting that is held in private session. The Council will webcast the meeting.**

Please ask for:  
Graham Seal

25 January 2019

Dear Councillor

You are requested to attend a meeting of the WELWYN HATFIELD BOROUGH COUNCIL to be held on Monday 4 February 2019 at 7.30 pm in the Council Chamber, Council Offices, The Campus, Welwyn Garden City, Herts, AL8 6AE.

Yours faithfully



Corporate Director  
Public Protection, Planning and Governance

**AGENDA**  
**PART 1**

1. APOLOGIES

To receive apologies for absence, if any.

2. MINUTES

To confirm as a correct record the Minutes of the meeting held on 19 November 2018 (previously circulated).

3. PETITIONS (Pages 5 - 12)

The Mayor will receive a petition about the town centre White Lion Square, Hatfield.

As the petition contains more than 1500 signatures the petition organiser will be given five minutes to present it at the meeting and it will then be discussed for a maximum of fifteen minutes in accordance with the Council's Petition Scheme.

The Corporate Director (Resources, Environment and Cultural Services) has provided a background report in order to assist the Council on the options available for responding to the petition.

4. QUESTIONS FROM THE PUBLIC (Pages 13 - 14)

A period of thirty minutes will be made available for questions to be put by Members of the public to Members of the Cabinet on matters for which the Council has a responsibility or which affect the Borough.

5. 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.

6. ANNOUNCEMENTS

To receive any announcements from the Mayor, Leader of the Council, Member of the Cabinet or the Head of Paid Service.

7. QUESTIONS BY MEMBERS (Pages 15 - 16)

For a period of up to thirty minutes, a Member of the Council who has given prior notice in accordance with Council Procedure Rule 45, may ask (a) the Mayor, (b) the Leader of the Council or (c) a Member of the Cabinet a question on any matter in relation to which the Council has powers or duties or which affects the Borough.

Details of questions received in accordance with Procedure Rule 45 will be tabled at the meeting. A Member asking a question may ask, without giving notice, one supplementary question of the Member to whom the first question was asked. The supplementary question must arise directly out of the reply.

8. BUDGET 2019/20 (Pages 17 - 166)

Report of the Corporate Director (Resources, Environment and Cultural Services) setting out the proposals for approval of the 2019/20 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 2019/20 (final approval would be sought at the special Council meeting on 25 February 2019).

9. MATTERS ARISING FROM THE CABINET

To consider recommendations from the meetings of the Cabinet on 4 December 2018 and the special meeting on 22 January 2019:-

**4 DECEMBER 2018**

- (a) Council Tax Empty Homes Premium (Pages 167 - 172)

## 22 JANUARY 2019

(b) Retail Relief Guidelines and Business Rate 2018 Budget Changes (Pages 173 - 182)

10. NOTICES OF MOTIONS UNDER PROCEDURE RULE 50 (Pages 183 - 184)

To consider notices of motions submitted under Procedure Rule 50 in such order as the Mayor shall direct. Details of motions received by the deadline of 12noon on 28 January 2019 will be circulated separately.

11. URGENT MATTERS

To consider any matters of urgency subject to the agreement of the Mayor in accordance with Procedure Rule 13(r).

Circulation: The Mayor and Members of the Welwyn Hatfield Borough Council  
Corporate Management Team  
Press and Public (except Part II Items)

**If you require any further information about this Agenda please contact Graham Seal, Governance Services on 01707 357444 or email – [democracy@welhat.gov.uk](mailto:democracy@welhat.gov.uk)**

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# Agenda Item 3

## Part I

Main author: Ka Ng

Executive Member: Cllr Duncan Bell and  
Cllr Bernard Sarson

Hatfield Central

WELWYN HATFIELD BOROUGH COUNCIL

COUNCIL – 4 FEBRUARY 2019

REPORT OF THE CORPORATE DIRECTOR (RESOURCES, ENVIRONMENT AND  
CULTURAL SERVICES)

## PETITION RECEIVED REGARDING TWO TREES IN WHITE LION SQUARE

### **1 Executive Summary**

- 1.1 This report is to provide Council with background information to a petition that has been received by the council, requesting the council to rethink its plans for the public realm improvement work in White Lion Square in order to retain two large mature trees on the north side of the square.
- 1.2 As the petition has received more than 1500 signatures, the council's Petition Scheme provides for a full Council debate. The procedure is that the petition organiser will be given five minutes to present the petition and the petition will then be discussed by councillors for a maximum of fifteen minutes.
- 1.3 The text of the petition is as follows:

#### **“Save Hatfield Town Centre Trees**

**There are three mature trees in the town centre White Lion Square in Hatfield, Herts. They provide shade in the summer and are good to look at. The Council is going to remove two of them which will leave the square very bare and empty.**

**A professional tree inspector has reported that the trees only need cyclical pruning and are in good health. Nearby flats would then be able to see the trees, but not have their light blocked.**

**I want to save the trees to provide some greenery in the town centre.”**

### **2 Recommendation(s)**

- 2.1 That Council notes the content of this report and decides how to respond to the petition.
- 2.2 That Council agrees one of the following options:
  - a) To take the action the petition requests and instruct officers to carry out a complete redesign of the public realm work, in consultation with the Executive Member for Resources, to retain all three mature trees in White Lion Square.
  - b) Not to take the action requested for the reasons put forward in the report and any subsequent debate including endorsement of a revised proposal as outlined in paragraph 3.7 of this report.

### **3**     **Explanation**

- 3.1     The public realm project involves the repaving of White Lion Square, reconfiguration of raised planters, installation of new raised planter, installation of seating, children's play equipment, cycle parking as well as bringing back the Pearl sculpture to Hatfield Town Centre. The project is estimated to cost £1.2m and is fully funded by a Local Enterprise Partnership (LEP) grant.
- 3.2     The design takes into account a number of public engagement events between 2015 and 2017 as well as formal consultation as part of the planning process in early 2018, it has also taken into account the views of residents, businesses, workers and visitors on what they wish to see in the square.
- 3.3     The Planning Application for the Public Realm improvement work was submitted at the end of January 2018. It was widely promoted, with the publication of press release, which was picked up by WH Times and Bob FM. There was also an article in the Spring 2018 Life magazine distributed to every household in the Borough, which mentioned about the planning application for White Lion Square.
- 3.4     There were no objections, concerns or comments received about the removal of the trees in the planning application process and the planning decision was granted at the end of March 2018.
- 3.5     The Cross Party Hatfield Town Centre Regeneration Procurement Board oversaw the procurement process to appoint a contractor for the construction of the Public Realm work. The contract was subsequently awarded to Borrás Construction Ltd.
- 3.6     Officers met with the petition organiser in mid-December 2018 to understand her concerns and explained the evolution of the Public Realm design. The Executive Member, Resources, met with her in January 2019, in his capacity as Cabinet Portfolio holder and Chairman of Hatfield Town Centre Regeneration Procurement Board.
- 3.7     In light of the comments received, officers reviewed the design of the public realm in consultation with the Executive Member, Resources. The revised proposal includes the retention of one of the mature trees earmarked for removal (shown by the blue arrow below). The brick planter around the tree would be restored and new coping stones fitted. Feature curved benches would also be installed. The tree itself would also most likely be pruned. The changes require a non-material amendment to the original application, which was submitted to the Planning department recently.



- 3.8 White Lion Square public realm improvement project is part of the Hatfield Town Centre regeneration programme, which expects to increase footfall and dwell time in the square. It will not be possible to retain both of the trees as requested in the petition without a significant redesign of the square, which will cause substantial delay on the programme.
- 3.9 A redesign to retain all three of the mature trees will also mean the costs of the project will exceed the value of the LEP grant and that the council will be picking up all the costs associated with the redesign. There is also a reputation damage to the council as the LEP may start questioning our ability to deliver regeneration projects and will not be viewed favourably in any future funding bids.
- 3.10 A copy of the council's petition scheme is available online, a paper copy could be provided upon request.

### **Implications**

#### **4 Legal Implication(s)**

- 4.1 The council's Constitution provides that where a petition has received more than 1500 signatures, it will be debated at a Council meeting.
- 4.2 Once the Council has made a recommendation, the petition organiser will receive written confirmation of this decision. The confirmation will also be published on the council's website.

## **5 Financial Implication(s)**

- 5.1 The public realm improvement work is expected to cost £1.2m and it is fully funded by a grant from the LEP. However the council will be expecting to pay for all the costs associated with the redesign as the cost of the project will exceed £1.2m.

## **6 Risk Management Implication(s)**

- 6.1 Risk of delay: the public realm improvement work was due to start in January, the work has been put on hold in light of the petition received. Retention of both of the trees as requested in the petition will require significant redesign of the square, which will result in further delay.
- 6.2 Risk of project overspend: a complete redesign of the square will require additional budget over and above the £1.2m allowed for by the LEP, which means that the council picks up the full cost of any overspend.
- 6.3 If the design of the work changes significantly and/or if there is a lengthy delay before the construction phase could start, there is a risk that the council will need to undertake the procurement process again to appoint a new contractor.
- 6.4 The currently appointed contractor may claim compensation against the council, as the contract has already been awarded to them.

## **7 Security & Terrorism Implication(s)**

- 7.1 There are no Security and Terrorism implications in relation to this report.

## **8 Procurement Implication(s)**

- 8.1 In the event if recommendation 2.2 a) (retention of 3 mature trees) is chosen, it is probable that there would be material procurement implications as the contract for the Public Realm work has already been awarded.

## **9 Climate Change Implication(s)**

- 9.1 There are no climate change implications inherent in relation to this report.

## **10 Health and Wellbeing Implication(s)**

- 10.1 No implications in relation to this report.

## **11 Link to Corporate Priorities**

- 11.1 The subject of this report is linked to the Council's Corporate Priorities:.
- Promoting investment and regeneration
  - Revitalising our neighbourhood and town centres

## **12 Equality and Diversity**

- 12.1 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.

Name of author      *Ka Ng*  
Title                    *Corporate Director (Resources, Environment and Cultural Services)*  
Date                    25<sup>th</sup> January 2019

# Save Hatfield town centre trees



There are three mature trees in the town centre White Lion Square in Hatfield, Herts. They provide shade in the summer and are good to look at. The Council is going to remove two of them which will leave the square very bare and empty.

A professional tree inspector has reported that the trees only need cyclical pruning and are in good health. Nearby flats would then be able to see the trees, but not have their light blocked.

I want to save the trees to provide some greenery in the town centre. Please sign this paper copy or on line - the link is <https://chn.ge/2DCYd09> (please don't do both)

Spread the word - tell your friends and family!

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Jo's HAIRDRESSERS  
(WHITE LION SQUARE)

22

**Petition to save the trees in White Lion Square**

**If you want the Council to retain the trees in White Lion Square and not chop them down then please sign below. The trees are healthy and just need proper pruning. We need trees in the town centre.**

**Please do not sign if you have already signed the on line petition. This petition will be handed to Welwyn Hatfield Council.**

**Many thanks. Marian Hurlle (local resident and petition organiser)**

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WELWYN HATFIELD COUNCIL  
COUNCIL MEETING – 4 FEBRUARY 2019

QUESTION BY MEMBER OF THE PUBLIC

Notice of the following question has been received:-

1. Question from Rosie Newbigging

“As Labour's Parliamentary Candidate for Welwyn Hatfield, I attended a meeting before Xmas with tenants, leaseholders of Queensway House and their representative Dee Chessum also attended by the Council leader and housing portfolio holder and Labour councillors. The meeting heard from tenants and leaseholders about their deep and legitimate concerns about delays to essential repairs to sort out urgent damp and mould problems, sanitation issues, very serious security risks which have resulted in anti-social behaviour and delays to the fitting of essential fire sprinklers which won't even start to be fitted until September this year more than 2 years after the tragedy of Grenfell Tower. Added to that tenants are without a lift for several months. Their only access to their homes via a stairwell which non tenants have found their way into because of security risks. There are small children living in the block. Does the leader of the Council think this is an acceptable way for people to have to live and does he take full responsibility for the abject failure of the Council to ensure that Queensway House is fully fit for human habitation?”

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WELWYN HATFIELD COUNCIL  
COUNCIL MEETING – 4 FEBRUARY 2019

COUNCIL PROCEDURE RULE NO. 45 QUESTIONS – QUESTIONS BY MEMBERS

Notice of the following questions has been received in accordance with Council Procedure Rule No 45:-

1. Question to the Leader from Councillor Patricia Mabbott

“I have heard that the Panto at Campus West was well received. Could the leader/portfolio holder give us more details on how well the event went and what sort of response it got from those who attended?”

2. Question to the Leader from Councillor Jaida Caliskan

The Health Minister, Matt Hancock, announced last summer that the NHS will refer patients presenting with mental health difficulties associated with loneliness or worries about debts, benefits or housing issues etc., to exercise or social activity classes instead of prescribing drugs. This policy was reinforced in The NHS Long Term Plan published recently.

Also known as ‘social prescribing’, the idea is to minimise the amount of time GPs and hospitals spend dealing with social rather than medical issues. According to the East and North Hertfordshire Clinical Commissioning Group (“CCG”), this could amount to 20% of a GPs time.

I was glad to read on the CCG’s website that “Hertfordshire GPs lead the way with alternative prescriptions” and to note that local doctors believe that social prescribing can make a real difference to patients’ lives.

Congruently, local groups and charities will require additional financial support in order to meet the increase in demand from social prescriptions. In this respect, could the Executive Member for public health confirm;

- i) How much has been invested and budgeted for this scheme to date?
- ii) That the Council will invest in targeted local groups and charities in order to meet the incidental increase in their user base?

3. Question to the Leader from Councillor Samuel Kasumu

“Can the leader/portfolio holder give us an update on the Splashlands project at Stanborough Park and on the felling of the Lombardy poplar trees in the north car park?”

4. Question to the Leader from Councillor Peter Hebden

“I am sure we all welcome the fact that alternative accommodation has been found for the Potential Kids charity. It is heartening that this charity is able to continue, whilst at the same time the Council can commence investment in the business incubator facility at Beaconsfield Court.

Would the leader like to join me in thanking the officers of this Council for their efforts in assisting the charity?”

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## Part I

Main authors: Ka Ng and Richard Baker  
Executive Member: Cllr. Duncan Bell  
All Wards

WELWYN HATFIELD BOROUGH COUNCIL

COUNCIL – 4 FEBRUARY 2019

REPORT OF THE CORPORATE DIRECTOR (RESOURCES, ENVIRONMENT AND CULTURAL SERVICES)

## **Budget Proposals and Medium Term Forecasts 2019/20**

### **1. Executive Summary**

1.1. Following the consideration of the 2019/20 budget proposals at Cabinet on the 8 and 22 January 2019, the purpose of this report is to present to Council the budget proposals for approval, specifically:

- Revenue Budgets 2019/20
- Capital Programme 2019/20 – 2023/24
- Use of Reserves 2019/20
- Treasury Management Strategy 2019/20
- Investment Strategy 2019/20
- Capital Strategy 2019/20
- Fees and Charges for 2019/20
- Medium Term forecasts 2019/20 – 2021/22
- Special Expenses 2019/20

1.2. The 2019/20 budget proposals and the updated Medium Term Financial Forecasts have been produced to ensure that the Council maintains a sustainable financial position over the planning period to 2021/22. The following Council strategies and policies have informed the budget-setting process:

- The Council's Vision and Priorities, as stated in the Business Plan
- The Medium Term Financial Strategy (MTFS)
- The Housing Revenue Account 30 year Business Plan
- Service Strategies and Plans

1.3. The Corporate Management Team and Cabinet have met to review and monitor emerging budget proposals throughout the budget preparation period. Two budget briefings were held with Members highlighting some of the key issues and pressures that the council is facing in the medium term. The Leader of the Council also wrote to the Secretary of State for Housing, Communities and Local Government setting out the funding pressures faced by our Council and urging for solutions to be found through the forthcoming Spending Review.

1.4. It should be noted that the Council has not yet received Local Government Finance Final Settlement, which is expected to be published in early February. Whilst officers are not anticipating any changes will be made to the council's funding position, any changes made by the Government between the Provisional Settlement received and Final Settlement, will be accounted for as part of the Councils budget monitoring process for 2019/20.

1.5. This covering report provides members with the details of key assumptions and updates, and is supported by the following appendices:

- Appendix A – General Fund Summary 2019/20
- Appendix B – General Fund Head of Service Summaries 2019/20
- Appendix C – General Fund Savings Summary 2019/20 – 2021/22
- Appendix D – General Fund Growth Summary 2019/20 – 2021/22
- Appendix E – General Fund Fees and Charges 2019/20
- Appendix F – Housing Revenue Account Summary 2019/20
- Appendix G – Housing Revenue Account Summary of Changes 2019/20
- Appendix H – Housing Revenue Account Fees and Charges 2019/20
- Appendix I – Capital Programme 2019/20 – 2023/24
- Appendix J – Capital Financing Summary 2019/20 – 2023/24
- Appendix K – Capital Reserves Summary 2019/20 – 2023/24
- Appendix L – Medium Term Financial Strategy 2019/20 – 2021/22
- Appendix M – Treasury Management Strategy 2019/20
- Appendix N – Investment Strategy 2019/20
- Appendix O – Capital Strategy 2019/20
- Appendix P – Special Expenses 2019/20
- Appendix Q – Statement of the Chief Financial Officer

## 2. Recommendations

- 2.1. That Council note the recommendations from Cabinet, and the Statement of the Chief Financial Officer on the robustness of budgets and adequacy of reserves (appendix Q)
- 2.2. That Council also note that the following amounts for the year 2019/20 have been set in accordance with regulations made under Sections 31A and 31B of the Local Government Finance Act 1992 as agreed by Cabinet on 8 January 2019:

	100% TAXBASE	99.40% TAXBASE
Welwyn Garden City	17,197.3	17,094.1
Hatfield	11,663.4	11,593.4
Welwyn	4,645.0	4,617.1
Ayot St Lawrence	70.5	70.1
Ayot St Peter	115.8	115.1
North Mymms	4,409.9	4,383.4
Essendon	433.2	430.6
Northaw & Cuffley	3,075.6	3,057.1
Woolmer Green	531.9	528.7
Total	42,142.6	41,889.6

- 2.3. That Council approve the following budget proposals:
- 2.4. General Fund
- 2.4.1. The proposed General Fund Budget as summarised in Appendix A, and detailed in appendix B.
- 2.4.2. The inclusion of the savings and growth proposals into the budget as detailed in appendices C and D.
- 2.4.3. The 2019/20 fees and charges which have been incorporated into the budget proposals, as set out in appendix E.
- 2.4.4. The increase in the Council's Band D Tax of £5.16 (2.5%), taking the average Band D Tax to £211.77 for 2019/20.
- 2.4.5. The Special Expenses Scheme as set out in section 3.6 of this report continue into 2019/20, and the Special Expenses detailed in Appendix P be approved for inclusion in setting the Council Tax for 2019/20.
- 2.5. Housing Revenue Account (HRA)
- 2.5.1. That dwelling rents are reduced by 1% in accordance with Government legislation, resulting in an average rent of £103.37 per week.
- 2.5.2. The continuation of the policy charge formula rent minus 1% when vacant properties are re-let.
- 2.5.3. The Housing Revenue Account budget for 2019/20 as shown in appendix F.
- 2.5.4. The 2019/20 fees and charges which have been incorporated into the budget proposals, as set out in appendix H.
- 2.5.5. The Medium Term Financial Strategy (MTFS) to maintain HRA working balances to around 5% of rental income.
- 2.6. Capital Programme
- 2.6.1. The Capital Programme for 2019/20 to 2023/24 as set out in Appendix I.
- 2.6.2. The approval of the Capital Financing for the Capital Programme, for 2019/20 to 2023/24 as set out in Appendix J.
- 2.7. Medium Term Financial Strategy
- 2.7.1. The Medium Term Financial Strategy for 2019/20 – 2021/22 as set out in appendix L.
- 2.8. Other Strategies
- 2.8.1. The Treasury Management Strategy for 2019/20 as set out in appendix M.
- 2.8.2. The Investment Strategy for 2019/20 as set out in appendix N

2.8.3. The Capital Strategy for 2019/20 as set out in appendix O.

### 3. Explanation

#### 3.1. General Fund Revenue Account

- 3.1.1. The Government announced a four-year settlement in 2016/17, which provided some certainty to local government on our grant levels up until 2019/20. The Council is facing a decline in the grant income from central government, and funding for services is increasingly being derived from local funding (i.e. Council Tax, Business Rates and charges for services); at the same time local demand on Council services has increased.
- 3.1.2. The requirement to set a balanced budget demands a stringent process to deliver efficiencies, preserve as far as possible the quality of front line services, and retain the ability to generate income and to recognise the increasing demand on key services.
- 3.1.3. The proposed net cost of services budget for 2019/20 totals £14.000m and is £0.630m (4.3%) lower than the 2018/19 original budget of £14.630m. The movement between years is summarised in the following table.

	<b>£'000</b>
<b>2018/19 Original Budget</b>	<b>14,630</b>
Less: 2018/19 one-off growth	(540)
Add: 2019/20 fixed term growth	235
Add: 2019/20 ongoing growth	487
Less: 2019/20 savings	(1,567)
Add: Inflation and other changes	1,018
Less: Recharge to HRA	(263)
<b>2019/20 Original Budget</b>	<b>14,000</b>

- 3.1.4. A breakdown of savings and growth are included in appendices C and D, and are also detailed in the reconciliation of controllable expenditure in the Head of Service summaries in appendix B.
- 3.1.5. Whilst budget proposals are firm for the net cost of services, the Council awaits confirmation on a number of areas that may impact on the overall position:
- Although the Council was awarded a multi-year Government settlement, it awaits the final settlement confirmation for 2019/20 (expecting late January). This will include its New Homes Bonus funding and other grant income.
  - Parish Precept proposals, although these changes will have a net nil impact on the summary shown in appendix A.

#### Multi Year Settlement – Business Rates and Revenue Support Grant

- 3.1.6. In December 2018, the Council received the provisional settlement for 2019/20 budget proposals have been based on the figures provided by the Government. Government austerity measures mean the council continues to face funding reductions:

	<b>Final Finance Settlement 2018/19 £'000</b>	<b>Provisional Finance Settlement 2019/20 £'000</b>	<b>% Change</b>
Revenue Support Grant	104	0	N/A
Business Rates Baseline	2,800	2,864	2.3%
<b>Total: Settlement Funding Assessment</b>	<b>2,904</b>	<b>2,864</b>	<b>-1.4%</b>

3.1.7. Although the Government has set a baseline level of income for Business Rates, the amount of funding received will depend on the actual amount billed for Business Rates which will be influenced by other factors including the collection rate, business growth across the District and the provision for successful appeals.

3.1.8. All Hertfordshire authorities submitted a joint application for the 2019/20 Business Rates Retention Pilot Scheme and it was confirmed as part of the Provisional Settlement in December 2018 that the Hertfordshire application was accepted. The pilot will last for one year only.

#### Autumn Statement

3.1.9. As part of the autumn statement, the Chancellor announced the following items, which could impact on the Council's budget:

- Reduce business rate bills by one third for retail properties with rateable value below 51,000, for 2 years from April 2019.
- 100% business rate relief for all public lavatories.
- Continue with the £1,500 business rate discount for office space occupied by local newspapers in 2019/20

#### New Homes Bonus

3.1.10. The Council is projecting to receive £1.3m New Homes Bonus grant in 2019/20 and all of the income will be used to support base budget expenditure. The Government has indicated that they will carried out a further reform of the New Homes Bonus grant before the 2020/21 Local Government Finance Settlement.

#### Collection Fund

3.1.11. The Council's Council Tax requirement for 2019/20 is calculated as £8.871m (exclusive of parish precepts). The proposed taxbase for 2019/20 is 41,889.6.

3.1.12. The income due from Council Tax goes into the Collection Fund. Throughout the year the actual number of properties (as well as allowances for exemptions, discounts or appeals) inevitably varies from the figure estimated at the start of the year. This leads to a change in the amount of Council Tax due, and therefore a surplus or deficit on the Collection Fund.

3.1.13. In 2019/20 there is a forecast deficit position on the Collection Fund, primarily due to an increase in the business rates appeal following the Business Rates Revaluation 2017. It is important to note that a large proportion of the deficit was predicted in the 2017/18 year end process and that an earmarked reserve had already set aside for this to be drawn upon. This deficit on the collection fund is shared between the Major Preceptors, i.e. the County, the Police Authority and the Borough, in proportion to their precepts for the year.

3.1.14. The proportion of the small deficit that each of the Major Preceptors will receive from the Collection Fund when calculating the Council Tax for 2019/20 is as follows:

Welwyn Hatfield Borough Council	£4,030.79
Hertfordshire County Council	£14,620.46
Hertfordshire Police & Crime Commissioner	£1,460.78
<u>Total Deficit</u>	<u>£20,112.03</u>

3.1.15. The Localism Act 2011 abolished Council Tax capping in England and instead allows local residents to reverse ‘excessive’ Council Tax increases by means of referendum. The Government has set the 2019/20 referendum threshold for district Council’s at the higher of £5 or 3%. The proposed increase of 2.5% for Welwyn Hatfield in 2019/20 is therefore within the threshold, and below the rate of inflation.

3.1.16. A provisional figure of £2.788m has been included in the budget for a deficit on the Business Rates element of the collection fund. This figure will be refined mid-January, on the completion of the Councils NNDR1 return.

3.1.17. The total provisional Collection Fund deficit totals £2.792m as shown in appendix A.

Budget Assumptions

3.1.18. The 2019/20 budget proposals include the following key assumptions:

Employee Costs	2% general pay inflation. Actual increases will depend on national pay negotiations* 18.3% of employer pay as contribution to the pension fund 3% Vacancy factor
Contractual Inflation	Inflation has been included in line with agreed contractual indices, mostly RPI or RPIX
Utilities	Inflation has been included in line with agreed contractual indices
Fees and Charges	Maximised where possible in line with the Fees and Charges Strategy. Proposed fees and charges are set out in appendix E
Council Tax	2.5% increase for 2019/20, which is lower than inflation, which was 3.3% at November 2018.

## Reserves

3.1.19. It is important that the Council maintains a reasonable level of reserves to cushion against unanticipated budget pressures. The Council holds two types of reserve:

- Working balances, which are required as a contingency against unforeseen events, and to ensure that the Council has sufficient funds available to meet its cash flow requirements. The Local Government Act 2003 requires the Section 151 Officer to report on the adequacy of financial reserves when setting the General Fund budget requirement for the year.
- Earmarked reserves, which are funds approved by Members to finance specific items of future expenditure. The Council's Financial Regulations dictate that Earmarked Reserves can be created only with Member approval, and that all subsequent transfers to and from those reserves also require Member approval.

3.1.20. The Council's MTFS recommends a minimum working balance of £2.7 million. This budget proposal leaves a balance of £8.6m in working balances, well maintained above the requirements of the MTFS.

3.1.21. The following table shows a summary of the earmarked reserves held, and the explanation for holding these reserves, along with the forecast closing balances at the end of each financial year.

<b>Earmarked Reserve</b>	<b>Main Purpose of Reserve</b>	<b>31 March 2018 £'000</b>	<b>31 March 2019 £'000</b>	<b>31 March 2020 £'000</b>
<i>Strategic</i>	For use on one-off specific strategic projects directly delivering corporate objectives.	1,241	1,385	1,385
<i>Budget Priority and Transformation Reserve</i>	For use on one-off service based priorities or transformation projects.	400	563	290
<i>Resources</i>	To manage volatility in Business Rates income and changes to the Business Rates funding	2,720	2,720	0
<i>Pensions Reserve</i>	This reserve is necessary to help mitigate the impact of additional costs arising in the triennial review cycle	1,000	1,047	1,047
<i>Head of Service Reserves</i>	These reserves are set aside for emergency property works or uninsured losses, and other risks emerging through the year.	102	102	102
<i>Grants Reserves</i>	These reserves set aside grants received for specific purposes which will fund future expenditure.	335	331	303
<i>Income Reserves (Trading Accounts)</i>	These reserves are necessary to account for in year surplus/deficit positions. These are set up for those services which must break-even over time.	260	273	278
<b>Total Earmarked Reserves</b>		<b>6,058</b>	<b>6,421</b>	<b>3,405</b>

3.1.22. The Council's Section 151 Officer has reviewed the reserve position and advises that the current anticipated balances, together with the Council's plans for addressing the on-going and increasing budget gap, are adequate to ensure continued financial sustainability and a protection against unforeseen events.

### 3.2. **Housing Revenue Account Budgets**

3.2.1. The budget and 30 year forecasts have been prepared on the basis of the following high level principles, as detailed in the Council's 30 Year HRA business plan:

- The Council will continue to maintain existing stock to at least decent homes standard.
- The Council will aim to maintain stock levels at around 9,000 dwellings.
- The Council will continue with the Affordable Housing Programme, to fully make use of the retained right to buy receipts available to it.
- The Council will continue to take a balanced approach to reducing its level of Housing debt, whilst ensuring some flexibility is maintained for any future legislative or policy changes.

3.2.2. The HRA expenditure and income have been realigned, to bring the Council's monitoring reports in line with the Council's annual statutory reporting (the Statement of Accounts). In order to enable year on year comparison, 2018/19 has also been restated in appendix F. In addition, items only included for accounting purposes have been removed, as these do not impact on decision making or the balances of the HRA.

3.2.3. The budget proposal for 2019/20 is a surplus on the HRA of £0.193m, with working balances forecast at £2.663m at the end of 2019/20. The closing position on the working balances equates to 5.5% of rental turnover, and is within the range of 5%-15% considered to be best practice.

3.2.4. Key changes to the budget are set out in Appendix G.

3.2.5. The Council's current plans for the HRA, and forecast borrowing, are affordable in the medium to longer which will be shown in the forthcoming 30 year Business Plan.

#### Rent Setting

3.2.6. As detailed in previous budget reports, the Government announced in 2015, a statutory requirement for Local Authorities to reduce rents by 1% for the financial years 2016/17 to 2019/20. The proposed budget represents the final year of this rent reduction period.

3.2.7. On the 4th October 2017, the Government confirmed its intention to end the rent reduction policy after the fourth year, by stating that "increases to social housing rents will be limited to the Consumer Price Index (CPI) plus 1% for 5 years from 2020".

3.2.8. This announcement gives the Council more stability in its longer term planning for the Housing Revenue Account. The 30 year business plan includes CPI plus 1% from 2020.

- 3.2.9. The introduction of the rent reduction policy, saw not only a reduction in the income for the HRA, but also meant an end to rent convergence. This means that neighbouring tenants, with identical properties, could be paying different rent levels. The legislation does not allow the Council to make changes to current tenancies in order to continue with convergence.
- 3.2.10. The Council may however, change rent levels on when a property becomes vacant, and re-let these at the target rent level. In order for the Council to maximise the income from its assets, and to continue to work towards a fair approach for tenants, it is recommended that the Council continue with the policy to move to formula rent minus 1% when vacant properties are re-let.

#### Universal Credit

- 3.2.11. On 6 December 2017, Universal Credit was rolled out in the Borough for new single claimants, working age claimants with less than three children, and current claimants in these categories will be migrated where there is a change of circumstances.
- 3.2.12. Based on feedback from other Local Authorities, there is evidence that the Council may see an increase in current rent arrears levels. It is expected that this initial increase will be followed by a plateau in arrears levels, creating a new baseline for the rent arrears performance.
- 3.2.13. An exercise has been undertaken to review the provision for bad debts budget in the HRA in light of these changes. This will be monitored closely over the coming year, with any variance to assumptions being built into the 2019/20 budget and 30 year business plan.

#### National Context

- 3.2.14. In the Chancellor of the Exchequers Autumn Budget 2018, it was announced that to enable the delivery of more homes, the Government would remove the HRA borrowing caps for Local Authorities in areas of high affordability pressure.
- 3.2.15. Given the continuing trend in the number of Right to Buy sales, there may be pressures in future years to fund additional investment in new stock, in order to fully utilise the retained right to buy receipts. As the Council will be undertaking new borrowing, and this has been factored into the 2019/20 budget setting process.

#### 30 Year HRA Business Plan

- 3.2.16. Key assumptions used in the 2019/20 budget, and being incorporated into the business plan are:

Budget	Assumptions
Pay award	2% from 2019/20
Pensions and NI	Current rates included, no assumptions for increases or reductions
Rents	1% Reductions for 2019/20 CPI plus 1% from 2020/21
CPI	2.5%
RPI	3.5%

Working Balance	Minimum 5% of turnover
Major Repairs Reserve	Fully utilised each year to reduce borrowing requirement and avoid additional borrowing costs
Right to Buy	32 each year until 2021/22
Affordable Housing Programme	Continuation of the Council's existing programme and an additional 32 per year from 2026/27

### 3.3. **Capital Programme**

3.3.1. The Capital Programme has been structured to enable delivery of the Council's Business Plan and the HRA Business Plan over the medium to long term. The Programme includes all of the capital schemes within both the General Fund and the Housing Revenue for 2019/20 to 2023/24, and is detailed in appendix I. The financing of the programme is shown in appendix J. A forecast of the Council's Capital Reserves and Grant Balances is included in appendix K.

3.3.2. The Capital Programme continues to deliver the council's ambition to regeneration our town centres, improvement in our housing stocks as well as the affordable housing programme. The council is in the process of setting up a housing company and a business case will be presented to Cabinet in the future.

3.3.3. The Council complies with the Prudential Code for controlling Local Government Capital Finance, and the Budget for 2019/20 has been prepared in the context of these plans and controls (more details of the Prudential Code are included within the Treasury Management Strategy in Appendix M). The key objectives of the Code are to ensure that:

- Capital Investment Plans are affordable, prudent, and sustainable;
- All external borrowings and other long term liabilities are within prudent and sustainable levels;
- Treasury Management decisions are taken in accordance with good practice and in a manner that supports prudence, affordability and sustainability; and,
- The Council is accountable for its decisions.

3.3.4. This capital strategy (Appendix O) is a new report for 2019/20, giving a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability

### 3.4. **Medium Term Financial Strategy**

3.4.1. The Medium Term Financial Strategy (MTFS), detailed in appendix L, sets out the Council's strategy for maintaining financial sustainability and a commitment to provide the best possible value for money for the community. It provides a framework for the Council to plan and manage its resources over the current Comprehensive Spending Review period in order to meet the Council's overall corporate objectives.

3.4.2. The Council is currently in a good overall financial position with general fund revenue reserves (non earmarked) estimated at £8.7m at the start of 2019/20 and a housing revenue account (HRA) balance of £2.5m. This is a direct result of robust financial management and a prolonged period of achieving efficiencies to balance the budget as government funding has reduced.

- 3.4.3. However, in line with other local authorities, the Council is facing further severe financial constraints as central government grants continue to reduce. At the same time the demand on some of the Council's services continue to grow and further responsibilities will be transferred from central government.
- 3.4.4. In line with Government expectations, the Council aims to be more self-sufficient, with less reliance on Government Grants and more reliance on local income streams and taxation.
- 3.4.5. Forecasts suggest the Council is required to find a further £1.5m of savings on the general fund by 2020/21 in order to live within its means and maintain a reasonable cushion in reserves. This is a significant challenge and whilst the focus remains on safeguarding services it may not be possible to find efficiencies of this magnitude and guarantee no impact upon frontline services.
- 3.4.6. The MTFs has been written at a time of unprecedented uncertainty in local government funding. In particular, this is dependent upon the outcome of the Spending Review 2019, Fair Funding Review and 75% Business Rates Retention system, and a full reset of all the mechanisms within the business rates system. Forecasting the Council's likely level of income over the next three years has required a large degree of judgement and estimation.
- 3.4.7. The Government has also announced further proposed changes to the New Homes Bonus scheme and there is work continuing on the fundamental review of the Local Government funding regime.
- 3.4.8. There remains a number of uncertainties and risks to the Council's finances in the medium term, the details of which are contained within this strategy. The Council will continue to experience pressure on services arising from demographic and government policy changes and continued high expectations of service delivery.

### 3.5. **Treasury Management Strategy**

- 3.5.1. In accordance with the CIPFA Treasury Management in the Public Services: Code of Practice 2017 and MHCLG guidance on local authority investments, the council is required to have a Treasury Management Strategy, a copy of the 19/20 strategy is attached at Appendix M.
- 3.5.2. Limits on longer term investments are proposed to be reduced, in line with the Council's forecast of reducing cash balances due to an ambitious capital programme use of both internal and external borrowing.
- 3.5.3. The Strategy takes into account the all of the Council's capital and revenue forecasts, and reserve balances as set out in this report. It seeks to protect the balances held by the Council whilst generating a return, minimise borrowing costs where possible, and determines the borrowing and lending strategies.
- 3.5.4. A copy of the Investment Strategy is also attached in Appendix N.

### **3.6. Special Expenses**

- 3.6.1 In 1994/95, the Council, in agreement with Town and Parish Councils, introduced a scheme of Special Expenses, whereby some of the expenses of the Council, are charged specially to certain parts of the Borough. These areas of expenditure include open spaces, playing fields, community centres, allotments and public conveniences.
- 3.6.2 The calculation takes the cost of providing these items of expenditure, and apportions the costs to the specific areas where the expenditure is incurred.
- 3.6.3 The recommendation is to continue with this scheme, and the methodology previously agreed for the calculation of the Special Expenses.
- 3.6.3 The proposed amount included in the budget for special expenses is £555,839.43. Details of this expenditure, and an apportionment to the specific areas, is included in appendix P for approval.

### **4. Financial Implications**

- 4.1. Financial implications are contained in the recommendations and explanations to this report.

### **5. Link to Corporate Priorities**

- 5.1. The Council's budget proposals directly support all of the Council's Corporate Priorities.

### **6. Legal Implication(s)**

- 6.1. The Council is required by the Local Government Finance Act 1992 to make estimates of gross revenue expenditure and anticipated income, leading to a calculation of a budget requirement and the setting of an overall budget and Council Tax. The amount of the budget requirement must be sufficient to meet the Council's legal and financial obligations, ensure the proper discharge of its statutory duties, and lead to a balanced budget. The Council should be satisfied that the proposals put forward are a reasonably prudent use of resources in both the short and long term, and that the interests of both Council Tax payers and ratepayers on the one hand and the users of Council services on the other are both taken into account.
- 6.2. The principal statutory provision governing the fixing of rent for council property is contained in section 24 of the Housing Act 1985. This has now been supplemented by provisions in the Welfare Reform and Work Act 2016 that details enforced rent reductions by local authorities and was passed in March 2016.
- 6.3. Sub-section (1) provides that authorities may "...make such reasonable charges.... as they may determine". This section should be considered with regard to section 76 of the Local Government and Housing Act 1989. This act put a duty on local housing authorities to prevent a debit balance arising in their HRA and also imposed ring-fence restrictions on the use of the account. It is now no longer possible for a local housing authority to subsidise rents from its general fund, or use HRA resources for non-specified activities.

- 6.4. The MTFS sets out the framework for setting future budgets and levels of Council Tax. Members are reminded that Council must take into account the advice of the Corporate Director (Resources, Environment and Cultural Services) (Chief Finance Officer) on the robustness of future budget proposals and the adequacy of the proposals for reserves. The Council has a legal duty to set a lawfully balanced budget.
- 6.5. The MTFS sets out how the Council will fulfil its Best Value Duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In doing so the MTFS also acknowledges the Duty to Consult representatives of a wide range of local persons.
- 6.6. The treasury Management Strategy and prudential indicators have been produced in line with the Local Government Act 2003, and with regards to Section 151 of the Local Government Act 1972 which states that “every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs.”
- 6.7. Section 25 of the Local Government Act 2003 requires the Chief Financial Officer to make a formal report to the Council on the robustness of the budget and the adequacy of reserves (Appendix Q).

## **7. Security & Terrorism Implication(s)**

- 7.1. There are no implications for security and terrorism arising from this report.

## **8. Procurement Implication(s)**

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

## **9. Climate Change Implication(s)**

- 9.1. None

## **10. Risk Management Implications**

- 10.1. The budget is an important part of the Council's risk management process. There are always considerable risks to the council's short and medium term budget strategies including inflation, changes in the national economy, expenditure exceeding budgets, operational pressures on existing budgets, reductions in grant and legislative changes that require new spend. The budget setting process includes the recognition of these risks in determining the 2019/20 budget and relevant risk provisions are set out in the body of the report.
- 10.2. A working balance is maintained for both revenue accounts to cushion against known and unknown financial risks. Risk management in the financial context is set out in the Medium Term Financial Strategy set out in appendix L.

## 11. Equality and Diversity

11.1. In developing individual budget proposals officers have, in line with the Equality Act 2010, completed assessments on any proposals which are likely to affect some groups with protected characteristics more than others.

Name of author	Ka Ng and Richard Baker
Title and Head of Resources	Corporate Director (Resources, Environment and Cultural Services)
Date	23 January 2019

Welwyn Hatfield Borough Council  
General Fund Proposed Budget 2019/20

## Appendix A

Description	Original Budget 2018/19 £ '000	Period 6 Forecast 2018/19 £ '000	Proposed Budget 2019/20 £ '000	Year on year change (Proposed 19/20 - Original 18/19) £ '000
Head of Resources	2,537	2,269	2,003	(534)
Head of Environment	5,423	5,389	5,718	295
Head of Policy and Culture	2,588	2,648	2,545	(42)
<b>Corporate Director (Resources, Environment and Cultural Services)</b>	<b>10,547</b>	<b>10,306</b>	<b>10,266</b>	<b>(282)</b>
Head of Law and Administration	2,193	2,220	2,223	30
Head of Planning	1,758	1,926	1,857	99
Head of Public Health and Protection	1,077	1,077	1,143	65
<b>Corporate Director (Public Protection, Planning and Governance)</b>	<b>5,028</b>	<b>5,223</b>	<b>5,223</b>	<b>194</b>
Head of Community and Housing Strategy	2,067	2,175	2,089	22
<b>Corporate Director (Housing and Communities)</b>	<b>2,067</b>	<b>2,175</b>	<b>2,089</b>	<b>22</b>
Corporate Management Team	2,042	1,804	1,738	(304)
<b>Net Controllable Income and Expenditure</b>	<b>19,684</b>	<b>19,508</b>	<b>19,315</b>	<b>(152)</b>
Net Recharge to the Housing Revenue Account	(5,054)	(5,093)	(5,316)	(262)
<b>Net Cost of Services</b>	<b>14,630</b>	<b>14,415</b>	<b>14,000</b>	<b>(630)</b>
<b>Taxation and non-specific grants</b>				
Income from Council Tax	(10,173)	(10,173)	(10,498)	(325)
Business Rates Income	(4,600)	(4,600)	(4,628)	(28)
Collection fund deficit/(surplus)	(379)	(379)	2,792	3,172
Revenue Support Grant	(104)	(104)	0	104
New Homes Bonus Grant	(1,528)	(1,529)	(1,319)	209
Council Tax Support Admin Subsidy Grant	(105)	0	0	105
<b>Other Operating Income and Expenditure</b>				
Interest and Investment Income	(65)	(128)	0	65
Capital Financing (Leases, MRP, revenue contribution to capital and interest)	603	603	1,138	535
Parish Precepts	1,627	1,627	1,627	0
Payment to Parishes for Council Tax Support	5	5	0	(5)
<b>Net Total before movements in reserves</b>	<b>(90)</b>	<b>(263)</b>	<b>3,112</b>	<b>3,202</b>
<b>Other Movements in reserves</b>				
Contribution to/(from) Earmarked Reserves in relation to Collection Fund surplus/deficit	47	47	(2,720)	2,767
Other contributions to/(from) Earmarked Reserves	144	317	(297)	441
<b>Contribution (from)/to GF balances</b>	<b>(101)</b>	<b>(101)</b>	<b>(95)</b>	<b>(6)</b>

**Director and Head of Service Summaries - Budget 2019/20**  
**Corporate Director (Resources, Environment and Cultural Services)**  
**Head of Resources**

Description	Outturn 2017/18 £ '000	Original Budget 2018/19 £ '000	Period 6 Forecast 2018/19 £ '000	Original Budget 2019/20 £ '000
Employees	2,794	3,395	3,395	3,577
Premises Related	1,598	1,795	1,757	1,830
Transport Related	33	48	48	42
Supplies and Services	1,272	1,342	1,285	1,149
Third Party Payments	3,954	2,695	2,868	4,280
Transfer Payments	37,743	40,553	37,039	36,270
Income	(46,628)	(47,291)	(44,122)	(45,145)
<b>Controllable Costs</b>	<b>765</b>	<b>2,537</b>	<b>2,269</b>	<b>2,003</b>

**Analysis of Controllable Costs**

	£'000
<b>Original Budget 2018/19</b>	<b>2,537</b>
<b>Less 2018/19 one-off Growth</b>	
Window 10 Licensing	(15)
<b>Add 2019/20 fixed term growth</b>	
Voluntary First Registration (two year project)	75
<b>Add 2019/20 Growth items</b>	
Housing Benefit Administration Grant Reduction	35
Microsoft Office Enterprise Agreement increase in cost	20
EPC Legislation/Minimum Energy Efficiency Standards (new statutory requirement)	15
<b>Less 2019/20 Efficiencies/savings</b>	
Increase in garage rental income (increase in charge)	(50)
Additional property income generated through strategic property purchases	(600)
Additional estates income generated through ongoing rent reviews and lease renewals	(160)
Increase in base income budget for Weltech arising from high occupancy levels	(50)
Business Rates Relief on public conveniences	(8)
Increase in budgeted Localised Council Tax Support Administration grant	(21)
<b>Inflation and other Changes</b>	
Salary changes (including pay awards, increments and superannuation)	97
Contract inflation	151
Budget Virements	88
Capital Salaries	(5)
Movement of Localised Council Tax Support Admin Subsidy Grant	(105)
<b>Original Budget 2019/20</b>	<b>2,003</b>

**Director and Head of Service Summaries - Budget 2019/20**  
**Corporate Director (Resources, Environment and Cultural Services)**  
**Head of Environment**

Description	Outturn 2017/18 £ '000	Original Budget 2018/19 £ '000	Period 6 Forecast 2018/19 £ '000	Original Budget 2019/20 £ '000
Employees	762	904	975	1,019
Premises Related	378	471	467	501
Transport Related	28	30	30	26
Supplies and Services	413	355	461	338
Third Party Payments	7,168	7,241	7,241	7,529
Income	(4,226)	(3,578)	(3,785)	(3,694)
<b>Controllable Costs</b>	<b>4,523</b>	<b>5,423</b>	<b>5,389</b>	<b>5,718</b>

**Analysis of Controllable Costs**

	£'000
<b>Original Budget 2018/19</b>	<b>5,423</b>
<b>Less 2018/19 one-off Growth</b>	
IT (Plot Box) for cemetery administration	(5)
Parking Services Officers	(100)
<b>Add 2019/20 Growth items</b>	
Provision of waste collection for new homes	40
Parking Services Review (funded from contractual efficiency savings)	57
Reduction in newspaper tonnages for sale	75
Higher recycling gate fees per tonne	80
Reduction in glass/bottles income	50
Closed cemetery statutory duties	20
Reduction in burial income (ceasing the 10 year reservation of graves)	10
Civil Maintenance of Traffic Regulation Order - signage and lines	10
<b>Less 2019/20 Efficiencies/savings</b>	
Garden Waste Charging - increased customer take up	(190)
Additional payments from HCC for the diversion of waste from landfill	(25)
Grounds Maintenance Highway Agency Agreement (renewal)	(60)
Increase in parking fines issued	(30)
Residential Permit Schemes	(6)
Increased income from review of Cemetery fees	(30)
On-street and off-street combined service contract	(90)
Car park enforcement	(30)
<b>Inflation and other Changes</b>	
Salary changes (including pay awards, increments and superannuation)	160
Contract inflation	342
Budget Virements	18
Capital Salaries	(1)
<b>Original Budget 2019/20</b>	<b>5,718</b>

**Director and Head of Service Summaries - Budget 2019/20**  
**Corporate Director (Resources, Environment and Cultural Services)**  
**Head of Policy and Culture**

Description	Outturn 2017/18 £ '000	Original Budget 2018/19 £ '000	Period 6 Forecast 2018/19 £ '000	Original Budget 2019/20 £ '000
Employees	1,750	1,797	1,798	1,748
Premises Related	858	839	965	930
Transport Related	2	3	3	2
Supplies and Services	1,963	2,043	1,475	1,468
Third Party Payments	645	645	1,086	913
Income	(2,588)	(2,739)	(2,680)	(2,517)
<b>Controllable Costs</b>	<b>2,631</b>	<b>2,588</b>	<b>2,648</b>	<b>2,545</b>

**Analysis of Controllable Costs**

	£'000
<b>Original Budget 2018/19</b>	<b>2,588</b>
<b>Add 2019/20 fixed term growth</b>	
Welwyn Garden City Centenary - 2020	50
Digital Transformation	15
<b>Add 2019/20 Growth items</b>	
Intranet & file share document management software maintenance	12
<b>Less 2019/20 Efficiencies/savings</b>	
Reduction in GLL Management Fee	(217)
<b>Inflation and other Changes</b>	
Salary changes (including pay awards, increments and superannuation)	82
Contract inflation	70
Budget Virements	(54)
<b>Original Budget 2019/20</b>	<b>2,545</b>

**Director and Head of Service Summaries - Budget 2019/20**

Corporate Director (Public Protection, Planning and Governance Directorate)

Head of Law and Administration

Description	Outturn 2017/18 £ '000	Original Budget 2018/19 £ '000	Period 6 Forecast 2018/19 £ '000	Original Budget 2019/20 £ '000
Employees	1,582	1,510	1,524	1,543
Premises Related	1	5	5	5
Transport Related	26	34	34	32
Supplies and Services	759	745	751	708
Third Party Payments	156	136	154	168
Income	(409)	(237)	(249)	(233)
<b>Controllable Costs</b>	<b>2,115</b>	<b>2,193</b>	<b>2,220</b>	<b>2,223</b>

**Analysis of Controllable Costs**

	£'000
<b>Original Budget 2018/19</b>	<b>2,193</b>
<b><u>Inflation and other Changes</u></b>	
Salary changes (including pay awards, increments and superannuation)	54
Contract inflation	1
Budget Virements	(19)
Capital Salaries	(6)
<b>Original Budget 2019/20</b>	<b>2,223</b>

**Director and Head of Service Summaries - Budget 2019/20**

Corporate Director (Public Protection, Planning and Governance Directorate)

Head of Planning

Description	Outturn 2017/18 £ '000	Original Budget 2018/19 £ '000	Period 6 Forecast 2018/19 £ '000	Original Budget 2019/20 £ '000
Employees	1,863	1,815	1,892	1,877
Premises Related	85	80	80	80
Transport Related	15	21	21	20
Supplies and Services	763	367	409	348
Third Party Payments	780	498	576	463
Income	(1,723)	(1,023)	(1,051)	(931)
<b>Controllable Costs</b>	<b>1,784</b>	<b>1,758</b>	<b>1,926</b>	<b>1,857</b>

**Analysis of Controllable Costs**

	£'000
<b>Original Budget 2018/19</b>	<b>1,758</b>
<b>Less 2018/19 one-off Growth</b>	
Planning Advisory Service Review	(40)
<b>Inflation and other Changes</b>	
Salary changes (including pay awards, increments and superannuation)	100
Contract inflation	31
Budget Virements	24
Capital Salaries	(16)
<b>Original Budget 2019/20</b>	<b>1,857</b>

**Director and Head of Service Summaries - Budget 2019/20**  
**Corporate Director (Public Protection, Planning and Governance Directorate)**  
**Head of Public Health and Protection**

Description	Outturn 2017/18 £ '000	Original Budget 2018/19 £ '000	Period 6 Forecast 2018/19 £ '000	Original Budget 2019/20 £ '000
Employees	1,100	1,180	1,180	1,234
Premises Related	2	2	2	2
Transport Related	17	22	22	22
Supplies and Services	142	133	133	144
Third Party Payments	41	38	38	39
Income	(355)	(298)	(298)	(298)
<b>Controllable Costs</b>	<b>947</b>	<b>1,077</b>	<b>1,077</b>	<b>1,143</b>

**Analysis of Controllable Costs**

	£'000
<b>Original Budget 2018/19</b>	<b>1,077</b>
<b>Add 2019/20 fixed term growth</b>	
Health Walks	12
Noise monitoring equipment replacement	8
<b>Add 2019/20 Growth items</b>	
Air Quality Monitoring Equipment Maintenance	3
<b>Inflation and other Changes</b>	
Salary changes (including pay awards, increments and superannuation)	54
Contract inflation	1
Budget Virements	(12)
<b>Original Budget 2019/20</b>	<b>1,143</b>

**Director and Head of Service Summaries - Budget 2019/20**

Corporate Director (Housing and Communities Directorate)

Head of Community and Housing Strategy

Description	Outturn 2017/18 £ '000	Original Budget 2018/19 £ '000	Period 6 Forecast 2018/19 £ '000	Original Budget 2019/20 £ '000
Employees	826	1,540	1,677	1,654
Premises Related	37	32	32	33
Transport Related	7	28	28	11
Supplies and Services	588	395	672	289
Third Party Payments	315	382	322	325
Income	(687)	(311)	(556)	(224)
<b>Controllable Costs</b>	<b>1,087</b>	<b>2,067</b>	<b>2,175</b>	<b>2,089</b>

**Analysis of Controllable Costs**

	£'000
<b>Original Budget 2018/19</b>	<b>2,067</b>
<b>Add 2019/20 Growth items</b>	
HMO mandatory licensing scheme	60
<b>Inflation and other Changes</b>	
Salary changes (including pay awards, increments and superannuation)	74
Contract inflation	5
Budget Virements	(108)
Capital Salaries	(8)
<b>Original Budget 2019/20</b>	<b>2,089</b>

**Director and Head of Service Summaries - Budget 2019/20****Corporate Management Team**

Description	Outturn 2017/18 £ '000	Original Budget 2018/19 £ '000	Period 6 Forecast 2018/19 £ '000	Original Budget 2019/20 £ '000
Employees	1,267	1,275	1,275	1,405
Transport Related	5	8	8	6
Supplies and Services	125	758	521	328
<b>Controllable Costs</b>	<b>1,397</b>	<b>2,042</b>	<b>1,804</b>	<b>1,738</b>

**Analysis of Controllable Costs**

	£'000
<b>Original Budget 2018/19</b>	<b>2,042</b>
<b><u>Less 2018/19 one-off Growth</u></b>	
Corporate Projects	(380)
<b><u>Add 2019/20 fixed term growth</u></b>	
3 X Apprentices	75
<b><u>Inflation and other Changes</u></b>	
Salary changes (including pay awards, increments and superannuation)	51
Budget Virements	(50)
<b>Original Budget 2019/20</b>	<b>1,738</b>

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**Budget Efficiency Savings 2019/20 - 2021/22**

**Appendix C**

<b>Head of Service</b>	<b>Title of the proposal</b>	<b>Full Description of the proposal</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>
Head of Resources	Rental Income (Garage Rents)	Increase in garage rent fees of 2.5%. The proposed standard weekly fee including VAT is £12.74.	(50)	(50)	(50)
Head Of Resources	Rental Income (Hatfield Town Centre)	Rental Income arising from development of 1 and 3-9 Town Centre Hatfield. This is directly linked to the delivery of the capital scheme	0	(80)	(160)
Head of Resources	Rental Income (Highview)	Highview rents - increase in commercial space available following redevelopment. This is directly linked to the delivery of the capital scheme	0	(20)	(40)
Head of Resources	Rental Income (Strategic Property Investment)	Income to be derived from strategic property purchases, meeting the approved criteria. This is directly linked to the delivery of the capital scheme	(600)	(600)	(600)
Head of Resources	Rental Income (General Commercial Estate)	Review of baseline estate income budgets following strategic purchases, ongoing rent reviews and lease renewals	(160)	(180)	(200)
Head of Resources	Rental Income (Weltech Business Centre)	Uplift in Weltech income. This brings the budget in line with current and prior year actuals. Higher income has been derived from high occupancy rates and ongoing rent reviews.	(50)	(50)	(50)
Head of Resources	Business Rates	Reduction in base Business Rates expenditure following Government announcement of 100% rates relief on public conveniences	(8)	(8)	(8)
Head of Resources	Localised Council Tax Support Grant	To bring the budgeted council tax support administration grant in line with the 2018/19 allocation.	(21)	(21)	(21)
Head of Environment	Bereavement Services Provision	Additional income from increased provision of bereavement services within the Borough. This is directly linked to the delivery of the capital scheme	0	(400)	(400)

**Budget Efficiency Savings 2019/20 - 2021/22**

**Appendix C**

<b>Head of Service</b>	<b>Title of the proposal</b>	<b>Full Description of the proposal</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>
Head of Environment	Garden Waste Charging	Higher than anticipated subscriptions to garden waste collection.	(190)	(190)	(190)
Head of Environment	Additional payments from HCC for the diversion of waste from landfill	Additional income from Herts County Council for diverting landfill waste to lower cost processing methods and/or recycling	(25)	(25)	(25)
Head of Environment	Grounds Maintenance Highway Agency Agreement (renewal)	WHBC performs grounds maintenance work for HCC Highways, for which it receives a payment. Officers have negotiated higher fees for the provision of this service.	(60)	(60)	(60)
Head of Environment	Increase in parking fines issued	Following various consultations, there has been an increase in the areas with controlled parking. This increase in controlled areas will generate an increase in the issuance of parking fines.	(30)	(30)	(30)
Head of Environment	Residential Permit Schemes	Residential parking schemes are shown to be a popular choice by residents as a way of managing parking issues in their area. Following various consultations, there has been an increase in the areas with controlled parking. This increase in controlled areas will generate an increase in the resident permits purchased.	(6)	(6)	(6)

Budget Efficiency Savings 2019/20 - 2021/22

Appendix C

Head of Service	Title of the proposal	Full Description of the proposal	2019/20 £'000	2020/21 £'000	2021/22 £'000
Head of Environment	Cemetery Fee Income	The Council has not put up charges for a number of years. The increases proposed are still below the average costs in the area. In addition to this, the Councils' current cemeteries have limited space.  There has been a review of the pricing structure but the most common fee is a private grave which will increase from £650 to ranging between £750 and £1,100 depending on the size.	(30)	(30)	(30)
Head of Environment	On-street and off-Street combined service contract	The Council is merging two elements of parkings services into one contract. After setting aside a budget to manage core services in the Council car parks; the merger of the two contracts will realise significant ongoing savings.	(90)	(90)	(90)
Head of Environment	Car park enforcement	To ensure the car parks function properly and fairly, a level of parking enforcement is necessary. This enforcement results in issuance of parking fines. There is no proposed increase in charging, but a review of the base budget has been undertaken taking into account number of fines issued.	(30)	(30)	(30)
Head of Policy and Culture	Reduction in GLL Management Fee	Phased and agreed reductions in the management fee payable to GLL following the successful merger with Finesse Leisure in May 2018.	(217)	(462)	(534)
<b>Total Corporate Director - Resources, Environment and Cultural Services</b>			<b>(1,567)</b>	<b>(2,332)</b>	<b>(2,524)</b>
<b>TOTAL</b>			<b>(1,567)</b>	<b>(2,332)</b>	<b>(2,524)</b>

Head of Service	Title of the proposal	Ongoing / Fixed Term	Full Description of the proposal	2019/20 £'000	2020/21 £'000	2021/22 £'000
Head of Resources	Replace existing telephone solution	Fixed Term	Replace existing solution with a newer way of providing digital, large scale telephone services. The Council will replace its traditional analogue or ISDN (digital) telephone lines and would enable us to quickly and cost-effectively add additional lines should they be required. This growth is fixed term whilst the two solutions are run concurrently.	0	3	3
Head of Resources	Replace existing BT network connections with a more flexible and cheaper to run network (MPLS)	Fixed Term	Replace existing network connections with a more flexible and cheaper to run option. We currently use BT point to point network connection, which will be replaced with 'MPLS'. This growth is fixed term whilst the two network solutions are run concurrently.	0	0	5

Head of Service	Title of the proposal	Ongoing / Fixed Term	Full Description of the proposal	2019/20 £'000	2020/21 £'000	2021/22 £'000
Head of Resources and Head of Law and Admin	Voluntary First Registration	Fixed Term	<p>A large part of the Borough's land ownership is still waiting to be registered with the Land registry. The process will require title identification and preparation by Legal Services before the information is recorded on K2, Cartology and ePIMS. This will enable the public to access to a layer on Community Maps that will allow them to identify council owned land. This will lead to improved customer service and reduce the number of ownership enquiries received.</p> <p>This will enable the Council to comply with the transparency act in relation to publication of Council owned land, and also help protect the Council from adverse possession claims. It is expected that employee costs would be spread over two years, details to be finalised. The estimate would be two legal FTEs for one year and 1 FTE for property for one year.</p>	75	75	0
Head of Policy and Culture	Welwyn Garden City Centenary - 2020	Fixed Term	Budget to assist with the costs of delivering the Garden City's Centenary programme in 2020 in partnership with the Centenary Foundation and others. Details of the programme have yet to be finalised so the extent of the council's commitment is not yet known.	50	0	0
Head of Policy and Culture	Digital Transformation	Fixed Term	To create a new budget to support our ongoing digital transformation programme across all of the council's services.(3 to 5 years)	15	15	15
<b>Corporate Director - Resources, Environment and Cultural Services</b>				<b>140</b>	<b>93</b>	<b>23</b>

Head of Service	Title of the proposal	Ongoing / Fixed Term	Full Description of the proposal	2019/20 £'000	2020/21 £'000	2021/22 £'000
Head of Public Health and Protection	Health Walks	Fixed Term	Public health project to encourage opportunities for exercise within the community. Health walks provide the opportunity to break down social isolation and improve mental health.	12	0	0
Head of Public Health and Protection	Noise Monitoring Equipment	Fixed Term	Replacement of current noise monitoring equipment (2 Units) to undertake noise monitoring within residents properties to fulfil statutory noise nuisance investigation role.	8	0	0
<b>Corporate Director - Public Protection, Planning and Governance</b>				<b>20</b>	<b>0</b>	<b>0</b>
Corporate Management Team	Apprentice Scheme	Fixed Term	To create 3 fixed term apprentice posts. Apprentices are an excellent way for the Council to support training and development at early stages of individuals careers, to help develops skills in those areas which are difficult to recruit to. The Council will be able to draw down on the apprenticeship levy paid, to support the training costs of apprentices.	75	75	0
<b>Corporate Management Team</b>				<b>75</b>	<b>75</b>	<b>0</b>
<b>TOTAL - Fixed Term</b>				<b>235</b>	<b>168</b>	<b>23</b>

Head of Service	Title of the proposal	Ongoing / Fixed Term	Full Description of the proposal	2019/20 £'000	2020/21 £'000	2021/22 £'000
Head of Resources	Housing Benefit Administration Grant	Ongoing	Estimated reduction in administration grant reduction from DWP	35	49	74
Head of Resources	Microsoft Office Enterprise Agreement	Ongoing	Our Microsoft Office Enterprise Agreement is renewed annually and we have a £60,000 budget for this. The cost of this product is going up by 30% as part of Microsoft's licence increases.	20	20	20
Head of Resources	EPC Legislation / Minimum Energy Efficiency Standards	Ongoing	Following changes to legislation, the Council is now required to commission an energy performance certificate on the marketing of, rent review of or lease renewal of, its commercial property. These will be spread over a number of years due to the timing of leases. It is expected most of the properties will have been completed in the first five years, and certificates last 10 years.	15	15	15
Head of Environment	Provision of waste collection for new homes	Ongoing	A few hundred homes are built in the Borough every year that require waste and recycling collection services.	40	40	40
Head of Environment	Parking Services Review	Ongoing	As part of the review of car parking contracts, moving two contracts into one, there is a need to employ a car parking contract manager. This is linked to the efficiency of £90k generated from the combination of contracts.	57	57	57

Head of Service	Title of the proposal	Ongoing / Fixed Term	Full Description of the proposal	2019/20 £'000	2020/21 £'000	2021/22 £'000
Head of Environment	Reduction in newspaper tonnages for sale	Ongoing	The printing and purchasing of newspaper and magazines continues to fall and the repercussion is that less newspaper and magazines recycled are residents, thereby reducing the income the Council derives from these	75	75	75
Head of Environment	Higher recycling gate fees per tonne	Ongoing	Quality measures by China have caused an increase in gate fees the Council is charged to process each tonne of dry reclaims collected from residents	80	80	80
Head of Environment	Reduction in glass/bottles income	Ongoing	Glass packaging material historically had a strong resale value. This value has significantly reduced, which has resulted in reduction in income.	50	50	50
Head of Environment	Cemetery statutory duties	Ongoing	The Council has a statutory responsibility for maintaining closed cemeteries, including headstones safety, paths, grounds work, walls etc (for example St Lukes). In recent years, there have been a number of closures and the Council has not historically had any budget to meet its statutory requirements.	20	20	20
Head of Environment	Reduction in burial income	Ongoing	The Council has a limited amount of burial space at its cemetery and has stopped 10 year reservations at its cemeteries, reducing the overall income generated.	10	10	10

Head of Service	Title of the proposal	Ongoing / Fixed Term	Full Description of the proposal	2019/20 £'000	2020/21 £'000	2021/22 £'000
Head of Environment	Civil Maintenance of Traffic Regulation Order - signage and lines	Ongoing	The Council has increased its resources to consult on, and introduce, improved residential and business parking. To successfully enforce the changes to residential parking there is a requirement for signage and lines. The current budget is not sufficient to meet the increased requirement from the additional consultations and implementations.	10	10	10
Head of Policy and Culture	Intranet and file share document management software maintenance	Ongoing	Maintenance costs relating to the upgraded intranet and document management system	12	12	12
<b>Corporate Director - Resources, Environment and Cultural Services</b>				<b>424</b>	<b>438</b>	<b>463</b>

Head of Service	Title of the proposal	Ongoing / Fixed Term	Full Description of the proposal	2019/20 £'000	2020/21 £'000	2021/22 £'000
Head of Public Health and Protection	Software licence and maintenance Northgate Management system.	Ongoing	Software licence/maintenance support for mobile working, LAGAN interface and self service web interface	0	8	8
Head of Public Health and Protection	Air Quality Monitoring Equipment Maintenance	Ongoing	Service and maintenance contract for air quality monitoring equipment. Maintenance is essential to ensure calibration for reliable and accurate information that can be used to fulfil our statutory duty for monitoring air quality. (Three year contract)	3	3	3
<b>Corporate Director - Public Protection, Planning and Governance</b>				<b>3</b>	<b>11</b>	<b>11</b>
Head of Community and Housing Strategy	HMO mandatory licensing scheme	Ongoing	HMO income is received on a cyclical basis. This is based on the original scheme which came into force in 2004 and is separate from the extended licensing which came into force in October 2018. As received on a cyclical basis, accounting adjustments are required to spread the income over anumber of years. The baseline budget has been reviewed to take into account these requirements.	60	60	60
<b>Corporate Director - Housing and Communities</b>				<b>60</b>	<b>60</b>	<b>60</b>
<b>TOTAL - Ongoing</b>				<b>487</b>	<b>508</b>	<b>534</b>
<b>TOTAL - GROWTH BIDS</b>				<b>722</b>	<b>676</b>	<b>557</b>

Welwyn Hatfield Borough Council  
General Fund Fees and Charges

Description	2018-19			2019-20		
	Fee	Vat 20%	Total Fee	Fee	Vat 20%	Total Fee
	£	£	£	£	£	£
<b>Environmental Services</b>						
<b>Cemeteries</b>						
<b>Burial Fees</b>						
<b>Private Grave</b>						
Coffin <=30" Wide and 78" Long*	650.00	-	650.00	750.00	-	750.00
Large Coffin/ Casket >30" Wide and 78" Long*	-	-	-	1,100.00	-	1,100.00
Burial in Timber Shored Grave*	-	-	-	1,100.00	-	1,100.00
Public Grave	550.00	-	550.00	550.00	-	550.00
Children's Grave	0.00	-	0.00	0.00	-	0.00
Shallow Grave*	1,000.00	-	1,000.00	1,000.00	-	1,000.00
Mausoleum Chamber*	400.00	-	400.00	400.00	-	400.00
<b>Grant of Exclusive Right Fees</b>						
<b>Lawn Graves</b>						
Coffin <=30" Wide and 78" Long*	550.00	-	550.00	1,000.00	-	1,000.00
Large Coffin/ Casket >30" Wide and 78" Long*	-	-	-	1,500.00	-	1,500.00
Premium Graves (Chosen by family - Additional Fee)*	250.00	-	250.00	250.00	-	250.00
Reservation of Grant of Exclusive Right (10 Year Period)*	1,500.00	-	1,500.00	1,500.00	-	1,500.00
Extension of Grant of Exclusive Right (Lawn Cemetery 10 Year Period)*	550.00	-	550.00	550.00	-	550.00
Mausoleum Crypt (top and bottom vault Lawn Cemetery)	7,000.00	-	7,000.00	7,000.00	-	7,000.00
Mausoleum Crypt (top and bottom vault Lawn Cemetery) Non Resident	-	-	-	8,000.00	-	8,000.00
Premium Mausoleum Crypt ( middle vault Lawn Cemetery) Non Resident	7,500.00	-	7,500.00	7,500.00	-	7,500.00
Premium Mausoleum Crypt ( middle vault Lawn Cemetery)	-	-	-	8,000.00	-	8,000.00
Includes marble tablet with initial inscription. Bespoke artwork, photographs and vases will incur an additional charge - 75 years						
Transfer Ownership of Grant of Exclusive Right*	50.00	-	50.00	50.00	-	50.00
Official Copy of Grant of Exclusive Right/Search Fee*	50.00	-	50.00	50.00	-	50.00
<b>Cremated Remains and Burial Fees</b>						
Interment of Cremated Remains*	250.00	-	250.00	250.00	-	250.00
Eco Interment of Cremated Remains*	150.00	-	150.00	150.00	-	150.00
Strewing of Cremated Remains*	150.00	-	150.00	150.00	-	150.00
Immurement of cremated remains*	100.00	-	100.00	100.00	-	100.00
Second set of cremated remains - same time*	-	-	-	100.00	-	100.00
Cremated Remains within Coffin*	-	-	-	100.00	-	100.00
<b>Cremated Remains License Fees</b>						
Cremated Remains Memorial Plot*	400.00	-	400.00	500.00	-	500.00
Commemorative Garden Tablet*	350.00	-	350.00	400.00	-	400.00
Half Size Lawn Grave*	400.00	-	400.00	500.00	-	500.00
Commemorative Rose Bushes*	450.00	-	450.00	450.00	-	450.00
Sanctum 2000 Vault (Hyde Cemetery)*	700.00	-	700.00	750.00	-	750.00
Sanctum Family Vault (Hyde Cemetery)*	1,600.00	-	1,600.00	1,600.00	-	1,600.00
Memorial Garden Kerb (Hyde Cemetery)*	300.00	-	300.00	300.00	-	300.00
Reservation for Cremated Remains Plot (10 years)*	750.00	-	750.00	750.00	-	750.00
Additional 10 Year Licence Period*	200.00	-	200.00	200.00	-	200.00
<b>Memorial Permit Fees</b>						
Headstones - new and replacement memorials*	200.00	-	200.00	200.00	-	200.00
Tablet*	100.00	-	100.00	100.00	-	100.00
Vase*	100.00	-	100.00	100.00	-	100.00
Engrave an additional Subscription*	100.00	-	100.00	100.00	-	100.00
Kerb Setting (Hatfield Hyde)*	250.00	-	250.00	250.00	-	250.00
Fine for any convention to memorial regulation	500.00	-	500.00	500.00	-	500.00
Repair or cleaning of a memorial	Free	Free	Free	Free	Free	Free

\*Non Residential fees - all of the above fees are trebled for a person who at the time of death resides outside the borough of Welwyn Hatfield. Any fees relating

- If a grave for more than one person is purchased at the standard rate for the first interment for a Resident of the borough, any future fees will remain as
- If a resident is required to move out of the area for medical care or to any nursing home within the last 2 years due to ill-health, a standard fee would apply

**Welwyn Hatfield Borough Council**  
**General Fund Fees and Charges**

Description	2018-19			2019-20		
	Fee	Vat 20%	Total Fee	Fee	Vat 20%	Total Fee
<b>Miscellaneous Fees</b>						
Memorial Plaque	300.00	-	350.00	350.00	-	350.00
Inclusion of small photo/ bespoke artwork	90.00	-	90.00	90.00	-	90.00
Inclusion of large photo/ bespoke artwork	120.00	-	120.00	120.00	-	120.00
New plaque for Memorial Garden Kerb (Hyde Only)	-	-	-	200.00	-	200.00
New tablet for Commemorative Garden Plot (Lawn Only)	-	-	-	350.00	-	350.00
Plaque on Wooden Memorial Bench	900.00	-	900.00	1,000.00	-	1,000.00
Second Plaque on Existing Wooden Bench	300.00	-	300.00	300.00	-	300.00
Plaque on Granite Memorial Bench	750.00	-	750.00	850.00	-	850.00
Second Plaque on Existing Granite Bench	-	-	-	300.00	-	300.00
Permission to vault a grave space*	500.00	-	500.00	500.00	-	500.00
The Lodge Chapel*	100.00	-	100.00	100.00	-	100.00
Hourly rate for exhumations	200.00	-	200.00	200.00	-	200.00
Late fee - per half hour	150.00	-	150.00	150.00	-	150.00
Turf Grave	60.00	-	60.00	60.00	-	60.00
*Non Residential fees - all of the above fees are trebled for a person who at the time of death resides outside the borough of Welwyn Hatfield. Any fees relating						
- If a grave for more than one person is purchased at the standard rate for the first interment for a Resident of the borough, any future fees will remain as						
- If a resident is required to move out of the area for medical care or to any nursing home within the last 2 years due to ill-health, a standard fee would apply						

Welwyn Hatfield Borough Council  
General Fund Fees and Charges

Description	2018-19			2019-20		
	Fee	Vat 20%	Total Fee	Fee	Vat 20%	Total Fee
	£	£	£	£	£	£
<b>Environmental Services</b>						
<b>Abandoned Vehicles</b>						
Abandoned Vehicles - off private property	41.67	8.33	50.00	42.71	8.54	51.25
Abandoned Vehicles - Return of vehicle	104.17	20.83	125.00	106.77	21.35	128.13
Abandoned Vehicles - Storage rate per day	10.83	2.17	13.00	11.10	2.22	13.32
<b>General</b>						
Benches ( refurbished)	300.00	60.00	360.00	307.50	61.50	369.00
Benches (new)	600.00	120.00	720.00	615.00	123.00	738.00
<b>Waste Collection Services</b>						
Bulky Household Collections	35.00	-	35.00	35.70	-	35.70
Bulky Household Collections - OAP's	17.75	-	17.75	18.19	-	18.19
Bulky Household Collections - Benefits	17.75	-	17.75	18.19	-	18.19
Insurance charge for collections within homes	15.14	3.03	18.17	15.44	3.09	18.53
Collection of Hazardous Electrical items	31.98	-	31.98	32.62	-	32.62
Clinical Waste collections ( 5 sacks/resident)	5.00	1.00	6.00	5.10	1.02	6.12
Kitchen Caddie delivery charge	4.60	0.92	5.52	4.72	0.94	5.66
Emptying of a contaminated wheeled bin	15.53	-	15.53	15.84	-	15.84
Emptying of 2 contaminated wheeled bins (at same address)	20.70	-	20.70	21.11	-	21.11
Cost of a first standard replacement (180/240L) bin	11.75	2.35	14.10	12.04	2.41	14.45
Cost of a subsequent standard (180/240L) bin	24.25	4.85	29.10	24.86	4.97	29.83
Cost of a first standard replacement (360L) bin	20.75	4.15	24.90	21.27	4.25	25.52
Cost of a subsequent standard (360L) bin	34.50	6.90	41.40	35.36	7.07	42.44
Cost of a mini-bank unit	560.00	112.00	672.00	574.00	114.80	688.80
<b>Garden Waste Collection</b>						
First bin per property per annum	35.00	0.00	35.00	35.00	0.00	35.00
Second bin per property per annum	60.00	0.00	60.00	60.00	0.00	60.00
<b>Dog Warden Services</b>						
Collection / release fee for dog with collar & tag	25.00	-	25.00	25.00	-	25.00
Collection / release fee for dog without collar & tag	-	-	-	35.00	-	35.00
Dog collected by Warden and Transported to Kennels	-	-	-	75.00	-	75.00
Kennel Fee per night	-	-	-	15.00	-	15.00

**Welwyn Hatfield Borough Council**  
**General Fund Fees and Charges**

Description	2018-19			2019-20		
	Fee	Vat 20%	Total Fee	Fee	Vat 20%	Total Fee
<b>Schedule of Offences</b>						
Nuisance Parking - paid within 10 days	60.00	-	60.00	61.50	-	61.50
- full amount of penalty	100.00	-	100.00	102.50	-	102.50
Abandoning a vehicle - paid within 10 days	120.00	-	120.00	123.00	-	123.00
- full amount of penalty	200.00	-	200.00	205.00	-	205.00
Depositing Litter - paid within 10 days	50.00	-	50.00	51.25	-	51.25
- full amount of penalty	75.00	-	75.00	76.88	-	76.88
Failure to comply with a street litter control notice - paid within 10 days	60.00	-	60.00	61.50	-	61.50
- full amount of penalty	100.00	-	100.00	102.50	-	102.50
Failure to comply with a litter clearing notice - paid within 10 days	60.00	-	60.00	61.50	-	61.50
- full amount of penalty	100.00	-	100.00	102.50	-	102.50
Unauthorised distribution of free printed matter - paid within 10 days	50.00	-	50.00	51.25	-	51.25
- full amount of penalty	75.00	-	75.00	76.88	-	76.88
Defacement by graffiti and flyposting - paid within 10 days	50.00	-	50.00	51.25	-	51.25
- full amount of penalty	75.00	-	75.00	76.88	-	76.88
Failure to comply with a dog control order - paid within 10 days	50.00	-	50.00	51.25	-	51.25
- full amount of penalty	75.00	-	75.00	76.88	-	76.88
Failure to produce authority ( waste carriers licence ) - paid within 10 days	180.00	-	180.00	184.50	-	184.50
- full amount of penalty	300.00	-	300.00	307.50	-	307.50
Failure to furnish documentation ( waste transfer notes) - paid within 10 days	180.00	-	180.00	184.50	-	184.50
- full amount of penalty	300.00	-	300.00	307.50	-	307.50
Offences relating to waste receptables ( e.g. General Fund Fees and Charges	40.00	-	40.00	41.00	-	41.00
- full amount of penalty	80.00	-	80.00	82.00	-	82.00
<b>Roundabout Sponsorship</b>						
<b>High Profile</b>						
1 year sponsorship	2,500.00	500.00	3,000.00	2,562.50	512.50	3075.00
3 year sponsorship	5,250.00	1,050.00	6,300.00	5,381.25	1,076.25	6457.50
5 year sponsorship	7,500.00	1,500.00	9,000.00	7,687.50	1,537.50	9225.00
<b>Medium Profile (main road)</b>						
1 year sponsorship	2,000.00	400.00	2,400.00	2,050.00	410.00	2460.00
3 year sponsorship	4,200.00	840.00	5,040.00	4,305.00	861.00	5166.00
5 year sponsorship	6,000.00	1,200.00	7,200.00	6,150.00	1,230.00	7380.00
<b>Medium Profile (residential road)</b>						
1 year sponsorship	1,500.00	300.00	1,800.00	1,537.50	307.50	1845.00
3 year sponsorship	3,150.00	630.00	3,780.00	3,228.75	645.75	3874.50
5 year sponsorship	4,500.00	900.00	5,400.00	4,612.50	922.50	5535.00
<b>Low Profile</b>						
1 year sponsorship	750.00	150.00	900.00	768.75	153.75	922.50
3 year sponsorship	1,570.00	314.00	1,884.00	1,609.25	321.85	1931.10
5 year sponsorship	2,250.00	450.00	2,700.00	2,306.25	461.25	2767.50

**Welwyn Hatfield Borough Council**  
**General Fund Fees and Charges**

Description	2018-19			2019-20		
	Fee	Vat 20%	Total Fee	Fee	Vat 20%	Total Fee
	£	£	£	£	£	£
<b>Northaw Great Wood</b>						
Annual car parking permit	15.00	3.00	18.00	15.00	3.00	18.00
Visitors parking fee ( honesty box)	1.00	-	1.00	1.00	-	1.00
<b>Parking Permits</b>						
Resident motorcycle ( per annum)	10.00	-	10.00	10.00	-	10.00
Resident first vehicle ( per annum)	25.00	-	25.00	25.00	-	25.00
Resident second vehicle ( per annum)	40.00	-	40.00	40.00	-	40.00
Resident third vehicle (per annum)	60.00	-	60.00	60.00	-	60.00
HTC Permit (per annum)	50.00	-	50.00	50.00	-	50.00
Carers permit ( per annum)	20.00	-	20.00	20.00	-	20.00
Contractors permit (per month)	18.00	-	18.00	18.00	-	18.00
Business Vehicle ( per annum)	225.00	-	225.00	225.00	-	225.00
Pack of 20 daily visitor vouchers	10.00	-	10.00	10.00	-	10.00
Refund request ( admin fee)	5.00	-	5.00	5.00	-	5.00
Change of address/vehicle ( admin fee)	5.00	-	5.00	5.00	-	5.00
<b>Car Parking</b>						
<b>Hunters Bridge ( Monday - Sunday)</b>						
0 - 30 minutes	Free	Free	Free	Free	Free	Free
30 minutes - 2 hours	1.25	0.25	1.50	1.25	0.25	1.50
2 - 3 hours	2.08	0.42	2.50	2.08	0.42	2.50
3 - 4 hours	2.92	0.58	3.50	2.92	0.58	3.50
Daily tickets 4 + hrs ( Mon - Sat)	4.17	0.83	5.00	4.17	0.83	5.00
Sunday (daily)	0.83	0.17	1.00	0.83	0.17	1.00
<b>Campus West ( Monday - Sunday)</b>						
0 - 30 minutes	Free	Free	Free	Free	Free	Free
30 minutes - 2 hours	1.25	0.25	1.50	1.25	0.25	1.50
2 - 3 hours	2.08	0.42	2.50	2.08	0.42	2.50
3 - 4 hours	2.92	0.58	3.50	2.92	0.58	3.50
Daily tickets 4 + hrs ( Mon - Sat)	4.17	0.83	5.00	4.17	0.83	5.00
Sunday ( daily)	0.83	0.17	1.00	0.83	0.17	1.00

Welwyn Hatfield Borough Council  
General Fund Fees and Charges

Description	2018-19			2019-20		
	Fee	Vat 20%	Total Fee	Fee	Vat 20%	Total Fee
	£	£	£	£	£	£
<b>Car Parking</b>						
<b>Cherry Tree (parking available Saturday and Sunday)</b>						
<b>Saturday:</b>						
0 - 1 hours	0.42	0.08	0.50	0.42	0.08	0.50
1 - 2 hours	1.25	0.25	1.50	1.25	0.25	1.50
2 - 3 hours	2.08	0.42	2.50	2.08	0.42	2.50
3 - 4 hours	2.92	0.58	3.50	2.92	0.58	3.50
Daily tickets 4 + hrs	4.17	0.83	5.00	4.17	0.83	5.00
<b>Sunday (all day)</b>	0.83	0.17	1.00	0.83	0.17	1.00
<b>Campus East ( Monday - Sunday)</b>						
Campus East Lower - Mon-Fri (entry before 11am)	4.17	0.83	5.00	4.17	0.83	5.00
Campus East Lower - Mon-Fri (entry from 11am)	2.50	0.50	3.00	2.50	0.50	3.00
Campus East Lower - Saturday	2.50	0.50	3.00	2.50	0.50	3.00
Campus East Lower - Sunday	0.83	0.17	1.00	0.83	0.17	1.00
Campus East Upper - Saturday	2.50	0.50	3.00	2.50	0.50	3.00
Campus East Upper - Sunday	0.83	0.17	1.00	0.83	0.17	1.00
<b>Season Tickets:</b>						
<b>Campus West:</b>						
3 month season ticket - standard	211.25	42.25	253.50	211.25	42.25	253.50
3 month season ticket - worker / student	183.33	36.67	220.00	183.33	36.67	220.00
3 month season ticket - bulk purchase (20+ tickets)	183.33	36.67	220.00	183.33	36.67	220.00
<b>Campus East Lower</b>						
3 month season ticket - standard	202.50	40.50	243.00	202.50	40.50	243.00
3 month season ticket - worker / student	175.00	35.00	210.00	175.00	35.00	210.00
3 month season ticket - bulk purchase (20+ tickets)	175.00	35.00	210.00	175.00	35.00	210.00
<b>Hunters Bridge</b>						
3 month season ticket - standard	211.25	42.25	253.50	211.25	42.25	253.50
3 month season ticket - worker / student	183.33	36.67	220.00	183.33	36.67	220.00
3 month season ticket - bulk purchase (20+ tickets)	183.33	36.67	220.00	183.33	36.67	220.00
Cancellation Fees relating to Season Tickets given up before their expiry date	10.00	-	10.00	10.00	-	10.00
Civil Parking Enforcement : Dispensations	15.00	-	15.00	15.00	-	15.00

Welwyn Hatfield Borough Council  
General Fund Fees and Charges

Description	2018-19			2019-20		
	Fee	Vat 20%	Total Fee	Fee	Vat 20%	Total Fee
<b>Estates Management</b>						
Freehold Reversions - 999 year lease	425.00	85.00	510.00	435.00	87.00	522.00
Freehold Reversions - 999 year lease - valuation	-	-	-	110.00	22.00	132.00
Freehold Reversions - 99 year lease	425.00	85.00	510.00	435.00	87.00	522.00
Freehold Reversions - 99 year lease - valuation	105.00	21.00	126.00	110.00	22.00	132.00
Residential Long Lease Extensions - Houses	425.00	85.00	510.00	435.00	87.00	522.00
Residential Long Lease Extension Valuations - Houses	105.00	21.00	126.00	110.00	22.00	132.00
Residential Long Lease Extensions - Flats	850.00	170.00	1,020.00	870.00	174.00	1,044.00
Residential Long Lease Extension Valuations - Flats	155.00	31.00	186.00	160.00	32.00	192.00
Document copying - If from paper copy	50.00	10.00	60.00	50.00	10.00	60.00
Residential Leasehold Information + Ground Rent queries	45.00	9.00	54.00	45.00	9.00	54.00
Local Searches - with Inspection	65.00	13.00	78.00	67.00	13.40	80.40
Land Sale Request	100.00	20.00	120.00	100.00	20.00	120.00
Assignments or Change of use or deed of Variation.	840.00	168.00	1,008.00	860.00	172.00	1,032.00
Grant of licences / land sales - HRA and GF	840.00	168.00	1,008.00	860.00	172.00	1,032.00
New Letting Fee	250.00	50.00	300.00	260.00	52.00	312.00
Housing Garage Valuations	180.00	36.00	216.00	185.00	37.00	222.00
Restrictive Covenant Releases - RTB's	5,500.00	1,100.00	6,600.00	5,500.00	1,100.00	6,600.00
Restrictive Covenant Releases - Non - RTB	-	-	-	860.00	172.00	1,032.00
Valuation for non-Ex right to Buy covenant release	-	-	-	860.00	172.00	1,032.00
Former Landowners Consent - minor works	60.00	12.00	72.00	62.50	12.50	75.00
Former Landowners Consent - major works + Deed of covenant	835.00	167.00	1,002.00	850.00	170.00	1,020.00
Event Consent Request	-	-	-	50.00	10.00	60.00
<b>Garage Rents</b>						
Owner occupier en bloc garage charges (52 week charge) - popular sites per week	10.36	2.02	12.13	10.62	2.12	12.74
unpopular sites per week	8.48	1.65	9.92	8.69	1.74	10.43
Campus East Lower Car Park Garages Rents per week	15.58	3.12	18.70	15.58	3.12	18.70

Welwyn Hatfield Borough Council  
General Fund Fees and Charges

Description	2018-19			2019-20		
	Fee	Vat 20%	Total Fee	Fee	Vat 20%	Total Fee
	£	£	£	£	£	£
<b>CW Entertainment</b>						
<b>Garden City Cinema - Monday to Thursday</b>						
- Full Price	6.67	1.33	8.00	6.67	1.33	8.00
- U16 / Seniors / Student	5.83	1.17	7.00	5.83	1.17	7.00
- Full Price 3D Films	8.33	1.67	10.00	8.33	1.67	10.00
- U16 / Seniors / Student	7.50	1.50	9.00	7.50	1.50	9.00
<b>- Friday to Sunday</b>						
- Full Price	7.50	1.50	9.00	7.50	1.50	9.00
- U16 / Seniors / Student	6.67	1.33	8.00	6.67	1.33	8.00
- Full Price 3D Films	9.17	1.83	11.00	9.17	1.83	11.00
- U16 / Seniors / Student	8.33	1.67	10.00	8.33	1.67	10.00
<b>Family Films - Monday to Thursday</b>						
- All Tickets	3.33	0.67	4.00	3.33	0.67	4.00
- All Tickets 3D Films	3.33	0.67	4.00	3.33	0.67	4.00
<b>Family Films - Friday to Sunday</b>						
- All Tickets	4.17	0.83	5.00	4.17	0.83	5.00
- All Tickets 3D Films	4.17	0.83	5.00	4.17	0.83	5.00
<b>Hawthorne Theatre - Theatrical Hire Fee</b>						
Monday to Wednesday						
8am to 4pm	880.00	176.00	1,056.00	968.00	193.60	1,161.60
4pm to midnight	990.00	198.00	1,188.00	1,089.00	217.80	1,306.80
Thursday to Sunday						
8am to 4pm	1,100.00	220.00	1,320.00	1,210.00	242.00	1,452.00
4pm to midnight	1,320.00	264.00	1,584.00	1,452.00	290.40	1,742.40
<b>Screen Hire</b>						
Screen 1 8am to 1pm	360.00	72.00	432.00	380.00	76.00	456.00
1pm - 4pm	360.00	72.00	432.00	380.00	76.00	456.00
4pm - 11pm	360.00	72.00	432.00	380.00	76.00	456.00
Screen 2 8am to 1pm	550.00	110.00	660.00	580.00	116.00	696.00
1pm - 4pm	550.00	110.00	660.00	580.00	116.00	696.00
4pm - 11pm	550.00	110.00	660.00	580.00	116.00	696.00
<b>Roller City</b>						
- Skate Admission Only	5.00	1.00	6.00	5.21	1.04	6.25
- Skate Hire	2.00	0.40	2.40	2.00	0.40	2.40
- Spectator Charge	2.92	0.58	3.50	2.92	0.58	3.50
- Upgrade from Spectator with Zebra Card	4.49	0.90	5.39	4.68	0.94	5.62
- Upgrade from Spectator without Zebra Card	4.08	0.82	4.90	4.26	0.85	5.11
<b>Softplay City</b>						
Children 12 month or under	Free	Free	Free	Free	Free	Free
Children 1 Year to 3 years	2.92	0.58	3.50	3.13	0.63	3.75
Children 4 to 9 years	4.17	0.83	5.00	4.46	0.89	5.35
Accompanying Adults	2.92	0.58	3.50	2.92	0.58	3.50
Registered Child Minder (Mon to Fri only)	Free	Free	Free	Free	Free	Free
<b>Campus West / Vineyard Barn / Hazel Grove / Panshanger</b>						
- Carpet Bowls (per session)	4.17	0.83	5.00	4.58	0.92	5.50
- Table Tennis (per session)	4.17	0.83	5.00	4.58	0.92	5.50
- Keep Fit (per session)	4.17	0.83	5.00	4.58	0.92	5.50
- Medau (per session)	4.17	0.83	5.00	4.58	0.92	5.50
- Bridge & scrabble ( per session)	4.17	0.83	5.00	4.58	0.92	5.50
- Art Basics & Beyond (per class)	10.00	2.00	12.00	10.00	2.00	12.00
- Line Dancing (1 hour)	4.17	0.83	5.00	4.58	0.92	5.50
- Line Dancing (1.5 hours)	5.67	1.13	6.80	6.00	1.50	7.50
- Children's Parties	90.00	18.00	108.00	95.00	19.00	114.00
<b>Community Centres - Room Hires</b>						
Large Rooms (per hour)	15.00	-	15.00	16.00	-	16.00
Small Rooms (per hour)	13.00	-	13.00	14.00	-	14.00
Sheridan Studio At Campus West (per hour)	15.00	3.00	18.00	16.00	3.20	19.20

Welwyn Hatfield Borough Council  
General Fund Fees and Charges

Description	2018-19			2019-20		
	Fee	Vat 20%	Total Fee	Fee	Vat 20%	Total Fee
	£	£	£	£	£	£
<b>Mill Green Museum</b>						
- Adult entry fee - single	3.50	-	3.50	3.50	-	3.50
Child entry fee - single	N/A	-	N/A	0.50	-	0.50
- Special Events for Children (max. charge)	5.00	-	5.00	5.00	-	5.00
- Children's drop-in activity (min. charge)	3.50	-	3.50	3.50	-	3.50
- General School visit (informal session)	2.00	-	2.00	2.00	-	2.00
- Extra Charge for Miller (on non milling days)	50.00	-	50.00	50.00	-	50.00
- Adult Group visit - out of opening hours - both sites	50.00	-	50.00	50.00	-	50.00
Plus Adult admission fee (min. 20 adults)						
Children's Groups - out of opening hours	50.00	-	50.00	50.00	-	50.00
Plus £2 per child Plus £3.50 each Adult (2 Free)						
Children's Groups - out of opening hours	50.00	-	50.00	50.00	-	50.00
Plus Taught Session (standard rates apply)						
- Illustrated talk by Curator (off site)	60.00	-	60.00	60.00	-	60.00
- Taught lesson (standard) per child	4.00	-	4.00	4.00	-	4.00
minimum charge (up to 28 children)	112.00	-	112.00	112.00	-	112.00
- Additional children added to standard lesson	4.00	-	4.00	4.00	-	4.00
- Combined visit to Museum and Roman Bath House - per child	7.00	-	7.00	7.00	-	7.00
- Combined visit to Museum and Roman Bath House - minimum charge up to 28 children	196.00	-	196.00	196.00	-	196.00
- Additional children added to combined visit	7.00	-	7.00	7.00	-	7.00
- STEM workshops at MGM	N/A	-	N/A	8.00	-	8.00
- Immersive Outdoor Learning at	N/A	-	N/A	tbc	-	tbc
- Private Hire of Study Area (1/2 day)	90.00	-	90.00	90.00	-	90.00
- Private Hire of Study Area (full day)	175.00	-	175.00	175.00	-	175.00
With free delegate access to Mill and Museum						
- loan boxes per 2 week period	20.00	-	20.00	20.00	-	20.00
discounted if combined with visits	5.00	-	5.00	5.00	-	5.00
- Photocopying - single sheet	0.42	0.08	0.50	0.42	0.08	0.50
- Photocopying - double sided	0.83	0.17	1.00	0.83	0.17	1.00
- Digital Capture (by Staff) up to 5 images	20.00	4.00	24.00	20.00	4.00	24.00
<u>Reproduction Rights</u>						
Works by national / non-Herts Museums - one country	-	-	-	33.33	6.67	40.00
Works by national / non-Herts Museums - worldwide	-	-	-	66.67	13.33	80.00
Self publishing: local history (print run <10)	-	-	-	4.17	0.83	5.00
Self publishing: local history (print run >10 <500)	-	-	-	8.33	1.67	10.00
Academic / local history (print run < 2,000)*	-	-	-	25.00	5.00	30.00
Academic / local history (print run > 2,000)*	-	-	-	41.67	8.33	50.00
Commercial / non-academic (print run < 500)*	-	-	-	25.00	5.00	30.00
Commercial / non-academic (print run > 500 < 2,000)*	-	-	-	41.67	8.33	50.00
Commercial / non-academic (print run > 2,000)*	-	-	-	62.50	12.50	75.00
Newspapers / magazines - National*	-	-	-	125.00	25.00	150.00
Newspapers / magazines - Local*	-	-	-	62.50	12.50	75.00
Internet / Website - commercial / individual*	-	-	-	16.67	3.33	20.00
Internet / Website - academic*	-	-	-	4.17	0.83	5.00
External exhibition loans - national / commercial	-	-	-	66.67	13.33	80.00
Public / educational talks - national / commercial	-	-	-	33.33	6.67	40.00
Email of each Digital Image	2.00	0.40	2.40	2.00	0.40	2.40
Commercial Requests upon application						
Archaeology Deposits (single item / box)	POA	POA	POA	POA	POA	POA
*Fees doubled for worldwide usage						
<b>Welwyn Roman Baths</b>						
- Entry fee - adults	3.50	-	3.50	3.50	-	3.50
Child entry fee - single	N/A	-	N/A	0.50	-	0.50
- Adult Group visits (minimum of 14) both inside or outside the borough	49.00	-	49.00	49.00	-	49.00
School Visits per child (minimum of 14 children both inside / outside borough)	4.00	-	4.00	4.00	-	4.00
	56.00	-	56.00	56.00	-	56.00

**Welwyn Hatfield Borough Council**  
**General Fund Fees and Charges**

Description	2018-19			2019-20		
	Fee	Vat 20%	Total Fee	Fee	Vat 20%	Total Fee
<b>Housing and Community Services</b>	£	£	£	£	£	£
Immigration Inspection	270.00	-	270.00	277.00	-	277.00
Housing Act Notice*	310.00	-	310.00	318.00	-	318.00
*A fixed charge of £318 will be applied for any single notice served. In addition an hourly rate of £45 will be added where multiple notices are served, and for the total amount of time taken to produce the single notice when it exceeds £333(7.4 hours).						
Application for basic 5 person HMO*	930.00	-	930.00	954.00	-	954.00
Application for an HMO between 6 - 10 persons*	1,040.00	-	1,040.00	1,066.00	-	1,066.00
Application for an HMO with 11 or more persons*	1,145.00	-	1,145.00	1,174.00	-	1,174.00
* a discount of £200 will be applied for those applications which are valid for licenses that are received without a request from the Local Authority. This will also apply for licence renewals received within a specified time given by the Local Authority.						
Also, a discount of 10% will apply to accredited landlords. This will be applied following any other discount that is agreed.						
Officer time for work in default - Head of Service	68.34	13.67	82.01	70.05	14.01	84.06
Officer time for work in default - Private Sector Housing Manager	47.90	9.58	57.48	49.10	9.82	58.92
Officer time for work in default - Senior Housing Technician	43.85	8.77	52.62	44.95	8.99	53.94
Officer time for work in default - Housing Technician	30.71	6.14	36.85	31.48	6.30	37.78
Officer time for work in default - Support Officer	21.18	4.24	25.42	21.71	4.34	26.05
charges for works carried out during the following times						
Monday - Friday 7pm - 8am time and a half						
Saturday - time and a half						
Sunday & Bank Holidays - double time						
<b>Allotments</b>						
Plot with water per 25 sqm	11.37	-	11.37	11.37	-	11.37
Plot without water per 25sqm	6.92	-	6.92	6.92	-	6.92
Plot with water per 25 sqm - OAP's	5.69	-	5.69	5.69	-	5.69
Plot without water per 25sqm - OAP's	3.46	-	3.46	3.46	-	3.46
<b>Landscape &amp; Ecology</b>						
High Hedge Enforcement Fee	525.00	-	525.00	525.00	-	525.00
*Allotment fees for 2020/2021 will be increased by inflation with a years notice provided						

Welwyn Hatfield Borough Council  
General Fund Fees and Charges

Description	2017-18			2018-19		
	Fee	Vat 20%	Total Fee	Fee	Vat 20%	Total Fee
	£	£	£	£	£	£
<b>Community Services</b>						
CCTV charge	100.00	-	100.00	100.00	-	100.00
Filming charge	POA	POA	POA	POA	POA	POA
<b>Hatfield Stage Hire Fees*</b>						
Charities, voluntary and community organisations/events -Organisations that are	225.00	45.00	270.00	225.00	45.00	270.00
Charities or voluntary organisations/events - Organisations hosting events	375.00	75.00	450.00	375.00	75.00	450.00
Commercial (with the aim of the organisation or event to make a profit for private	525.00	105.00	630.00	525.00	105.00	630.00
Commercial (with the aim of the organisation or event to make a profit for private	750.00	150.00	900.00	750.00	150.00	900.00

\* Please note there is a full report given to exec board with regards to the charging proposals that were agreed by the Hatfield Town Centre Forum,

**Welwyn Hatfield Borough Council  
General Fund Fees and Charges**

Description	2018-19			2019-20		
	Fee	Vat 20%	Total Fee	Fee	Vat 20%	Total Fee
<b>Local land searches *</b>						
LLC1 & Con29 (residential, commercial & land) *part VATable	75.00	11.60	86.60	75.00	11.60	86.60
Con29R only	58.00	11.60	69.60	58.00	11.60	69.60
Con 29O questions	8.00	1.60	9.60	8.00	1.60	9.60
Extra Parcels of Land	8.00	1.60	9.60	8.00	1.60	9.60
Con 29O question 22	15.00	3.00	18.00	15.00	3.00	18.00
LLC1 search only	17.00	-	17.00	17.00	0.00	17.00
<b>Legal</b>						
Certificate of Compliance	75.00	-	75.00	80.00	0.00	80.00
DS1 or DS2 Land Registry Forms	75.00	-	75.00	80.00	0.00	80.00
Postponement of Discount	75.00	-	75.00	80.00	0.00	80.00
Legal Photocopying Charges	42.50	-	42.50	45.00	0.00	45.00
Reports on Title	125.00	25.00	150.00	130.00	26.00	156.00
Boundary enquires	75.00	-	75.00	80.00	0.00	80.00
<b>Electoral Services</b>						
Sale of electoral registers ( data) plus per 1000 entries	20.00 1.50	- -	20.00 1.50	20.00 1.50	- -	20.00 1.50
Sale of electoral registers ( printed) plus per 1000 entries	10.00 5.00	- -	10.00 5.00	10.00 5.00	- -	10.00 5.00
<b>Democratic Services</b>						
<b>Freedom of Information requests</b>						
Photocopying of information per A4 sheet	0.10	0.02	0.12	0.10	0.02	0.12

**Welwyn Hatfield Borough Council  
General Fund Fees and Charges**

Description	2018-19			2019-20		
	Fee	Vat 20%	Total Fee	Proposed Fee	Vat 20%	Total Fee
	£	£	£	£	£	£
<b>Licensing</b>						
Animal Boarding Establishments	217.00	-	217.00	222.43	-	222.43
Home Animal Boarding Establishments	170.00	-	170.00	174.25	-	174.25
Ear Piercing	206.00	-	206.00	211.15	-	211.15
Tattooing/Other	258.00	-	258.00	264.45	-	264.45
Change of details on registration certificate	26.00	-	26.00	26.65	-	26.65
Dangerous Wild Animals	299.00	-	299.00	306.48	-	306.48
Zoos	479.00	-	479.00	490.98	-	490.98
Dog Breeding Establishments	181.00	-	181.00	185.53	-	185.53
<b>Gaming Machine Permits</b>						
Two machines on licensed premises	50.00	-	50.00	50.00	-	50.00
Grant	150.00	-	150.00	150.00	-	150.00
More than two machines existing	100.00	-	100.00	100.00	-	100.00
More than two machines other cases	150.00	-	150.00	150.00	-	150.00
More than two machines variation	100.00	-	100.00	100.00	-	100.00
More than two machines transferred	25.00	-	25.00	25.00	-	25.00
Annual Fees	50.00	-	50.00	50.00	-	50.00
Substitute Name	25.00	-	25.00	25.00	-	25.00
Copy of Permit	15.00	-	15.00	15.00	-	15.00
<b>Club Gaming Permits Club machine permits</b>						
Two machines on licensed premises	50.00	-	50.00	50.00	-	50.00
Grant	200.00	-	200.00	200.00	-	200.00
Grant (Club premises certificate holder)	100.00	-	100.00	100.00	-	100.00
More than two machines variation	100.00	-	100.00	100.00	-	100.00
Renewal	200.00	-	200.00	200.00	-	200.00
Renewal (Club premises certificate holder)	100.00	-	100.00	100.00	-	100.00
Annual Fees	50.00	-	50.00	50.00	-	50.00
Substitute Name	25.00	-	25.00	25.00	-	25.00
Copy of Permit	15.00	-	15.00	15.00	-	15.00
<b>Gambling Premises new application</b>						
New Small Casino	8,240.00	-	8,240.00	8,000.00	-	8,000.00
New Large Casino	10,300.00	-	10,300.00	10,000.00	-	10,000.00
Regional Casino	15,450.00	-	15,450.00	15,000.00	-	15,000.00
Bingo Club	1,648.00	-	1,648.00	1,689.20	-	1,689.20
Betting premises ( excluding tracks)	1,545.00	-	1,545.00	1,583.63	-	1,583.63
Tracks	2,575.00	-	2,575.00	2,500.00	-	2,500.00
Family Entertainment Centre	1,236.00	-	1,236.00	1,266.90	-	1,266.90
Adult Gaming Centre	1,236.00	-	1,236.00	1,266.90	-	1,266.90
<b>Gambling Premises annual fee</b>						
New Small Casino	5,150.00	-	5,150.00	5,000.00	-	5,000.00
New Large Casino	10,300.00	-	10,300.00	10,000.00	-	10,000.00
Regional Casino	15,450.00	-	15,450.00	15,000.00	-	15,000.00
Bingo Club	515.00	-	515.00	527.88	-	527.88
Betting premises ( excluding tracks)	309.00	-	309.00	316.73	-	316.73
Tracks	1,030.00	-	1,030.00	1,000.00	-	1,000.00
Family Entertainment Centre	309.00	-	309.00	316.73	-	316.73
Adult Gaming Centre	515.00	-	515.00	527.88	-	527.88
<b>Gambling Premises application for a provisional statement</b>						
New Small Casino	8,240.00	-	8,240.00	8,000.00	-	8,000.00
New Large Casino	10,300.00	-	10,300.00	10,000.00	-	10,000.00
Regional Casino	15,450.00	-	15,450.00	15,000.00	-	15,000.00
Bingo Club	1,648.00	-	1,648.00	1,689.20	-	1,689.20
Betting premises ( excluding tracks)	1,339.00	-	1,339.00	1,372.48	-	1,372.48
Tracks	2,575.00	-	2,575.00	2,500.00	-	2,500.00
Family Entertainment Centre	1,339.00	-	1,339.00	1,372.48	-	1,372.48
Adult Gaming Centre	1,339.00	-	1,339.00	1,200.00	-	1,200.00

**Welwyn Hatfield Borough Council**  
**General Fund Fees and Charges**

Description	2018-19			2019-20		
	Fee	Vat 20%	Total Fee	Fee	Vat 20%	Total Fee
	£	£	£	£	£	£
<b>Licensing</b>						
Gambling Premises application for transfer						
New Small Casino	1,854.00	-	1,854.00	1,854.00	-	1,854.00
New Large Casino	2,215.00	-	2,215.00	2,215.00	-	2,215.00
Regional Casino	6,695.00	-	6,695.00	6,695.00	-	6,695.00
Bingo Club	721.00	-	721.00	721.00	-	721.00
Betting premises ( excluding tracks)	721.00	-	721.00	721.00	-	721.00
Tracks	979.00	-	979.00	950.00	-	950.00
Family Entertainment Centre	515.00	-	515.00	515.00	-	515.00
Adult Gaming Centre	618.00	-	618.00	618.00	-	618.00
Gambling Premises application to vary						
New Small Casino	4,120.00	-	4,120.00	4,000.00	-	4,000.00
New Large Casino	5,150.00	-	5,150.00	5,000.00	-	5,000.00
Regional Casino	7,725.00	-	7,725.00	7,500.00	-	7,500.00
Bingo Club	1,545.00	-	1,545.00	1,545.00	-	1,545.00
Betting premises ( excluding tracks)	1,339.00	-	1,339.00	1,372.48	-	1,372.48
Tracks	1,288.00	-	1,288.00	1,250.00	-	1,250.00
Family Entertainment Centre	618.00	-	618.00	633.45	-	633.45
Adult Gaming Centre	618.00	-	618.00	633.45	-	633.45
Gambling Premises application for reinstatement						
New Small Casino	1,854.00	-	1,854.00	1,800.00	-	1,800.00
New Large Casino	2,215.00	-	2,215.00	2,150.00	-	2,150.00
Regional Casino	6,695.00	-	6,695.00	6,500.00	-	6,500.00
Bingo Club	721.00	-	721.00	721.00	-	721.00
Betting premises ( excluding tracks)	721.00	-	721.00	721.00	-	721.00
Tracks	979.00	-	979.00	950.00	-	950.00
Family Entertainment Centre	515.00	-	515.00	515.00	-	515.00
Adult Gaming Centre	721.00	-	721.00	721.00	-	721.00
Gambling Premises provisional statement holders						
New Small Casino	3,090.00	-	3,090.00	3,000.00	-	3,000.00
New Large Casino	5,150.00	-	5,150.00	5,000.00	-	5,000.00
Regional Casino	8,240.00	-	8,240.00	8,000.00	-	8,000.00
Bingo Club	721.00	-	721.00	721.00	-	721.00
Betting premises ( excluding tracks)	721.00	-	721.00	721.00	-	721.00
Tracks	979.00	-	979.00	950.00	-	950.00
Family Entertainment Centre	773.00	-	773.00	773.00	-	773.00
Adult Gaming Centre	773.00	-	773.00	773.00	-	773.00
Sex Shop or Sex Cinema	1,442.00	-	1,442.00	649.00	-	649.00
Sexual Entertainment Venue	649.00	-	649.00	649.00	-	649.00
Hypnotism application	160.00	-	160.00	160.00	-	160.00
Gambling Premises notification of change	52.00	-	52.00	50.00	-	50.00
Gambling Premises copy of Licence	26.00	-	26.00	25.00	-	25.00
Lottery Registration	40.00	-	40.00	40.00	-	40.00
Lottery Renewal	20.00	-	20.00	20.00	-	20.00
Pet Shops	170.00	-	170.00	174.25	-	174.25
Scrap Metal						
Site Licence Application	752.00	-	752.00	770.80	-	770.80
Collectors Licence Application	629.00	-	629.00	644.73	-	644.73
Site Licence Renewal	510.00	-	510.00	522.75	-	522.75
Collectors Licence Renewal	485.00	-	485.00	497.13	-	497.13
Variation (site licence to collectors licence)	83.00	-	83.00	85.08	-	85.08
Variation (collectors licence to site licence)	150.00	-	150.00	153.75	-	153.75
Change of site	83.00	-	83.00	85.08	-	85.08
Change of site manager	67.00	-	67.00	68.68	-	68.68
Change of name or address	47.00	-	47.00	48.18	-	48.18

**Welwyn Hatfield Borough Council  
General Fund Fees and Charges**

Description	2018-19			2019-20		
	Fee	Vat 20%	Total Fee	Fee	Vat 20%	Total Fee
Licensing	£	£	£	£	£	£
Premises & Clubs - new applications						
Rateable value :- Band A	100.00	-	100.00	100.00	-	100.00
:- Band B	190.00	-	190.00	190.00	-	190.00
:- Band C	315.00	-	315.00	315.00	-	315.00
:- Band D	450.00	-	450.00	450.00	-	450.00
:- Band E	635.00	-	635.00	635.00	-	635.00
:- Minor variations	89.00	-	89.00	89.00	-	89.00
Additional fees for premises holding more than 5000 persons						
5,000 - 9,999	1,000.00	-	1,000.00	1,000.00	-	1,000.00
10,000 - 14,999	2,000.00	-	2,000.00	2,000.00	-	2,000.00
15,000 - 19,999	4,000.00	-	4,000.00	4,000.00	-	4,000.00
20,000 - 29,999	8,000.00	-	8,000.00	8,000.00	-	8,000.00
30,000 - 39,999	16,000.00	-	16,000.00	16,000.00	-	16,000.00
40,000 - 49,999	24,000.00	-	24,000.00	24,000.00	-	24,000.00
50,000 - 59,999	32,000.00	-	32,000.00	32,000.00	-	32,000.00
60,000 - 69,999	40,000.00	-	40,000.00	40,000.00	-	40,000.00
70,000 - 79,999	48,000.00	-	48,000.00	48,000.00	-	48,000.00
80,000 - 89,999	56,000.00	-	56,000.00	56,000.00	-	56,000.00
90,000 and over	64,000.00	-	64,000.00	64,000.00	-	64,000.00
Premises & Clubs - Annual Fee (Renewals)						
Rateable value :- Band A	70.00	-	70.00	70.00	-	70.00
:- Band B	180.00	-	180.00	180.00	-	180.00
:- Band C	295.00	-	295.00	295.00	-	295.00
:- Band D	320.00	-	320.00	320.00	-	320.00
:- Band E	350.00	-	350.00	350.00	-	350.00
Additional fees for premises holding more than 5000 persons						
5,000 - 9,999	500.00	-	500.00	500.00	-	500.00
10,000 - 14,999	1,000.00	-	1,000.00	1,000.00	-	1,000.00
15,000 - 19,999	2,000.00	-	2,000.00	2,000.00	-	2,000.00
20,000 - 29,999	4,000.00	-	4,000.00	4,000.00	-	4,000.00
30,000 - 39,999	8,000.00	-	8,000.00	8,000.00	-	8,000.00
40,000 - 49,999	12,000.00	-	12,000.00	12,000.00	-	12,000.00
50,000 - 59,999	16,000.00	-	16,000.00	16,000.00	-	16,000.00
60,000 - 69,999	20,000.00	-	20,000.00	20,000.00	-	20,000.00
70,000 - 79,999	24,000.00	-	24,000.00	24,000.00	-	24,000.00
80,000 - 89,999	28,000.00	-	28,000.00	28,000.00	-	28,000.00
90,000 and over	32,000.00	-	32,000.00	32,000.00	-	32,000.00
Personal Licence	37.00	-	37.00	37.00	-	37.00
Application for the grant or renewal of a personal licence	37.00	-	37.00	37.00	-	37.00
Temporary Event Notice	21.00	-	21.00	21.00	-	21.00
Replacement of premises licence or summary 80,000 - 89,999	10.50	-	10.50	10.50	-	10.50

**Welwyn Hatfield Borough Council**  
**General Fund Fees and Charges**

Description	2018-19			2019-20		
	Fee	Vat 20%	Total Fee	Fee	Vat 20%	Total Fee
<b>Licensing</b>	£	£	£	£	£	£
Premises & Clubs - new applications for primarily for selling alcohol for consumption on the premises						
Rateable value :- Band D	900.00	-	900.00	900.00	-	900.00
:- Band E	1,905.00	-	1,905.00	1,905.00	-	1,905.00
Premises & Clubs - Annual Fee for primarily for selling alcohol for consumption on the premises						
Rateable value :- Band D	640.00	-	640.00	640.00	-	640.00
:- Band E	1,050.00	-	1,050.00	1,050.00	-	1,050.00
Application for the mandatory condition requiring DPS in respect of a premises licence to be disapplied	23.00	-	23.00	23.00	-	23.00
Riding Establishments	279.00	-	279.00	285.98	-	285.98
Street Trading consents						
Per trading per day of the week	170.00	-	170.00	170.00	-	170.00
Application for a provisional statement where premises are being built etc	315.00	-	315.00	315.00	-	315.00
Notification of change of address	10.50	-	10.50	10.50	-	10.50
Application to vary a licence to specify an individual as premises supervisor	23.00	-	23.00	23.00	-	23.00
Application for transfer of premises Licence	23.00	-	23.00	23.00	-	23.00
Interim Authority Notice following death of Licence holder	23.00	-	23.00	23.00	-	23.00
Replacement of certificate or summary	10.50	-	10.50	10.50	-	10.50
Notification of change of name or alteration of rules of club	10.50	-	10.50	10.50	-	10.50
Change of relevant registered address of club	10.50	-	10.50	10.50	-	10.50
Replacement of temporary event notice	10.50	-	10.50	10.50	-	10.50
Replacement of personal licence	10.50	-	10.50	10.50	-	10.50
Duty to notify change of name & address	10.50	-	10.50	10.50	-	10.50
Right of freeholder to be notified of licensing matters.	21.00	-	21.00	21.00	-	21.00
Copy of document on public register	0.12	0.02	0.14	0.12	0.02	0.14
<b>Mobile Homes Act</b>						
Initial Site Licence Fee	138.00	27.60	165.60	141.45	28.29	169.74
- and in addition for each pitch	14.00	2.80	16.80	14.35	2.87	17.22
Transfer or Standard amendment fee	178.00	35.60	213.60	182.45	36.49	218.94
Site expansion amendment fee	138.00	27.60	165.60	141.45	28.29	169.74
- and in addition for each pitch	14.00	2.80	16.80	14.35	2.87	17.22
Annual Fee per pitch	11.00	2.20	13.20	11.28	2.26	13.53
Site Rules Regulation Deposit	35.00	7.00	42.00	35.88	7.18	43.05
Fit and Proper Persons Check	165.00	33.00	198.00	169.13	33.83	202.95
Enforcement Notice	284.00	56.80	340.80	291.10	58.22	349.32
Works in default - As displayed in current budget book and vary between the officer involved and the time fo day the works are executed						
<b>Hackney Carriages</b>						
Hackney Carriage Driver/Private hire driver Licence - 3 Years	450.00	-	450.00	450.00	-	450.00
Hackney Carriage Vehicle Licence/Private Hire Vehicle - 1 Year	290.00	-	290.00	290.00	-	290.00
Private Hire Operator Licence :-						
1 Year	330.00	-	330.00	330.00	-	330.00
3 Years	762.00	-	762.00	762.00	-	762.00
5 Years	1194.00	-	1194.00	1194.00	-	1,194.00
CRB check	50.00	-	50.00	50.00	-	50.00
Knowledge test (per attempt)	60.00	-	60.00	60.00	-	60.00
Replacement plate	20.00	-	20.00	20.00	-	20.00
Replacement bracket	15.00	-	15.00	15.00	-	15.00
Replacement driver's badge	15.00	-	15.00	15.00	-	15.00
Extra copy/duplicate of licence	5.00	-	5.00	5.00	-	5.00
DVLA	10.00	-	10.00	10.00	-	10.00
Vehicle transfers	100.00	-	100.00	100.00	-	100.00

**Welwyn Hatfield Borough Council**  
**Vernal Fund Fees and Charges**

Description	2018-19			2019-20		
	Fee	Vat 20%	Total Fee	Fee	Vat 20%	Total Fee
<b>Environmental Health</b>	£	£	£	£	£	£
<b>Training / Courses</b>						
Level 2 - Food Safety in Catering (residents or businesses of WH)	65.00	-	65.00	65.00	-	65.00
Level 2 - .Food Hygiene in Catering (outside of WH)	70.00	-	70.00	70.00	-	70.00
Level 2 - Nutrition course (residents or businesses of WH)	-	-	-	65.00	-	65.00
Level 2 - Nutrition course (outside of WH)	-	-	-	70.00	-	70.00
Level 3 - Food safety in Catering (residents/businesses of WH)	275.00	-	275.00	275.00	-	275.00
Level 3 - Food safety in Catering (outside of WH))	285.00	-	285.00	285.00	-	285.00
Level 3 - Refresher Course	155.00	-	155.00	155.00	-	155.00
Level 3 - Refresher Course (outside WH)	165.00	-	165.00	165.00	-	165.00
Resilience awareness training (organisation)	500.00	-	500.00	500.00	-	500.00
Small Business Support course ( part day)	65.00	-	65.00	65.00	-	65.00
Small Business Support course ( full day)	130.00	-	130.00	130.00	-	130.00
Small Food Business workshops	45.00	-	45.00	25.00	-	25.00
Replacement food hygiene/safety certificate	40.00	-	40.00	40.00	-	40.00
Cancellation of attendance at courses listed above:						
Cancellation within 1 month of course :	75%refund					
Cancellation within 1 week of course:	No refund					
Failure to attend without notification:	No refund					
<b>EPA prescribed processes - application fees</b> <b>these fees are subject to change by statute</b>						
EPA part B installation	1,650.00	-	1,650.00	1,650.00	-	1,650.00
Additional fee for operating without a permit	1,188.00	-	1,188.00	1,188.00	-	1,188.00
Reduced Fee activities	155.00	-	155.00	155.00	-	155.00
PVR I & II	257.00	-	257.00	257.00	-	257.00
Vehicle Refinishers	362.00	-	362.00	362.00	-	362.00
Reduced Fee activities : Additional fee for operating without a permit.	71.00	-	71.00	71.00	-	71.00
Mobile screening & crushing plant	1,650.00	-	1,650.00	1,650.00	-	1,650.00
for the 3rd to 7th applications	985.00	-	985.00	985.00	-	985.00
for the 8th & subsequent applications	498.00	-	498.00	498.00	-	498.00
<b>Where an application for any of the above is for a combined Part B and waste application, add an extra £104, (low risk) £156 (medium risk) or £207 (high risk) to above amounts</b>						
<b>Annual Subsistence Charges</b>						
Annual Subsistence Charge - low risk *	772.00	-	772.00	772.00	-	772.00
Annual Subsistence Charge - medium risk *	1,161.00	-	1,161.00	1,161.00	-	1,161.00
Annual subsistence Charge - high risk *	1,747.00	-	1,747.00	1,747.00	-	1,747.00
Annual Subsistence Charge - petrol stations,						
Reduced fee activities - low	79.00	-	79.00	79.00	-	79.00
Reduced fee activities - medium	158.00	-	158.00	158.00	-	158.00
Reduced fee activities - high	237.00	-	237.00	237.00	-	237.00
PVR I & II - low	113.00	-	113.00	113.00	-	113.00
PVR I & II - medium	226.00	-	226.00	226.00	-	226.00
PVR I & II - high	341.00	-	341.00	341.00	-	341.00
Vehicle Refinishers - low	228.00	-	228.00	228.00	-	228.00
Vehicle Refinishers - medium	365.00	-	365.00	365.00	-	365.00
Vehicle Refinishers - high	548.00	-	548.00	548.00	-	548.00
Mobile screening & crushing plant - low	626.00	-	626.00	626.00	-	626.00
Mobile screening & crushing plant - medium	1,034.00	-	1,034.00	1,034.00	-	1,034.00
Mobile screening & crushing plant - high	1,551.00	-	1,551.00	1,551.00	-	1,551.00
for the 3rd to 7th applications - low	385.00	-	385.00	385.00	-	385.00
for the 3rd to 7th applications - medium	617.00	-	617.00	617.00	-	617.00
for the 3rd to 7th applications - high	924.00	-	924.00	924.00	-	924.00
for the 8th & subsequent applications - low	198.00	-	198.00	198.00	-	198.00
for the 8th & subsequent applications - medium	314.00	-	314.00	314.00	-	314.00
for the 8th & subsequent applications - high	473.00	-	473.00	473.00	-	473.00
If subsistence charge is paid in instalments the total amount of subsistence charge payable in that financial year is increased by £38.						
An extra £104 is required where the operator carries on an operation that falls within the reporting obligations of the EC Regulation						
<b>* these additional amounts must be charged where a permit is for a combined Part B and waste installation</b>						
Low Risk	104.00	-	104.00	104.00	-	104.00
Medium risk	156.00	-	156.00	156.00	-	156.00
High Risk	207.00	-	207.00	207.00	-	207.00

**Welwyn Hatfield Borough Council**  
**General Fund Fees and Charges**

Description	2018-19			2019-20		
	Fee	Vat 20%	Total Fee	Fee	Vat 20%	Total Fee
<b>Environmental Health</b>	£	£	£	£	£	£
<b>Transfer &amp; Surrender</b>						
Standard process transfer	169.00	-	169.00	169.00	-	169.00
Standard process partial transfer	497.00	-	497.00	497.00	-	497.00
Surrender : all Part B activities						
Reduced fee activities : transfer						
Reduced fee activities : partial transfer	47.00	-	47.00	47.00	-	47.00
<b>Substantial change S10 &amp; S11</b>						
Standard process	1,050.00	-	1,050.00	1,050.00	-	1,050.00
Standard process where the substantial change results in a new PPC activity.	1,650.00	-	1,650.00	1,650.00	-	1,650.00
Change due to implementing an upgrading plan (applies to LAPC only)	147.00	-	147.00	147.00	-	147.00
Reduced fee activities	102.00	-	102.00	102.00	-	102.00
Application fee for grant of A2 permit	3,363.00	-	3,363.00	3,363.00	-	3,363.00
Application fee for transfer of A2 permit full	235.00	-	235.00	235.00	-	235.00
Partial transfer	698.00	-	698.00	698.00	-	698.00
Surrender of permit	698.00	-	698.00	698.00	-	698.00
Application for Variation	1,368.00	-	1,368.00	1,368.00	-	1,368.00
Variation for Small Waste Incineration plant	3,363.00	-	3,363.00	3,363.00	-	3,363.00
Late Application fee for A2	1,188.00	-	1,188.00	1,188.00	-	1,188.00
<b>Subsistence Charges A2</b>						
Low Risk	1,343.00	-	1,343.00	1,343.00	-	1,343.00
Medium Risk	1,507.00	-	1,507.00	1,507.00	-	1,507.00
High Risk	2,230.00	-	2,230.00	2,230.00	-	2,230.00
If subsistence charge is paid in instalments the total amount of subsistence charge payable in that financial year is increased by £38.						
An extra £103 is required where the operator carries on an operation that falls within the reporting obligations of the EC Regulation						
Certificate of Voluntary Surrender of Food (plus Officer & Disposal Costs)	160.00	-	160.00	160.00	-	160.00
Sale of Food Safety Act Register	235.00	-	235.00	235.00	-	235.00
Food Safety Export check	60.00	-	60.00	60.00	-	60.00
Food FHRS Revisit	180.00	-	180.00	180.00	-	180.00
Storage of noise making equipment following seizure ( plus officer cost)	555.00	-	555.00	555.00	-	555.00
Fixed penalty notice for smoking in a smoke free place	50.00	-	50.00	50.00	-	50.00
Discounted to if paid within 30 days	30.00	-	30.00	30.00	-	30.00
Failure to display smoking signs	200.00	-	200.00	200.00	-	200.00
Discounted to if paid within 30 days	150.00	-	150.00	150.00	-	150.00
<b>Private Water Supplies &amp; Distribution Systems</b>						
Risk Assessment	500.00	-	500.00	500.00	-	500.00
Sampling - each visit ( maximum fee)	100.00	-	100.00	100.00	-	100.00
Investigation ( each investigation)	100.00	-	100.00	100.00	-	100.00
Granting an Authorisation	100.00	-	100.00	100.00	-	100.00
Analysing a sample taken under regulation 10	25.00	-	25.00	25.00	-	25.00
taken during check monitoring	100.00	-	100.00	100.00	-	100.00
taken during audit monitoring	500.00	-	500.00	500.00	-	500.00
Environmental Search for Contaminated Land	90.00	-	90.00	90.00	-	90.00

**Welwyn Hatfield Borough Council  
General Fund Fees and Charges**

Description	2018-19			2019-20		
	Fee	Vat 20%	Total Fee	Fee	Vat 20%	Total Fee
<b>Environmental Health</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Officer time for work in default - Head of Service	64.55	12.91	77.46	59.19	11.84	71.03
Officer time for work in default - Team Leader	50.51	10.10	60.61	43.57	8.71	52.28
Officer time for work in default - EHO	43.63	8.73	52.36	36.98	7.40	44.38
Officer time for work in default - EHTO	32.60	6.52	39.12	29.41	5.88	35.29
Officer time for work in default - EHTSO	19.83	3.97	23.80	19.87	3.97	23.84
charges for works carried out during the following times						
Monday - Friday 7pm - 8am time and a half						
Saturday - time and a half						
Sunday & Bank Holidays - time and half						
Provision of a factual statement to the victim of an accident	POA	POA	POA	POA	POA	POA

**Welwyn Hatfield Borough Council  
General Fund Fees and Charges**

Description	2018-19			2019-20		
	Fee	Vat 20%	Total Fee	Proposed Fee	Vat 20%	Total Fee
	£	£	£	£	£	£
<b>Planning</b>						
Residential properties enlargement, improvement/alteration of dwellings for domestic purposes - 1 dwelling	172.00	-	172.00	206.00	-	206.00
Residential properties enlargement, improvement/alteration of dwellings for domestic purposes - 2 or more dwellings	339.00	-	339.00	407.00	-	407.00
Operations with residential curtilage for domestic purposes ( including buildings, gates & fences etc.)	172.00	-	172.00	206.00	-	206.00
Car park, road & access to serve single undertaking where associated with existing use.	195.00	-	195.00	234.00	-	234.00
New dwellings outline permission :- Site less than 2.5ha - price per 0.1ha	385.00	-	385.00	462.00	-	462.00
Site greater than 2.5ha - plus price per 0.1ha above 2.5ha (maximum £125,000)	9,527.00 115.00	- -	9,527.00 115.00	11,432.00 138.00	- -	11,432.00 138.00
Up to 50 new dwellings - price per dwelling	385.00	-	385.00	462.00	-	462.00
51 or more new dwellings - plus fee per additional dwelling above 50 (maximum £250,000)	19,049.00 115.00	- -	19,049.00 115.00	22,859.00 138.00	- -	22,859.00 138.00
Buildings outline permission ( other dwellings, agricultural buildings or plant & glass houses etc) :- Site less than 2.5ha - price per 0.1ha	385.00	-	385.00	462.00	-	462.00
Site greater than 2.5ha - plus fee per additional 0.1ha above 2.5ha (maximum £125,000)	9,527.00 115.00	- -	9,527.00 115.00	11,432.00 138.00	- -	11,432.00 138.00
Commercial Planning fees - other cases :- No floor space created	195.00	-	195.00	234.00	-	234.00
If less than 40sqm	195.00	-	195.00	234.00	-	234.00
If between 40sqm - 75sqm gross floor space	385.00	-	385.00	462.00	-	462.00
If between 75sqm - 3750sqm, price per each 75sqm of gross floor space created	385.00	-	385.00	462.00	-	462.00
If greater than 3750sqm gross floor space plus additional fee per each 75sqm over 3750sqm (maximum £50,000)	19,049.00 115.00	- -	19,049.00 115.00	22,859.00 138.00	- -	22,859.00 138.00
Prior approval applications comprising of a material change of use of any buildings or other land	80.00	-	80.00	96.00	-	96.00
Prior approval applications comprising of associated operational development	172.00	-	172.00	206.00	-	206.00
Commercial outline planning fees - Agricultural buildings on agricultural land ( other than glasshouses) :- Site less than 2.5ha - price per 0.1ha	385.00	-	385.00	462.00	-	462.00
Site greater than 2.5ha - plus fee per additional 0.1ha (maximum £25,000)	9,527.00 115.00	- -	9,527.00 115.00	11,432.00 138.00	- -	11,432.00 138.00

**Welwyn Hatfield Borough Council  
General Fund Fees and Charges**

Description	2018-19			2019-20		
	Fee	Vat 20%	Total Fee	Fee	Vat 20%	Total Fee
<b>Planning</b>	£	£	£	£	£	£
Commercial planning fees - Other Agricultural Cases :- If less than 465sqm gross floor space created	80.00	-	80.00	96.00	-	96.00
If between 465sqm - 540sqm gross floor space created	385.00	-	385.00	462.00	-	462.00
If between 540sqm - 4215sqm gross floor space created	385.00	-	385.00	462.00	-	462.00
plus fee per additional 75sqm above 540sqm	385.00	-	385.00	462.00	-	462.00
If over 4215sqm floor space created	19,049.00	-	19,049.00	22,859.00	-	22859.00
plus fee per additional 75sqm above 4215sqm (maximum £250,000)	115.00	-	115.00	138.00	-	138.00
Commercial planning fees - Glasshouses & poly tunnels agricultural land :- up to 465sqm	80.00	-	80.00	96.00	-	96.00
exceeding 465sqm	2,150.00	-	2,150.00	2,580.00	-	2580.00
Commercial planning fees - Erection, alteration or replacement of plant & machinery where site area does not exceed 5ha - fee per 0.1ha	385.00	-	385.00	462.00	-	462.00
where site area exceeds 5ha - plus fee per additional 0.1 ha ( maximum £250,000)	19,049.00	-	19,049.00	22,859.00	-	22859.00
	115.00	-	115.00	138.00	-	138.00
Commercial planning fees - Operations connected with exploratory drilling for oil and gas :- Where site area does not exceed 7.5ha - fee for each 0.1 ha	385.00	-	385.00	508.00	-	508.00
Where site area exceeds 7.5ha plus additional fee for each 0.1ha above 7.5ha (maximum £250,000 )	28,750.00	-	28,750.00	38,070.00	-	38070.00
	115.00	-	115.00	151.00	-	151.00
Commercial planning fees - operations not within the above categories :- Where site area does not exceed 15ha - fee per 0.1ha	195.00	-	195.00	234.00	-	234.00
Where site area exceeds 15ha - plus additional fee per 0.1ha above 15ha (maximum £250,000 )	29,112.00	-	29,112.00	29,112.00	-	29112.00
	115.00	-	115.00	115.00	-	115.00
Change of use of a building to one or more dwellings :- Where change is from a single dwelling to 50 or fewer dwellings - fee per dwelling	385.00	-	385.00	385.00	-	385.00
51 or more dwellings - plus additional fee per dwelling over 50	19,049.00	-	19,049.00	19,049.00	-	19049.00
	115.00	-	115.00	115.00	-	115.00

**Welwyn Hatfield Borough Council  
General Fund Fees and Charges**

Description	2018-19			2019-20		
	Fee	Vat 20%	Total Fee	Fee	Vat 20%	Total Fee
	£	£	£	£	£	£
<b>Planning</b>						
Other cases :- To 50 or fewer dwellings - fee per dwelling	385.00	-	385.00	462.00	-	462.00
51 or more dwellings - plus additional fee per dwelling over 50 ( maximum £250,000)	19,049.00 115.00	- -	19,049.00 115.00	22,859.00 138.00	- -	22,859.00 138.00
Use of disposal of refuse or waste materials and open mineral storage :- Where site area does not exceed 15ha - fee for each 0.1ha	195.00	-	195.00	234.00	-	234.00
Where site area exceeds 15ha - plus additional fee per 0.1ha above 15ha ( maximum £78,000)	29,112.00 115.00	- -	29,112.00 115.00	34,934.00 138.00	- -	34,934.00 138.00
Other operations ( not coming within any of the above categories) any site area each 0.1 hectare (or part there of) up to a maximum of £1,690.	195.00	-	195.00	234.00	-	234.00
Material change of use in land or buildings other than above	385.00	-	385.00	462.00	-	462.00
Advertisements :- A1 - Business premises or other land within business curtilage relating to nature of business goods sold, services provided or name of persons undertaking business.	110.00	-	110.00	132.00	-	132.00
A2 - Sign relating to business in the same locality as the site but not visible from that site	110.00	-	110.00	132.00	-	132.00
A3 - All other advertisements	385.00	-	385.00	462.00	-	462.00
Variation of a Condition	195.00	-	195.00	234.00	-	234.00
Discharge of a Condition (for each request)						
Householder	28.00	-	28.00	34.00	-	34.00
Other	97.00	-	97.00	116.00	-	116.00
Non-material changes to Planning Permission						
Householder	28.00	-	28.00	34.00	-	34.00
Other	195.00	-	195.00	234.00	-	234.00
Retrospective Estate Management Consent	242.00	-	242.00	242.00	-	242.00
S106/legal agreements / obligations ( excludes any legal costs incurred by the Council which are paid by the applicant).						
Confirmation of compliance with clause(s)	257.14	51.43	308.57	257.14	51.43	308.57
Discharge or modification of obligation to householder	0.00	0.00	0.00	0.00	0.00	0.00
Discharge or modification of obligation ( all except householder)	482.32	96.46	578.78	482.32	96.46	578.78
New householder related with associated planning application	172.00	34.40	206.40	172.00	34.40	206.40
New for housing developments between 10 - 24 houses	618.46	123.69	742.15	618.46	123.69	742.15
New for housing developments between 25 - 100 houses	699.46	139.89	839.35	699.46	139.89	839.35
New for housing developments between 101 - 300 houses	957.56	191.51	1,149.07	957.56	191.51	1,149.07
Monitoring and Administration of s106 planning obligations - 5% of the total value of the contributions up to a maximum of £5000						
All legal costs for Section 106 Agreements and Unilateral Undertakings will be paid for by the Applicant. The Applicant will be provided with an hourly rate and an estimate of the total legal costs when Legal is first instructed. The Applicant is responsible for paying any abortive legal costs even if the matter is not proceeded with or if planning permission is ultimately refused						

Welwyn Hatfield Borough Council  
General Fund Fees and Charges

Description	2018-19			2019-20		
	Fee	Vat 20%	Total Fee	Fee	Vat 20%	Total Fee
	£	£	£	£	£	£
<b>Planning</b>						
<b>Pre-application advice</b>						
<b>Householder</b>						
Level 1 advice	41.67	8.33	50.00	42.71	8.54	51.25
Level 2 advice	62.50	12.50	75.00	64.06	12.81	76.88
Level 2 follow-up advice	41.67	8.33	50.00	42.71	8.54	51.25
Level 3 advice	83.33	16.67	100.00	85.42	17.08	102.50
Level 3 follow-up advice	62.50	12.50	75.00	64.06	12.81	76.88
<b>Single dwelling</b>						
Level 1 advice	83.33	16.67	100.00	85.42	17.08	102.50
Level 2 advice	125.00	25.00	150.00	128.13	25.63	153.75
Level 2 follow-up advice	83.33	16.67	100.00	85.42	17.08	102.50
Level 3 advice	250.00	50.00	300.00	256.25	51.25	307.50
Level 3 follow-up advice	145.83	29.17	175.00	149.48	29.90	179.38
<b>2- 5 dwellings</b>						
Level 1 advice	229.17	45.83	275.00	234.90	46.98	281.88
Level 2 advice	416.67	83.33	500.00	427.08	85.42	512.50
Level 2 follow-up advice	208.33	41.67	250.00	213.54	42.71	256.25
Level 3 advice	583.33	116.67	700.00	597.92	119.58	717.50
Level 3 follow-up advice	333.33	66.67	400.00	341.67	68.33	410.00
<b>6-9 dwellings</b>						
Level 1 advice	333.33	66.67	400.00	341.67	68.33	410.00
Level 2 advice	541.67	108.33	650.00	555.21	111.04	666.25
Level 2 follow-up advice	250.00	50.00	300.00	256.25	51.25	307.50
Level 3 advice	708.33	141.67	850.00	726.04	145.21	871.25
Level 3 follow-up advice	500.00	100.00	600.00	512.50	102.50	615.00
<b>10 – 24 dwellings</b>						
Level 1 advice	458.33	91.67	550.00	469.79	93.96	563.75
Level 2 advice	750.00	150.00	900.00	768.75	153.75	922.50
Level 2 follow-up advice	333.33	66.67	400.00	341.67	68.33	410.00
Level 3 advice	1,000.00	200.00	1,200.00	1,025.00	205.00	1,230.00
Level 3 follow-up advice	583.33	116.67	700.00	597.92	119.58	717.50
<b>25 – 50 dwellings</b>						
Level 1 advice	708.33	141.67	850.00	726.04	145.21	871.25
Level 2 advice for 25 dwellings	833.33	166.67	1,000.00	854.17	170.83	1,025.00
+ for each additional 5 dwellings or part thereof	83.33	16.67	100.00	85.42	17.08	102.50
Level 2 follow-up advice	666.67	133.33	800.00	683.33	136.67	820.00
Level 3 advice for 25 dwellings	1,250.00	250.00	1,500.00	1,281.25	256.25	1,537.50
+ for each additional 5 dwellings or part thereof	83.33	16.67	100.00	85.42	17.08	102.50
Level 3 follow-up advice	833.33	166.67	1,000.00	854.16	170.83	1,025.00
<b>51 + dwellings</b>	POA	POA	POA		POA	POA
<b>Walls, fences (boundaries) (not householder)</b>						
Level 1 advice	83.33	16.67	100.00	85.42	17.08	102.50
Level 2 advice	125.00	25.00	150.00	128.13	25.63	153.75
Level 2 follow-up advice	62.50	12.50	75.00	64.06	12.81	76.88
Level 3 advice	208.33	41.67	250.00	213.54	42.71	256.25
Level 3 follow-up advice	125.00	25.00	150.00	128.13	25.63	153.75
<b>Listed buildings (householders) where planning permission is not required</b>						
Level 2 advice	83.33	16.67	100.00	85.42	17.08	102.50
Level 2 follow-up advice	41.67	8.33	50.00	42.71	8.54	51.25
Level 3 advice	125.00	25.00	150.00	128.13	25.63	153.75
Level 3 follow-up advice	83.33	16.67	100.00	85.42	17.08	102.50
<b>Listed buildings (commercial) where planning permission is not required</b>						
Level 2 advice	208.33	41.67	250.00	213.54	42.71	256.25
Level 2 follow-up advice	125.00	25.00	150.00	128.13	25.63	153.75
Level 3 advice	250.00	50.00	300.00	256.25	51.25	307.50
Level 3 follow-up advice	166.67	33.33	200.00	170.83	34.17	205.00

**Welwyn Hatfield Borough Council  
General Fund Fees and Charges**

Description	2018-19			2019-20		
	Fee	Vat 20%	Total Fee	Fee	Vat 20%	Total Fee
<b>Planning</b>	£	£	£	£	£	£
<b>Proposed Floor Areas (m<sup>2</sup>)</b>						
<b>Up to 100</b>						
Level 1 advice	83.33	16.67	100.00	85.42	17.08	102.50
Level 2 advice	125.00	25.00	150.00	128.13	25.63	153.75
Level 2 follow-up advice	83.33	16.67	100.00	85.42	17.08	102.50
Level 3 advice	250.00	50.00	300.00	256.25	51.25	307.50
Level 3 follow-up advice	166.67	33.33	200.00	170.83	34.17	205.00
<b>101-500</b>						
Level 1 advice	166.67	33.33	200.00	170.83		
Level 2 advice	416.67	83.33	500.00	427.08	85.42	512.50
Level 2 follow-up advice	208.33	41.67	250.00	213.54	42.71	256.25
Level 3 advice	583.33	116.67	700.00	597.92	119.58	717.50
Level 3 follow-up advice	291.67	58.33	350.00	298.96	59.79	358.75
<b>501-1000</b>						
Level 1 advice	250.00	50.00	300.00	256.25	51.25	307.50
Level 2 advice	666.67	133.33	800.00	683.33	136.67	820.00
Level 2 follow-up advice	291.67	58.33	350.00	298.96	59.79	358.75
Level 3 advice	916.67	183.33	1,100.00	939.58	187.92	1,127.50
Level 3 follow-up advice	416.67	83.33	500.00	427.08	85.42	512.50
<b>1001 – 5000</b>						
Level 1 advice	416.67	83.33	500.00	427.08	85.42	512.50
Level 2 advice	1,250.00	250.00	1,500.00	1,281.25	256.25	1,537.50
Level 2 follow-up advice	333.33	66.67	400.00	341.67	68.33	410.00
Level 3 advice	2,083.33	416.67	2,500.00	2,135.42	427.08	2,562.50
Level 3 follow-up advice	625.00	125.00	750.00	640.63	128.13	768.75
<b>5000+ individually calculated based on the proposal</b>	POA	POA	POA			
<b>Change of Use (not for the creation of dwelling houses)</b>						
Level 1 advice	125.00	25.00	150.00	128.13	25.63	153.75
Level 2 advice	250.00	50.00	300.00	256.25	51.25	307.50
Level 2 follow-up advice	333.33	66.67	400.00	341.67	68.33	410.00
Level 3 advice	375.00	75.00	450.00	384.38	76.88	461.25
The following would be in addition to the cost for drawing up and agreeing the Planning Performance Agreements. The list is indicative and some developments may require an assessment which is not listed below. This will not prevent the local planning authority from seeking to recover its costs in these areas.						
The Local Planning Authority will, for each development, keep a record of the costs and/or hours worked for each issue and will either refund to the developer any amount overpaid, or will require further funds should the sum paid not cover the costs.						
The following charges are given for a development of 100 houses and is indicative of the level and type of charges that could be incurred.						
<b>Officer Time</b>						
Principal Development Management Officer*	4,166.67	833.33	5,000.00	4,270.83	854.17	5,125.00
Senior Development Management Officer *	12,500.00	2,500.00	15,000.00	12,812.50	2,562.50	15,375.00
*These charges are on the basis of a Senior Planning Officer leading the discussions for WHBC and upon four meetings. Different officers / number of meetings might result in a different charge. The appropriate officer to deal with a scheme will be determined by the Development Management Department.						
<b>Assessments</b>						
Viability assessment	16,666.67	3,333.33	20,000.00	17,083.34	3,416.67	20,500.00
Legal – re obligations/ advice	4,166.67	833.33	5,000.00	4,270.84	854.17	5,125.00
Marketing assessment	8,333.33	1,666.67	10,000.00	8,541.66	1,708.33	10,250.00
Daylight/Sunlight assessment	6,250.00	1,250.00	7,500.00	6,406.25	1,281.25	7,687.50
Economic/Employment Statement	8,333.33	1,666.67	10,000.00	8,541.66	1,708.33	10,250.00

**Welwyn Hatfield Borough Council**  
**General Fund Fees and Charges**

Description	2018-19			2019-20		
	Fee	Vat 20%	Total Fee	Fee	Vat 20%	Total Fee
<b>Consultees</b>						
Environmental Health –						
- Contaminated Land	833.33	166.67	1,000.00	854.17	170.83	1,025.00
- Air Quality	416.67	83.33	500.00	427.08	85.42	512.50
- Noise	333.33	66.67	400.00	341.67	68.33	410.00
- Vibration	333.33	66.67	400.00	341.67	68.33	410.00
- Odour	625.00	125.00	750.00	640.63	128.13	768.75
- Lighting	416.67	83.33	500.00	427.08	85.42	512.50
- Health Impact Assessments	416.67	83.33	500.00	427.08	85.42	512.50
Landscaping (arboricultural implications)	416.67	83.33	500.00	427.08	85.42	512.50
Conservation – Heritage	625.00	125.00	750.00	640.63	128.13	768.75
Conservation – Biodiversity	416.67	83.33	500.00	427.08	85.42	512.50
Archaeology	416.67	83.33	500.00	427.08	85.42	512.50
Client Services	208.33	41.67	250.00	213.54	42.71	256.25
Policy	833.33	166.67	1,000.00	854.17	170.83	1,025.00
Housing Department (Affordable Housing)	833.33	166.67	1,000.00	854.17	170.83	1,025.00
Amenity, Playspace, Open Space	833.33	166.67	1,000.00	854.17	170.83	1,025.00
Structural Assessment of Building	416.67	83.33	500.00	427.08	85.42	512.50
<b>Planning Policy Documents</b>						
Local Plan Consultation Document 2015	15.00	-	15.00	15.00	-	15.00
postage and packing	3.00	0.60	3.60	3.00	0.60	3.60
Local Plan Consultation Document Statement	29.00	-	29.00	29.00	-	29.00
postage & packing	3.00	0.60	3.60	3.00	0.60	3.60
Sustainability Appraisal Report and Appendices	45.00	-	45.00	45.00	-	45.00
postage & packing	4.00	0.80	4.80	4.00	0.80	4.80
Draft Infrastructure Delivery Plan 2015	15.00	-	15.00	15.00	-	15.00
postage & packing	1.24	0.25	1.49	1.24	0.25	1.49
District Plan Written Statement & Proposal Maps	55.00	-	55.00	55.00	-	55.00
postage & packing	3.00	0.60	3.60	3.00	0.60	3.60
Written Statement only	35.00	-	35.00	35.00	-	35.00
postage & packing	3.00	0.60	3.60	3.00	0.60	3.60
Proposal Maps only	20.00	-	20.00	20.00	-	20.00
postage & packing	1.24	0.25	1.49	1.24	0.25	1.49
Parking Standards adopted January 2004	20.00	-	20.00	20.00	-	20.00
postage & packing	1.04	0.21	1.25	1.04	0.21	1.25
Draft Local Plan Proposed Submission document August 2016	15.00	-	15.00	15.00	-	15.00
postage & packing	3.00	0.60	3.60	3.00	0.60	3.60
Draft Local Plan Proposed Submission Policies Maps August 2016	30.00	-	30.00	30.00	-	30.00
postage & packing	3.00	0.60	3.60	3.00	0.60	3.60
Summary and Guide	Free	Free	Free	Free	Free	Free
postage & packing	1.20	0.24	1.44	1.20	0.24	1.44
Sustainability Appraisal Non Technical Summary 2016	17.00	-	17.00	17.00	-	17.00
postage & packing	1.40	0.28	1.68	1.40	0.28	1.68
Sustainability Appraisal Report 2016	35.00	-	35.00	35.00	-	35.00
postage & packing	3.00	0.60	3.60	3.00	0.60	3.60
Sustainability Appraisal Appendices 1-5 2016	32.00	-	32.00	32.00	-	32.00
postage & packing	3.00	0.60	3.60	3.00	0.60	3.60
Sustainability Appraisal Annex 2016	40.00	-	40.00	40.00	-	40.00
postage & packing	14.00	2.80	16.80	14.00	2.80	16.80
Habitats Regulatory Assessment 2016	17.00	-	17.00	17.00	-	17.00
postage & packing	1.40	0.28	1.68	1.40	0.28	1.68
Green Corridor Strategic Framework Plan 2016	9.00	-	9.00	9.00	-	9.00
postage & packing	1.61	0.32	1.93	1.61	0.32	1.93
British Aerospace Supplementary Planning Guidance	10.00	-	10.00	10.00	-	10.00
postage & packing	1.25	0.25	1.50	1.25	0.25	1.50
Broadwater Road Supplementary Planning Document	15.00	-	15.00	15.00	-	15.00
postage & packing	1.00	0.20	1.20	1.00	0.20	1.20
Digswell Character Appraisal 2004	25.00	-	25.00	25.00	-	25.00
postage & packing	1.00	0.20	1.20	1.00	0.20	1.20
Welwyn Garden City Conservation Area Appraisal	15.00	-	15.00	15.00	-	15.00
postage & packing	1.00	0.20	1.20	1.00	0.20	1.20
High View Supplementary Planning Document	15.00	-	15.00	15.00	-	15.00
postage & packing	1.00	0.20	1.20	1.00	0.20	1.20
Welwyn Hatfield Green Belt Study Stage 3 August 2018	75.00	-	75.00	75.00	-	75.00
postage & packing	14.00	2.80	16.80	14.00	2.80	16.80
Supplementary Design Guidance	20.00	-	20.00	20.00	-	20.00
postage & packing	1.04	0.21	1.25	1.04	0.21	1.25

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**Welwyn Hatfield Borough Council**  
**Housing Revenue Account - Proposed Budget 2019/20**

Appendix F

Description	Original Budget 2018/19 £'000	Forecast Outturn Period 6 2018/19 £'000	Proposed Budget 2019/20 £'000	Year on Year Variance £'000
Dwelling Rents	(48,286)	(48,246)	(48,644)	(358)
Non Dwelling Rents	(513)	(513)	(541)	(28)
Tenant Charges for Services and Facilities	(1,621)	(1,690)	(1,905)	(284)
Leaseholder Charges for Services & Facilities	(939)	(939)	(651)	288
Contributions towards Expenditure	(251)	(251)	(252)	(0)
Other Income	(8)	(8)	(8)	0
<b>Total Income</b>	<b>(51,618)</b>	<b>(51,647)</b>	<b>(52,000)</b>	<b>(382)</b>
Repairs and Maintenance	9,117	9,068	9,474	357
Supervision and Management	7,838	7,602	8,123	286
Special Services	3,610	3,640	3,703	93
Rents, Rates, Taxes and Other Charges	852	901	945	93
Increase in Bad Debts Provision	725	725	500	(225)
Depreciation	14,273	14,273	14,777	504
Debt Management Expenses	39	39	39	0
Sums directed by Secretary of State (Discretionary Housing Allowance)	50	50	50	0
<b>Total Expenditure</b>	<b>36,504</b>	<b>36,298</b>	<b>37,611</b>	<b>1,107</b>
HRA share of corporate and democratic core	705	705	730	25
Interest Payable and Similar Charges	6,443	6,443	6,492	49
HRA Investment Income	(138)	(138)	(94)	44
<b>Net Income before Interest and Other Items</b>	<b>(8,104)</b>	<b>(8,338)</b>	<b>(7,261)</b>	<b>118</b>
Revenue Contribution to Capital	11,454	12,448	7,068	(4,386)
<b>Interest and Non-Statutory Items</b>	<b>11,454</b>	<b>12,448</b>	<b>7,068</b>	<b>(4,386)</b>
<b>(Surplus) / Deficit</b>	<b>3,350</b>	<b>4,110</b>	<b>(193)</b>	<b>(4,268)</b>

<b>Forecast Opening HRA Working Balance</b>	<b>(6,580)</b>	<b>(6,580)</b>	<b>(2,471)</b>
In-year (Surplus) / Deficit	3,350	4,110	(193)
<b>Forecast Closing HRA Working Balance</b>	<b>(3,230)</b>	<b>(2,471)</b>	<b>(2,663)</b>

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**Dwelling Rents - Increase in income of (£358k)**

£480k reduction in income - The final year of the statutory rent reduction of 1% has been incorporate into the budget, reducing rental income generated.

(£900k) additional income - The financial year 2019/20, is a 53 week year in terms of rent collection, which will yield additional income.

(£88k) additional income - Hostel income is anticipated to increase due to high occupancy levels, and this additional income has been incorporated into the budget.

£150k reduction in income – A net adjustment to the total income has been made, for loss of rent on right to buy sales (reduction in income), the additional rent arising from buyback of properties and completion of new build projects (additional income), and the longer void rates due to bringing open market purchases up to the required standard and into use (reduction in income).

**Non Dwelling Rents - Increase in income of (£28k)**

(£19k) additional income - The financial year 2019/20, is a 53 week year in terms of ret collection for garage rents, which will yield additional income, along with the 2.5% proposed increase in charges.

(£8k) additional income – An additional letting at the Jim McDonald Centre is likely to generate £8k income.

**Tenants charges for services and facilities – Increase in income of (£284k)**

(£260k) additional income – An increase in the anticipated occupancy rates of hostels, and inflation linked increases to the hostel and community facilities charges, are expected to generate additional income.

(£9k) additional income - Increases in fares for community buses are proposed, which will generate an additional £9k income.

(£15k) additional income is being generated from alarm monitoring, due to a combination of an increase in weekly charge for lifelines.

**Leaseholders charges for services and facilities – Decrease in income of £288k**

(£288k) reduction in income - This budget reflects the recharged works to leaseholders for major works included in the capital programme.

In 2018/19 major works budget was exceptionally high and included roofing works, door entry, rewiring, and works on Woodhall House.

In 2019/20, lower expenditure is anticipated on works relating to leasehold properties, in turn, reducing the amounts recharged to leaseholders. The key works expected to be recharged relate to door entry replacement, rewiring and Queensway House lift replacement.

**Repairs and maintenance – Net increase in expenditure of £357k**

£220k growth – This increase relates to contractual inflation on repairs and maintenance, a significant element of this relates to the Mears contract, which is the highest area of repairs spend.

£100k growth – Arising from the Hackitt report (publish May 2018), additional fire risk assessments have been undertaken during 2018/19, and additional remediation works will be required, such as fire compartmentalisation of lofts. This additional budget is required to carry out these safety works.

£157k growth – During 2018/19, it was identified by Hertfordshire County Council (HCC) that a number of the street lamps within Welwyn Hatfield, belonged to the Borough Council as part of its Housing estate. Historically, HCC have been undertaking repairs and maintenance to these lights, but as they are not the owners, they have passed the responsibility back to the Council. This is estimated to cost £157k including servicing and bulb replacement.

(£120k) efficiency - A reduction has been made to professional fees budget of £120k reflecting a lower requirement for such fees, now that novation of the contracts from the Trust to Council is complete.

**Supervision & Management- Increase in expenditure of £286k**

**Special Services- Increase in expenditure of £93k**

**Core & Democratic Core – Increase in expenditure of £25k**

**Net increase in Management costs of £404k**

These three headings encompass total management costs but are disclosed separately in line with accounting regulations. The key year on year variances are outlined below:

(£170k) efficiency – This efficiency has been driven from the Housing Transformation programme, which saw the review of Housing Operations service/structure.

(£290k) removal of one off budget – For 2018/19, a budget was set to fund the one off costs relating to the Housing Transformation programme, which saw the review of Housing Operations service/structure. This programme is now complete, and the one off budget item has been removed.

£403k growth – In line with the nationally agreed pay award, and contractual obligations, salary costs have been increased for the pay award and increments. Included in this is a £33k increase relating to staffing changes within the service, which are offset by additional income generated from these changes.

£250k growth – Historically, the Council capitalised Housing Salaries for staff working on specific capital projects. This has no overall impact on the HRA and working balances, as there is a significant revenue contribution to capital to support the funding of the capital programme. Capitalising these salaries is an added accounting complication, which provides no financial benefit for the Council, so will cease from 2019/20.

£211k growth – Inflation linked increases have been applied to various costs, including utilities, general maintenance and cleaning.

**Rents, Rates, Taxes and Other Charges - Increase in expenditure of £93k**

£47k growth - Based on the historical value and volume of insurance claims, and the current insurance market, it is expected that insurance premiums will rise during 2019/20.

£46k growth - Council tax on void properties has been increased to accommodate the void periods on the decanting of schemes such as Minster House prior to re-development, and the buyback properties undergoing void repairs prior to being let.

**Bad Debts Provision - Decrease in expenditure of (£225k)**

(£225k) efficiency – A review of the bad debt provision budget was undertaken for the 2018/19 budget, prior to the implementation of Universal Credit. During 2018/19, a fundamental review of former tenant arrears was undertaken, to cleanse the position, and new debt management policies and procedures have been introduced following the Housing Transformation project to enhance debt management.

Since introduction of Universal Credit in December 2017, we have seen current debt levels rising although they are being actively managed, and are not at levels originally anticipated. Based on this, the bad debt assumptions had already been increased sufficiently for 2018/19 in relation to this area.

A full review of the provision has now been undertaken following the roll out of Universal Credit, the former tenant arrears review and the updated procedures. Overall, following the review of the baseline, this is expected to reduce the bad debt provision requirement.

**Depreciation - Increase in expenditure of £504k**

£504 growth - The depreciation charge to the HRA is a statutory charge based on the value of the Councils housing stock, and increases in line with its stock value. This charge is credited to the capital account and is used towards funding the HRA capital programme and repayment of borrowing. This is funded from a reduction to the revenue contribution to capital also used for the same purposes.

**Revenue Contribution to Capital - Reduction in expenditure of (£4.386m)**

(£4.386m) reduction in contribution - The balance on the HRA each year is contributed to capital to support the capital expenditure programme, specifically the Affordable Housing Programme and repayment of existing borrowing. This is done to make best use of funds, and to minimise the borrowing requirement and associated borrowing costs. This amount will vary each year dependant on rent policy, scheduled loan repayments, depreciation charges and other factors. A minimum balance is maintained on the Housing Revenue Account in line with the Councils Medium Term Financial Strategy.

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Description	2018-19			2019-20		
	Fee	Vat 20%	Total Fee	Fee	Vat 20%	Total Fee
	£	£	£	£	£	£
<b>Community Bus Hire - Commercial</b>						
Community Bus Hire	22.29	4.46	26.75	25.00	5.00	30.00
Fuel cost per mile	0.77	0.15	0.92	0.83	0.17	1.00
<b>Community Services (Lunch Clubs, Shopper Hopper, etc)</b>	33.33	6.67	40.00	33.33	6.67	40.00
Lunch Clubs	1.00	0.20	1.20	1.67	0.33	2.00
Shopper Hopper	2.50	0.50	3.00	3.33	0.67	4.00
<b>Jim McDonald Centre and Kitchen (Hourly Rate)</b>						
Jim McDonald Centre - Sports Hall	20.83	4.17	25.00	25.00	5.00	30.00
Jim McDonald Centre - Sports Hall Charity/Local Authority Rate	16.67	3.33	20.00	20.00	4.00	24.00
Jim McDonald Centre - Dining Room	29.17	5.83	35.00	29.17	5.83	35.00
Jim McDonald Centre - Dining Room Charity/Local Authority Rate	16.67	3.33	20.00	20.00	4.00	24.00
Jim McDonald Centre - Games Room	12.50	2.50	15.00	15.00	3.00	18.00
Jim McDonald Centre - Games Room Charity/Local Authority Rate	8.33	1.67	10.00	10.00	2.00	12.00
Jim McDonald Centre - Meeting Room	8.33	1.67	10.00	10.00	2.00	12.00
Jim McDonald Centre - Meeting Room Charity/Local Authority Rate	6.67	1.33	8.00	8.33	1.67	10.00
<b>Jim McDonald Centre - Freddie's Den</b>						
Child Entry	2.50	0.50	3.00	2.50	0.50	3.00
Bronze Party	82.50	16.50	99.00	82.50	16.50	99.00
Silver Party	132.50	26.50	159.00	132.50	26.50	159.00
Gold Party	170.00	34.00	204.00	170.00	34.00	204.00
Council Tenants Lifeline Charge	3.00	-	3.00	3.50	-	3.50
Non-Council Tenants Lifeline Charge	3.50	-	3.50	4.00	-	4.00
Replacement Key Fob	15.00	-	15.00	15.00	-	15.00
Communal Facilities Charge Neighbourhood Schemes	10.05	-	10.05	10.85	-	10.85
Communal Facilities Charge Communal Schemes	10.60	-	10.60	11.40	-	11.40
Communal Heating	7.28	-	7.28	7.28	-	7.28
Garage Rent Integral - Charge to be pro rata over 51 weeks	9.86	-	9.86	10.62	-	10.62
Garage Rent en bloc incl VAT - Charge to be pro rata over 51 weeks	9.86	1.97	11.83	10.62	2.12	12.74
Hostel Washing Machine Use	2.50	0.50	3.00	2.50	0.50	3.00
Hostel Tumble Dryer Use	1.25	0.25	1.50	1.25	0.25	1.50
Howlands House - 1 Bedsit Running Cost	59.07	-	59.07	60.54	-	60.54
Howlands House - 1 Bedsit Utilities	15.13	-	15.13	15.50	-	15.50
Howlands House - 1 Bed Running Cost	59.07	-	59.07	60.54	-	60.54
Howlands House - 1 Bed Utilities	15.13	-	15.13	15.50	-	15.50
Howlands House - 2 Bed Running Cost	63.82	-	63.82	65.42	-	65.42
Howlands House - 2 Bed Utilities	17.04	-	17.04	17.47	-	17.47
Howlands House - 3 Bed Running Cost	69.73	-	69.73	71.47	-	71.47
Howlands House - 3 Bed Utilities	18.93	-	18.93	19.40	-	19.40
Hazel Grove House - Bedsit Running Cost	40.15	-	40.15	42.39	-	41.15
Hazel Grove House - Bedsit Utilities	15.13	-	15.12	15.50	-	15.50
Hazel Grove House - 1 Bedroom Flat Running Cost	40.15	-	40.15	41.15	-	41.15
Hazel Grove House - 1 Bedroom Flat Utilities	17.04	-	17.04	17.47	-	17.47
Hazel Grove House - 2 Bedroom Flat Running Cost	40.15	-	40.15	42.39	-	41.15
Hazel Grove House - 2 Bedroom Flat Utilities	18.93	-	18.93	19.40	-	19.40

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**Proposed Capital Expenditure Programme 2018/19 - 2023/24**

**Appendix I**

Ref	Project Title	Forecast Spend 2018/19 £'000	Forecast Reprofiling from 2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
	<b>GENERAL FUND CAPITAL PROGRAMME</b>							
1	Garage Renovations	220	-	230	230	230	230	230
2	Garage Forecourt Resurfacing	65	-	85	85	85	85	85
3	Garages Re-roofing	184	-	-	-	-	-	-
4	Campus West Drainage	-	-	75	-	-	-	-
5	Jim MacDonald Centre Plant Room	-	-	15	-	-	-	-
6	Hatfield Swim Centre Cathodic Protection	-	-	25	-	-	-	-
7	Campus East Offices	22	-	-	-	-	-	-
8	Financial Management System Upgrade	23	-	-	-	-	-	-
9	Huntersbridge Car Park Lighting	40	-	-	-	-	-	-
10	Campus East Council Chamber	15	-	-	-	-	-	-
12	Campus East Garages	74	-	-	-	-	-	-
13	Huntersbridge Car Park Concrete Waterproofing	180	372	372	-	-	-	-
14	Campus East Chillers to Swegon System	16	-	-	-	-	-	-
15	Moors Walk Balcony Resurfacing	75	-	-	-	-	-	-
16	Campus East Fire Compartmentalisation	150	-	-	-	-	-	-
17	Campus East Toilet Refurbishments	46	-	-	-	-	-	-
18	Litteridge Industrial Area Resurfacing	85	-	-	-	-	-	-
19	Window Replacement Campus East (phase 2)	242	-	-	-	-	-	-
20	Stanborough Lakes Public Changing Block	43	-	-	-	-	-	-
23	Purchase of Culpit House 74-78 and 80-84 Hatfield	215	-	-	-	-	-	-
24	HTC Redevelopment of of 1 and 3-9	749	-	1,800	1,800	-	-	-
25	Hatfield Town Centre Public Realm	581	563	601	-	-	-	-

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**Proposed Capital Expenditure Programme 2018/19 - 2023/24**

**Appendix I**

Ref	Project Title	Forecast Spend 2018/19 £'000	Forecast Reprofiling from 2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
26	Highview Shops	614	206	748	85	535	85	-
27	Hatfield Town Centre Multi Storey Car Park	242	5,758	5,758	-	-	-	-
28	Lemsford Road car park - new level build	242	1,058	1,058	-	-	-	-
29	Hatfield TC - Link Drive	438	-	325	325	-	-	-
30	Hatfield Town Centre Market Place	-	-	100	200	100	-	-
31	HTC Acquisitions	17	-	-	-	-	-	-
32	HTC Flat Refurbishments	40	-	-	-	-	-	-
33	HTC Shop Fronts 4&6 The Arcade	20	-	-	-	-	-	-
34	Property Investment	9,317	-	-	-	-	-	-
35	Hatfield Business Centre	5,000	3,000	3,000	-	-	-	-
36	Hatfield pop up Market Stalls	57	-	-	-	-	-	-
37	Campus East kitchen refurbishments	38	-	-	-	-	-	-
38	Welwyn Garden City Town Centre North	163	428	3,100	3,100	-	-	-
39	Salisbury Square	10	-	-	-	-	-	-
40	Mill Green Museum Window Replacement	50	-	-	-	-	-	-
41	Coronation Fountain refurbishment	35	-	-	-	-	-	-
42	Splashlands Development	490	1,801	1,801	-	-	-	-
43	Hatfield Swim Centre AC unit replacement gas	45	-	-	-	-	-	-
44	Hatfield Leisure Centre AC unit replacement gas	38	-	-	-	-	-	-
45	Christmas Lighting	30	-	-	-	-	-	-
46	Commercial Property (Minimum EPC Requirements)	100	-	100	100	-	-	-
47	Multi Functional Devices - Replacement programme	15	-	16	17	17	18	18
48	ICT Rolling Programme / Refresh	101	-	182	137	491	151	126

08/26/20

**Proposed Capital Expenditure Programme 2018/19 - 2023/24**

**Appendix I**

Ref	Project Title	Forecast Spend 2018/19 £'000	Forecast Reprofiting from 2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
49	Blade Infrastructure hardware renewal	175	-	-	-	-	-	-
50	Campus West Toilet Refurbishment	158	-	-	-	-	-	-
51	SQL 2008 Server Upgrade	35	-	40	-	-	-	-
52	Corporate Envelope, Folding & Inserting Machine	21	-	-	-	-	-	-
53	Income Management System Upgrade and Licences	57	-	-	-	-	-	-
54	Meeting Room Projectors	16	-	-	-	-	-	-
	<b>Sub-total - Head of Resources</b>	<b>20,588</b>	<b>13,186</b>	<b>19,431</b>	<b>6,079</b>	<b>1,458</b>	<b>569</b>	<b>459</b>
55	Litter and dog bin replacement programme	20	-	20	20	25	25	25
56	Parking Programme	231	-	220	220	220	230	230
57	Play Area Replacement Scheme	100	-	50	50	50	55	55
58	Refuse and Recycling improvement programme	15	-	15	15	15	20	20
59	Replacement of sports equipment	15	-	-	-	15	-	-
60	Vehicle permit online payment system	15	-	-	-	-	-	-
61	PLAN Off Street Parking	72	-	-	-	-	-	-
62	Bereavement Services	1,166	2,900	2,900	-	-	-	-
64	Waste Contract Renewal - VPE	-	-	3,000	-	-	-	-
65	Campus West Car Park Improvements	15	-	-	-	-	-	-
66	Street Warden Replacement Vehicles	30	-	-	-	-	-	-
67	Construction of memorial plinths	50	-	-	-	-	-	-
	Car park management system	-	-	220	-	-	-	-
	<b>Sub-total - Head of Environment</b>	<b>1,729</b>	<b>2,900</b>	<b>6,425</b>	<b>305</b>	<b>325</b>	<b>330</b>	<b>330</b>
68	Replacement of the Council's Intranet	75	-	-	-	-	-	-
69	Fire Safety Improvements to Mill Green Study Area	25	-	-	-	-	-	-

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**Proposed Capital Expenditure Programme 2018/19 - 2023/24**

**Appendix I**

Ref	Project Title	Forecast Spend 2018/19 £'000	Forecast Reprofiling from 2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
70	Development of Mobile Website and Systems Integration	25	-	-	-	-	-	-
71	Campus West Replacement of Elavator	-	-	50	-	-	-	-
72	Museum Service - HLF BID Contribution	-	-	-	200	-	-	-
73	Brickwork and Masonery at Mill Green	-	-	50	-	-	-	-
74	Museum Service - Refit of Pumping Station	-	-	40	-	-	-	-
75	Finesse refurb (HSC) final £30k funded by Finesse	34	-	-	-	-	-	-
76	King George V Refurbishment	95	-	-	-	-	-	-
77	Leisure Capital Programme	50	-	-	-	-	-	-
	<b>Sub-total - Head of Policy &amp; Culture</b>	<b>305</b>	<b>-</b>	<b>140</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Sub-total - Executive Director (Resources Environment and Cultural Service)</b>	<b>22,622</b>	<b>16,086</b>	<b>25,996</b>	<b>6,584</b>	<b>1,783</b>	<b>899</b>	<b>789</b>
78	Community Infrastructure Levy Software	26	-	-	-	-	-	-
79	Replacement of Fastplanning	136	-	-	-	-	-	-
80	GIS Community Map	-	-	30	-	-	-	-
81	Angerland Football Improvement Schemes - Hatfield	-	800	800	-	-	-	-
82	Angerland Rugby Improvement Schemes - Hatfield	-	200	200	-	-	-	-
	<b>Sub-total - Head of Planning</b>	<b>162</b>	<b>1,000</b>	<b>1,030</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
83	Infrastructure for electric pool cars	20	-	-	-	-	-	-
84	Northgate case management system	10	65	65	-	-	-	-

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**Proposed Capital Expenditure Programme 2018/19 - 2023/24**

**Appendix I**

Ref	Project Title	Forecast Spend 2018/19 £'000	Forecast Reprofiling from 2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
85	Purchase of Air Quality Monitoring Equipment	26	-	-	-	-	-	-
	<b>Sub-total - Head of Public Health and Protection</b>	<b>56</b>	<b>65</b>	<b>65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Sub-total - Executive Director (Public Protection, Planning and Governance)</b>	<b>218</b>	<b>1,065</b>	<b>1,095</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
86	Decent Homes Private Sector	75	-	-	-	-	-	-
87	WGC Football Development Scheme	53	-	-	-	-	-	-
88	PRG Health	6	-	-	-	-	-	-
89	PRG Sunflower	20	-	-	-	-	-	-
90	PRG Community Inclusion	22	-	-	-	-	-	-
91	CCTV upgrades (WGC, Urban and Hatfield)	70	-	-	60	-	60	-
92	Housing Assistance Grants and Loans	30	-	30	30	30	30	30
93	Disabled Facilities Grant	441	-	562	562	562	562	562
	<b>Sub-total - Head of Community and Housing Strategy</b>	<b>718</b>	<b>-</b>	<b>592</b>	<b>652</b>	<b>592</b>	<b>652</b>	<b>592</b>
	<b>Sub-total - Executive Director (Housing and Communities)</b>	<b>718</b>	<b>-</b>	<b>592</b>	<b>652</b>	<b>592</b>	<b>652</b>	<b>592</b>
	<b>Sub-total - General Fund</b>	<b>23,558</b>	<b>17,151</b>	<b>27,683</b>	<b>7,236</b>	<b>2,375</b>	<b>1,551</b>	<b>1,381</b>

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**Proposed Capital Expenditure Programme 2018/19 - 2023/24**

**Appendix I**

Ref	Project Title	Forecast Spend 2018/19 £'000	Forecast Reprofiling from 2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
	<b>HOUSING CAPITAL PROGRAMME</b>							
95	Orchard Mobile Working Solution	114	-	-	-	-	-	-
	<b>Sub-total - Head of Housing Operations</b>	<b>114</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
96	Affordable Housing Programme - General		-	625	1,875	5,417	5,417	6,727
97	Affordable Housing Programme - Garden Avenue	243	-	119	-	-	-	-
98	Affordable Housing Programme - Furzen Grescent	140	-	-	-	-	-	-
99	Affordable Housing Programme - Little Mead	371	-	425	74	-	-	-
100	Affordable Housing Programme - Northdown Road	1,519	-	414	78	-	-	-
101	Affordable Housing Programme - Onslow	521	-	2,322	2,327	-	-	-
102	Affordable Housing Programme - Inspira	9,000	-	-	-	-	-	-
103	Open Market Purchases	12,479	-	5,138	8,833	-	-	-
104	Affordable Housing Programme - Grants to Registered Providers	550	-	166	44	-	-	-
105	Howlands House Redevelopment and Additional Units	180	-	1,762	7,291	505	-	-
106	Minster House Redevelopment and Additional Units	365	-	1,047	10,202	6,449	-	-
	<b>Sub-total - Head of Community and Housing Strategy</b>	<b>25,368</b>	<b>-</b>	<b>12,018</b>	<b>30,723</b>	<b>12,371</b>	<b>5,417</b>	<b>6,727</b>
107	Better Care Fund - Sheltered Housing Modernisation		-	672	-	-	-	-
108	Queensway House Refurbishment/Fire Works	358	-	-	-	-	-	-
109	Sheltered Refurbishment	1,271	-	-	-	-	-	-
110	Major Repairs	8,098	-	5,982	6,183	6,382	6,572	6,995
111	HSG Aids and Adaptations	933	-	861	874	887	901	959

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**Proposed Capital Expenditure Programme 2018/19 - 2023/24**

**Appendix I**

Ref	Project Title	Forecast Spend 2018/19 £'000	Forecast Reprofiling from 2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
112	Capital Project Management	232	-	-				-
113	HSG Insulation Improvements	30	-	31	32	33	34	36
114	HSG Carbon Monoxide	68	-	70	72	74	76	81
115	Gas Central Heating Replacement Program	1,929	-	1,764	1,808	1,853	1,900	2,022
116	Other Property Services (Housing) Capital Works	626	-	285	292	299	307	327
117	Door entry systems	493	-	497	510	523	536	570
118	Electricity mains	195	-	133	136	139	143	152
119	Energy Improvement Works	230	-	-	-	-	-	-
120	Lift replacement	172	-	77	79	81	83	88
	<b>Sub-total - Head of Housing Property Services</b>	<b>14,634</b>	<b>-</b>	<b>10,372</b>	<b>9,986</b>	<b>10,270</b>	<b>10,551</b>	<b>11,230</b>
	<b>Sub-total - Executive Director (Housing and Communities)</b>	<b>40,115</b>		<b>22,390</b>	<b>40,709</b>	<b>22,641</b>	<b>15,968</b>	<b>17,957</b>
	<b>Sub-total - Housing Account</b>	<b>40,115</b>	<b>-</b>	<b>22,390</b>	<b>40,709</b>	<b>22,641</b>	<b>15,968</b>	<b>17,957</b>
	<b>Total</b>	<b>63,673</b>	<b>17,151</b>	<b>50,073</b>	<b>47,945</b>	<b>25,016</b>	<b>17,519</b>	<b>19,338</b>

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**Capital Financing Summary**

**Appendix J**

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
<b>GENERAL FUND</b>							
Total Expenditure	4,016	23,558	27,683	7,236	2,375	1,551	1,381
Capital Receipts and Reserves	(4,106)	(5,452)	(4,191)	(1,334)	(1,248)	(874)	(789)
Capital Grants and Contributions	(698)	(1,519)	(12,043)	(5,817)	(592)	(592)	(592)
Revenue Contribution to Capital	(331)	0	(324)	0	0	0	0
<b>Borrowing Requirement for Before MRP</b>	<b>(1,119)</b>	<b>16,587</b>	<b>11,125</b>	<b>85</b>	<b>535</b>	<b>85</b>	<b>0</b>
Minimum Revenue Provision	(449)	(359)	(659)	(1,175)	(1,175)	(1,175)	(1,216)
<b>Net Change in Borrowing Requirement for Year</b>	<b>(1,568)</b>	<b>16,228</b>	<b>10,466</b>	<b>(1,090)</b>	<b>(640)</b>	<b>(1,090)</b>	<b>(1,216)</b>
Cumulative Borrowing Requirement at year end	21,188	37,416	47,881	46,791	46,151	45,061	43,845
Capital Reserves and Grants Balance at year end	13,059	8,767	3,475	2,718	2,054	1,772	1,473
<b>HOUSING REVENUE ACCOUNT</b>							
Total Expenditure	31,498	40,115	22,390	40,709	22,641	15,968	17,957
Loan Repayment	15,300	17,100	18,800	20,000	21,400	22,700	24,200
Capital Receipts and Reserves	(19,533)	(15,033)	(15,563)	(15,891)	(16,208)	(16,517)	(18,623)
Restricted 141 Capital Receipts	(6,168)	(7,995)	(3,520)	(9,247)	(3,711)	(1,625)	(2,018)
Capital Grants and Contributions	(145)	0	(672)	0	0	0	0
Revenue Contribution to Capital	(15,302)	(12,448)	(7,068)	(7,039)	(7,112)	(8,054)	(8,811)
<b>Borrowing Requirement for Year</b>	<b>5,649</b>	<b>21,739</b>	<b>14,366</b>	<b>28,532</b>	<b>17,010</b>	<b>12,473</b>	<b>12,705</b>
Cumulative Borrowing Requirement at year end	242,248	246,887	242,453	250,985	246,595	236,368	224,872
Capital Reserves and Grants Balance at year end	16,957	11,817	10,950	4,616	4,010	5,691	7,189

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**Statement of Capital Reserves and Grant Balances**

**Appendix K**

	Capital Receipts Reserve (General Fund) £'000	Capital Grants and Contributions £'000	Total GRF Capital Reserves £'000	Capital Receipts Reserve (Housing Revenue Account) £'000	141 Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants and Contributions £'000	Total HRA Capital Reserves £'000	Total Capital Reserves £'000
<b>Opening balance April 2017</b>	<b>14,035</b>	<b>1,860</b>	<b>15,895</b>	<b>0</b>	<b>17,692</b>	<b>4,661</b>	<b>0</b>	<b>22,353</b>	<b>38,248</b>
Receipts	1,080	888	1,968	1,118	5,433	13,754	145	20,450	22,418
Use of reserves to finance capital spend	(4,106)	(698)	(4,804)	(1,118)	(6,168)	(18,415)	(145)	(25,846)	(30,650)
<b>Opening Balance March 2018</b>	<b>11,009</b>	<b>2,050</b>	<b>13,059</b>	<b>0</b>	<b>16,957</b>	<b>0</b>	<b>0</b>	<b>16,957</b>	<b>30,016</b>
Receipts	1,313	1,366	2,679	760	2,855	14,273	0	17,888	20,567
Use of reserves to finance capital spend	(5,452)	(1,519)	(6,971)	(760)	(7,995)	(14,273)	0	(23,028)	(29,999)
<b>Forecast Closing Balance March 2019</b>	<b>6,870</b>	<b>1,897</b>	<b>8,767</b>	<b>0</b>	<b>11,817</b>	<b>0</b>	<b>0</b>	<b>11,817</b>	<b>20,584</b>
Receipts	571	10,371	10,942	786	2,855	14,777	672	19,090	30,032
Use of reserves to finance capital spend	(4,191)	(12,043)	(16,234)	(786)	(3,722)	(14,777)	(672)	(19,957)	(36,191)
<b>Forecast Closing Balance March 2020</b>	<b>3,250</b>	<b>225</b>	<b>3,475</b>	<b>0</b>	<b>10,950</b>	<b>0</b>	<b>0</b>	<b>10,950</b>	<b>14,425</b>
Receipts	577	5,817	6,394	789	2,913	15,102	0	18,804	25,199
Use of reserves to finance capital spend	(1,334)	(5,817)	(7,151)	(789)	(9,247)	(15,102)	0	(25,138)	(32,289)
<b>Forecast Closing Balance March 2021</b>	<b>2,493</b>	<b>225</b>	<b>2,718</b>	<b>0</b>	<b>4,616</b>	<b>0</b>	<b>0</b>	<b>4,616</b>	<b>7,334</b>
Receipts	584	592	1,176	789	3,105	15,419	0	19,313	20,490
Use of reserves to finance capital spend	(1,248)	(592)	(1,840)	(789)	(3,711)	(15,419)	0	(19,919)	(21,759)
<b>Forecast Closing Balance March 2022</b>	<b>1,829</b>	<b>225</b>	<b>2,054</b>	<b>0</b>	<b>4,010</b>	<b>0</b>	<b>0</b>	<b>4,010</b>	<b>6,065</b>
Receipts	592	592	1,184	789	3,306	15,728	0	19,823	21,007
Use of reserves to finance capital spend	(874)	(592)	(1,466)	(789)	(1,625)	(15,728)	0	(18,142)	(19,608)
<b>Forecast Closing Balance March 2023</b>	<b>1,547</b>	<b>225</b>	<b>1,772</b>	<b>0</b>	<b>5,691</b>	<b>0</b>	<b>0</b>	<b>5,691</b>	<b>7,463</b>
Receipts	489	592	1,081	789	3,516	16,042	0	20,347	21,428
Use of reserves to finance capital spend	(789)	(592)	(1,381)	(789)	(2,018)	(16,042)	0	(18,849)	(20,230)
<b>Forecast Closing Balance March 2024</b>	<b>1,247</b>	<b>226</b>	<b>1,473</b>	<b>0</b>	<b>7,189</b>	<b>0</b>	<b>0</b>	<b>7,189</b>	<b>8,661</b>

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**Welwyn Hatfield Borough Council**  
**Medium Term Financial Strategy**

**2019/20 - 2021/22**



**WELWYN  
HATFIELD**

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## 1 KEY MESSAGES FROM FINANCE PORTFOLIO HOLDER AND CORPORATE DIRECTOR

- 1.1 The medium-term financial view for the Council has been prepared in unprecedented times of economic uncertainty and declining levels of public sector funding. Grant funding for local government in the traditional sense of Revenue Support Grant (RSG) will disappear completely from 2019/20 and local authorities will become more reliant on the more volatile income source of business rates.
- 1.2 Following an application in 2016, the government confirmed the Council would be granted a multi-year settlement, with a view to providing more certainty to the levels of funding over the term of the Parliament.
- 1.3 Business Rates have become a more volatile source of funding, with changes to the appeals process, and proposals for a more regular revaluation cycle. The government is also piloting the 75% business rates retention scheme, of which Hertfordshire's pilot application has been accepted for 2019/20. It is unclear how the final business rates retention scheme will look in practice from 2020/21 onwards and it may bring further funding reductions, or additional burdens, to the Council when the scheme is adopted nationally.
- 1.4 The government is due to consult on changing the New Homes Bonus scheme for 2020/21 to incentivise more growth. The level of resources available to the Council over the medium-term will continue to be volatile.
- 1.5 The Council has needed to deliver more than £12m of savings since the start of public austerity in 2010 and so many "quick win" saving opportunities have been exhausted. The Council will face some major decisions when considering its budget in the medium-term. The priority has always been to safeguard frontline services where possible, but inevitably there have been and will continue to be some difficult decisions that result in changes to services for our residents, customers and businesses.
- 1.6 The Medium Term Financial Strategy (MTFS) sets out the Council's commitment to provide the best value for money possible for the community. It provides a framework for the Council to plan and manage its revenue resources up to 2021/22. The Council also operates a five-year capital programme (2019/20 – 2023/24) which details our long-term investment plan.
- 1.7 The Council starts the next three years in a reasonably strong financial position with over £14m in General Fund revenue reserves forecast for the start of 2019/20. Capital reserve balances for General Fund activity were £13m at the start of 2018/19 but are reducing, and borrowing is being used to support some capital schemes. The ongoing sustainability of the capital investment programme will need to be continuously reviewed and prioritisation given to projects which are "invest to save" in nature and have a business plan which demonstrates a reasonable payback of resources.
- 1.8 The HRA will have a good level of reserves going into 2019/20, amounting to around £2.5m; however significant changes such as the impact of welfare reform and the changes to the national rent setting policy will continue to have a material impact on the HRA balance going forward. In addition, the Council's Affordable Housing Programme, which aims to provide new affordable homes and maintain the Council's stock levels, will require external borrowing to support it.

- 1.9 As we move forward we are determined to continue with our successes and the MTFS provides the resources needed to achieve the ambitions set out in the Council's Business Plan.
- 1.10 There remain a number of uncertainties and risks to the Council's finances in the medium-term, in particular, it is unknown how the Spending Review 2019, Fair Funding Review will impact on our finances for 2020/21 and beyond. At the same time, the new 75% business rates retention scheme will be introduced, inevitably Local government is being compelled to become financially self-sustainable and over the term of this MTFS it is expected that local tax, fees and charges for services and other locally driven income sources will become yet more important. We will continue to experience significant pressures on our services arising from demographic changes and an increasing population, the uncertainties surrounding the economy and continued high expectations of service delivery. We will keep our MTFS under review and make changes accordingly to reflect the rapidly changing environment in which we work.

**Duncan Bell**

**Ka Ng**

**Executive Member for Resources**

**Corporate Director (Resources,  
Environment and Cultural Services)**

## 2 INTRODUCTION

- 2.1 Medium-term financial planning is an important component of the Council's strategic planning framework. Key financial decisions need to be set in the context of a plan that looks beyond the next financial year. Forward planning offers the opportunity to link service and financial planning, as decisions taken on an annual basis are constrained in what they can achieve.
- 2.2 The Medium Term Financial Strategy (MTFS) provides the foundation against which the Council will strive to deliver the best value for money possible in the provision of efficient and cost effective services across the Borough. Through the effective development and delivery of the Council's financial and other resource strategies it seeks to build upon past achievements as well as provide clear direction to the attainment of the Council's longer-term goals.
- 2.3 The medium-term financial planning process is an established part of the budget setting process. It provides a forecast of the cost of continuing to provide existing levels of service and the resources that are likely to be available to the Council over the period. It identifies any shortfalls and sets out how this will be managed. This document is reviewed at least annually; regular review and update is essential to ensure the MTFS takes full account of any changes in the Council's aspirations, strategic and service delivery priorities, changes in government legislation, financial regulation and funding streams.
- 2.4 The MTFS sets out how the Council will manage its revenue finances up to 2021/22 and also covers a five-year capital programme. The MTFS supports the delivery of the Council's objectives and priorities as set out in the Council's Business Plan.
- 2.5 Underpinning the Business Plan are the individual service plans and a number of other key strategies and plans as set out below. In each case, these set out the detail of how the Council will achieve its objectives and the relevant milestones that will measure progress.
- Asset Management Strategy
  - Capital Strategy
  - Climate Change Strategy
  - Information Technology Strategy
  - Investment Strategy
  - Procurement Strategy
  - Risk Management Strategy
  - Treasury Management Strategy
- 2.6 The development of the 2019/20 budget has taken place within the context of a longer term strategic and resource planning process. In particular it takes account of the latest Spending Review and the uncertain economic climate.
- 2.7 The Council's future financial outlook was likely to be more challenging over the next few years, because of reductions in overall public spending and the continued high expectation of public service delivery from the public. Given that the relatively "easy wins" for finding efficiency have already been taken, meeting new cost pressures would require an increasingly rigorous and innovative approach to new ways of working, identifying efficiencies, enhanced productivity and re-prioritisation of spending within services.

### 3 OBJECTIVES

3.1 The objectives of the Medium Term Financial Strategy are:

- To provide a financial plan of the resources available to deliver the Council's priorities and objectives
- To ensure priorities identified as part of the Corporate Planning process inform the MTFS including importance, timing and financial implications
- To provide projections of spending, including spending pressures and income, and set expectations on council tax increases over the next three years
- To provide projections for our investment in assets (our capital spend) and its impact on general day-to-day revenue spending
- To test sensitivity of and apply risk analysis to projections
- To provide a framework for consultation with the public and partners about our service priorities and resources allocated to them

### 4 VISION FOR WELWYN HATFIELD

4.1 The MTFS supports the Council's overall vision of what it aims to achieve:

"To work together to keep Welwyn Hatfield a great place to live, work and study in a vibrant and growing economy."

### 5 LOCAL CONTEXT

5.1 Welwyn Hatfield contains two new towns. The borough also comprises a variety of large villages and small settlements.

5.2 A large part of the borough is open countryside and nearly 80 per cent of the area is Metropolitan Green Belt. Welwyn Hatfield is highly accessible by both road and rail. Motorway connections are good with the A1(M) passing through the borough north-south and connecting to the M25 to the south.

5.3 Welwyn Hatfield is estimated to have a resident population of just over 122,300. The Borough is regarded as one of the areas with the highest population growth within England and Wales.

### 6 WELWYN HATFIELD BUSINESS PLAN

6.1 The delivery of the Business Plan is supported by a number of strategic documents which shape the Council's work in the Borough. These documents are listed below:

- The Local Plan
- The Medium Term Financial Strategy
- Service Team Plans
- The Community Strategy
- The Equality and Diversity Delivery Plan

In addition, the Plan is supported through partnerships with:

- Welwyn Hatfield Alliance Community Partnership
- Hertfordshire Forward Community Partnership

6.2 The Business Plan sets out our Corporate Priorities and Objectives as below:

<b>Our Community</b>	<b>Our Environment</b>	<b>Our Housing</b>	<b>Our Economy</b>	<b>Our Council</b>
Promote inclusive and safe communities	Keep streets clean	Plan housing needs	Promote investment and regeneration	Achieve value for money
Improve public health and well being	Reduce waste and improve recycling	Provide affordable homes	Revitalise neighbourhood and town centres	Put customers first
Support local sport and leisure	Enhance green spaces	Be a high quality landlord	Support sustainable economic growth	Promote quality and fairness
Promote local art and culture	Manage car parks	Improve quality of housing in the Borough	Be business friendly	Be employer of choice

6.3 These priorities also represent the challenges faced by the Council as it seeks to improve local quality of life for everyone who lives, works or visits the borough.

6.4 Everything we do is underpinned by our values. Our values demonstrate what is important to us in our dealings with residents, businesses, partners and staff. These are:

- We will be fair in our policies and decision making, listen to views and learn from feedback
- We will evaluate, implement new ways of providing services when greater efficiencies can be achieved without compromising quality
- We will be honest, clear and consistent about what we do
- We will respond to internal and external influences on our services by adapting them to meet changing needs
- We will have respect for residents, businesses, partners and employees
- We will be approachable, accountable and open in the way we communicate and conduct our business

6.5 The budget setting process takes into account the priority framework and the priorities have a direct implication on the acceptability of the budget.

- 6.6 Our greatest asset is our employees and we must have committed, skilled and empowered employees in order to provide the best possible service standards to the residents of the Borough.
- 6.7 The MTFS sets out the resources required to deliver the priorities stated within the Business Plan and how those resources will be obtained.

## 7 CONSULTATION STRATEGY, APPROVAL AND COMMUNICATION PROCESS

- 7.1 The Council has a Duty to Consult<sup>1</sup> and as such will carry out regular consultation with local people, customers, stakeholders and partner organisations to establish the priorities of the community. This will inform how the Council should fulfil its Best Value Duty<sup>2</sup> and make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 7.2 The Council will consult in a variety of ways including postal questionnaires (e.g. My Council survey), public meetings, attendance at community events, service feedback forms and online consultation via the Council's website. As well as listening to local views, service teams recognise the importance of providing timely and meaningful feedback to local communities on what can be, or has been, done to address any issues raised. In some instances, issues raised are turned into measurable targets which help the Council demonstrate a positive outcome for local people.
- 7.3 The MTFS is submitted to Cabinet in January of each year for approval. It is subject to challenge and scrutiny through the Resources Overview and Scrutiny Committee before final approval by Full Council alongside the budget and tax setting decisions in February.
- 7.4 Once approved, the MTFS will be communicated to all stakeholders and staff. This will include using the internet, intranet and newsletters to staff and customers.
- 7.5 It is reviewed at least annually against the outturn and forecasts and updated as necessary.

### Consultation with Business Ratepayers

- 7.6 The Council will consult annually on its budget proposals with business ratepayers in accordance with statutory requirements
- 7.7 The Council will also consult with local community and voluntary organisations at appropriate times where there is likely to be interest in a proposed service change and in particular where the Council is considering the decommissioning of a service or funding.

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<sup>1</sup> Section 3(2) of the Local Government Act 1999

<sup>2</sup> Section 3 of the Local Government Act 1999 (as amended by s137 of the Local Government and Public Involvement in Health Act 2007)

## 8 FINANCIAL PLANNING FRAMEWORK

- 8.1 The Council operates a medium to long-term revenue and capital investment programme. The revenue plan covers a three-year period, whilst the capital programme takes a five-year view. The programme is revised annually to roll-forward so as to incorporate a new year, as well as to review and revise for the outturn of financial years.
- 8.2 The future impact of all known issues have been considered as part of the 2019/20 budget setting process, including those which may not impinge on our budgets until after the first year (2019/20). Outlined in the table below are the key stages involved in producing the budget.

<b>June</b>	Strategic priorities for the following year agreed by Members and Officers. Cabinet approves the framework for the budget setting process for the following year.
<b>July/August</b>	Officers are asked to submit bid forms to request schemes be incorporated into the capital and put forward efficiency and growth proposals for the revenue programme.
<b>September/October</b>	The MTFS budget is updated to reflect the new schemes submitted and/or amendments made to existing schemes. All of the schemes are initially challenged by the Corporate Director (Resources, Environmental and Cultural Services) to ensure that the bids submitted have complied with the approved budget guidance.
<b>October/November</b>	All capital and revenue bids are then challenged and scrutinised by the Corporate Management Team, before submission to a Members' forum (Strategic Leadership Group) for comments and recommendations. Budget consultation with the public is also analysed and fed into the budget decision process.
<b>December</b>	Provisional Local Government Finance Settlement announced by the government (this indicates the levels of capital and revenue grant given to the Council).
<b>January</b>	The draft capital and revenue programme is presented to Cabinet and Resources and Overview Scrutiny Committee for consideration.
<b>February</b>	Full Council approves next financial year's council tax, capital and revenue budget, and the remaining years' budget is noted and acknowledged as part of the Council's MTFS for further investment needs.
<b>April</b>	The new financial year commences and the budget approved is then assessed under the monitoring process.

## 9 ECONOMIC OUTLOOK

- 9.1 An updated forecast for growth in GDP is shown in the table below. There is a slight increase from previous forecasts of around 1.6%.

Year	Economic Growth
2019/20	1.6%
2020/21	1.6%
2021/22	1.7%

- 9.2 The Consumer Price Inflation (CPI) and Retail Price Index (RPI) forecasts published in November 2018 are shown below:

Year	CPI	RPI
2018/19	2.5%	3.4%
2019/20	2.1%	3.2%
2020/21	2.0%	3.1%
2021/22	2.0%	3.3%

- 9.3 Many of the Council's contracts are linked to either RPI or RPIX as an inflationary increase. Low inflation means the pressure on contract budgets is lower but as can be seen from the table below inflation is expected to rise to over three per cent. As such, an assumption of annual inflation to reflect the above forecasts is built into the medium term estimates.
- 9.4 The Bank of England 'bank rate' was raised in August 2018 to 0.75%, which is a 0.25% increase from November 2017. The forecasts assume a low 'bank rate' will continue until 2019 which is consistent with the forecasts from our treasury advisors. The steady reduction in cash balances will result in a decline in investment income over the period.

## 10 GENERAL FUND REVENUE BUDGET

### Financial Context

- 10.1 The development of the 2019/20-2021/22 Medium Term Financial Strategy has taken place in an era which continues to be one of the most challenging periods for local government.
- 10.2 The economic outlook has improved slightly as set out in 9.1 but austerity measures, although concluding, continue to influence unprecedented reductions in Local Authority funding.

### Risks and Opportunities

- 10.3 This section highlights the risks and opportunities facing the Council in the medium-term.
- Brexit
  - Demographic
  - External income
  - Inflation
  - Service demand
  - Business rates retention and multi-year settlement
  - Other developments

### Brexit

- 10.4 At the time of writing this report, the government anticipates a negotiated withdrawal deal will be agreed with the EU, however a 'No Deal' outcome cannot be ruled out. The potential impacts to the council's finances include:
- A possible downturn in the housing market and the Council's acquisition and development of new social housing, which could all impact on the New Homes Bonus
  - Changes to interest rates would impact the Council's investment income and borrowing costs
  - The Council has commercial holdings and any fall in rental levels or demand for premises could have an adverse impact on income budgets

### Demographic

- 10.5 Demographic factors affect the Council's planning in a number of ways:

- Changes in the number of households affect the tax base for Council Tax purposes and therefore the total amount which will be raised from this source
- The characteristics of both population and households can help identify specific implications for the type and nature of many services provided by the Council
- The above factors affect the level of demand for, and use of, services provided by the Council

The Office for National Statistics (ONS) estimated in previous Census that the population in Welwyn Hatfield was around 110,600 in 2011. This had increased substantially by 10.6% to 122,300 (based on mid-2017).

The Local Plan, subject to the outcome of the inspection, suggests a significant level of growth in the Borough over the life of the plan, to accommodate a growing population.

The tax base is calculated using the latest property data and an assumption for growth and a rate of non-collection. For 2019/20 our estimates suggest an increase in tax base of around 1.3% compared to 2018/19, bringing the total number of properties for tax setting purposes to 41,889.6. This increase reflects the number of properties delivered during 2018 and also an improved collection rate. In future years, a growth in the tax base of 1.3% is assumed.

### External Income

10.6 The Council relies on a number of external income sources. The economic downturn had an adverse impact on some of our income streams, although in recent times the economic recovery has resulted in a corresponding improvement.

- The service areas affected by falling income during the economic downturn were principally planning, building control, and income from the sale of recyclables
- The low 'bank rate' means that investment income is no longer a key income stream for the Council. The actual interest earned will be affected by the level of cash balances. The Council is in a borrowing position and any decisions around investments and holding cash balances will take into consideration the cost to carry of external debt, as set out in the Council's Capital, Investment and Treasury Strategies.

10.7 The Council has a policy to maximise income from fees and charges where possible and practicable, however the current economic climate has in some areas, restricted the amount of income that could be generated externally.

### Inflation

10.8 The financial impact of a 1% movement in pay inflation represents around a £0.14m change in the General Fund employee budget.

10.9 The National Joint Council for Local Government agree the pay increase for local government. For 19/20, a majority of employees will receive at least 2% pay increase, it should be noted that a higher percentage increase will apply at the lower pay scales to take into account the uplifts for the National Living Wage. A 2% pay increase is assumed

for each following year of the MTFS and will be subject to the national local government pay negotiations.

- 10.10 Budgets for contract payments are uplifted by appropriate indices as stated in the conditions of the contracts. The financial impact of a 1% movement in contractual inflation is around £0.13m. An allowance is also made for changes to business rates incurred by the Council and also insurance costs. No inflationary increase has been applied to the general services budget, except specific items such as contracts and utilities.

#### Service demand

- 10.11 The demand for council services remains high compared to historic levels. There is also an imposed demand by central government on local authorities to play a major part in revitalising the local economy whilst it is expected that reductions to funding continues.
- 10.12 The increase in the demand on our services coupled with the loss of external income will restrict our ability to make radical improvements to our discretionary services.

#### Business rates retention and the multi-year settlement

- 10.13 Since April 2013, business rates are no longer pooled and redistributed in full nationally. Local authorities retain a proportion of business rates and a share in any growth in the baseline position instead.
- 10.14 2019/20 will be the fourth and final year of the four-year settlement published by the government in 2016. The Government has confirmed in the 2019/20 Provisional Settlement that it will remove all negative Revenue Support Grant (RSG) for 2019/20.
- 10.15 Another key announcement in the 2019/20 Provisional Settlement is the acceptance of the Hertfordshire Business Rates Retention Pilot application, enabling 75% of business rates growth to be retained locally. The level of funding due to be received is dependent on the amount of business rates actually collected and so there is a risk this will not be achieved, as well as an opportunity that funding will be greater if the collection of business rates is better than expected.
- 10.16 The Local Government Finance system is due to be faced with a major overhaul, the impact of the fair funding review, along with uncertainties on the Spending Review 2019, at the same time the new 75% business rates retention system is due to be introduced, all of these factors have made financial planning extremely difficult beyond 2019/20.
- 10.17 The following table demonstrates the standard calculation for the retention and distribution of business rates income. In addition the amount retained in the table (£3.473m), the Council expects to receive £875k of section 31 grants, which the Government pays to reimburse local authority losses due to national measures implemented, and an additional £280k from the Business Rates Pilot, taking the total business rates income (and associated grants) to £4.628m.

### Total forecasted amount of business rates retained by Welwyn Hatfield Borough Council

		Original Budget 2018/19 £000	Estimate 2019/20 '£000
A	Business Rates Collectable	60,640	61,616
B	Government share @ 50%	-30,320	-30,808
C	HCC share @ 10%	-6,064	-6,162
D	Tariff payable to government	-19,574	-19,818
E1	Welwyn Hatfield share before Levy (A+B+C+D)	4,682	4,828
E2	Adj. for Small Business Rate Relief and Shops and Empty Property reliefs'	320	739
E3	Welwyn Hatfield adjusted share	5,002	5,567
F	Baseline funding level	2,800	2,856
G	Welwyn Hatfield adj. share less baseline funding level (E3-F)	2,202	2,711
H	Levy payable @ 50% (G * 0.5) (*)	-1101	-1,356
J	Retained business rate income (E1+H)	3,581	3,473

(\*) the levy payable in 2019/20 will be redistributed within the Pilot area

10.18 The Council is exposed to the risk of successful appeals which reduce the rateable value of properties. As such, it is necessary to estimate the level of success for current and future appeals and make an appropriate provision. This is done by applying a success and likelihood factor to the list of current outstanding appeals based on past experience. By nature there is significant scope for variation in the actual amount of successful appeals and so it is likely the collection fund will either be in surplus or deficit at each year end, which has to be charged to the General Fund in the following financial year. To help mitigate this potential volatility the Council will hold a reserve balance of over-achieved retained business rates to use to cushion against future deficits.

#### New Homes Bonus Scheme

10.19 The New Homes Bonus Scheme was introduced in 2011/12 as a way to encourage local authorities to facilitate housing growth. In essence, for every additional property built or brought back into use, the government match funds the additional council tax, with an additional amount for affordable homes, for the following six years. The grant is not ring-fenced and has been split 80% to lower tier Authorities and 20% to the upper tier. Welwyn Hatfield is set to receive a New Homes Bonus grant of £1.319m in 2019/20.

10.20 The government plans to consult on changes to this funding for 2020/21. In anticipation of further reductions in this funding, a proportion of the annual amount received from 2020/21 will be transferred into the strategic reserve for fixed term strategic projects and/or capital investment priorities. This will ensure that in the short-term funds are available for innovative projects and capital schemes, and will reduce the financial reliance on uncertain funds for the general running expenditure of the Council. This will help the Council to become financially self-sustainable over the course of the MTFS.

## Other Developments

### Pension

- 10.21 The most recently published actuarial draft valuation (2016) for the Hertfordshire Pension Fund show that the Council's share of the Fund continues to be in deficit. The overall deficit position of the Fund had improved slightly compared to valuation 2013, however the Fund was only 78% funded.
- 10.22 The actuary has agreed to the smoothing of funding the structural deficit over a 20-year timeline. The recent valuation for the Council requires employer contributions of 18.3% of pensionable pay plus an annual lump sum payment of £1.1m in years 2017/18 to 2019/20 (total for General Fund and HRA).
- 10.23 Automatic Enrolment has been established by the government as a requirement for employers to provide a pension scheme for employees. The Local Government Pension Scheme (LGPS) is a qualifying scheme for the purposes of Automatic Enrolment within the terms set out by The Pensions Regulator. The MTFS assumes employees will be part of the pension scheme.

### Universal Credits

- 10.24 Universal Credit is in the process of replacing the current benefit system and brings together Housing Benefit for working-age people with other welfare benefits and tax credits. The scheme is managed by the Department for Work and Pensions, but continues to be supported by Welwyn Hatfield Borough Council, with claims and change of circumstances being submitted by claimants using an online portal. Universal Credit eligibility rules correspond to the benefit that a claimant would previously have been entitled to and which Universal Credit is replacing.
- 10.25 At this stage, indications are that the Council will continue to have a role in delivering Housing Benefit to pensioners for the foreseeable future. The transition to Universal Credit will have profound implications for many council employees, councils systems and contractual arrangements with private suppliers.
- 10.26 For the purpose of the General Fund forecasts, it is assumed that the costs resulting from the reform will be fully met by the government under the new burdens doctrine. For the HRA, based upon evidence from other local authorities, it is assumed that there will be an increase in the level of debt arising from changes to Universal Credit, and as such the bad debts provision is scrutinised closely.

### Land Charges (transfer of responsibility to Land Registry)

- 10.27 Section 34 of the 2015 Infrastructure Act enables the transfer of responsibility for all local land charges searches from local authorities to Land Registry, creating a single and central electronic register. Secondary legislation has been passed to enable this to now take place. The transfer will happen in stages and this Council will be notified of the date of transfer by the Land Registry. This date is not currently known. A number of other councils have been identified as being in the first tranche and the transfer for the first tranche is proceeding currently. Local Authorities will continue to be responsible for collecting and updating information and also for making CON29 searches. The government has suggested that the Land Registry will meet all costs for the transfer but this has not been confirmed.

## 2019/20 General Fund Budget

- 10.28 As part of the budget setting process, Members have examined information provided by Directorates relating to the level of existing resources in each service areas, including the number of staff employed and comparisons have been drawn with historical expenditure data to identify savings areas. All budget options have been considered in the context of current service performance and priorities and all the growth bids went through a challenge process.
- 10.29 The net General Fund budget consists of expenditure incurred to deliver the wide range of services provided by the Council and income directly generated for those specific services. This can be in the form of fees and charges, rental income, government grants etc. For 2019/20 the estimated net General Fund cost of services is budgeted at £14m.
- 10.30 The net General Fund budget is funded by non-specific government grants, local taxation and use of earmarked and general reserve balances. Over recent years government funding has been reducing, council tax increases have been kept below the rate of inflation and so income generated via fees and charges and retained business rates has become more critical areas of funding for the Council.

## 11 RISK MANAGEMENT

- 11.1 Risk Management is a key feature of the Council's financial planning process
- 11.2 The Council is very aware of the need for effective risk management and considers that the assessment and minimisation of all types of risk to be vital. It has a Risk Management Strategy in place, and the financial risks to the Council are assessed in the context of the overall approach to risk management.
- 11.3 To mitigate risk the Council regularly monitors its budgets and the Clearview system is used by Welwyn Hatfield to identify, monitor and reports on risks. The quarterly performance clinics provide a platform for the Members to scrutinise the financial and non-financial performance (e.g. local and national indicators)
- 11.4 Details of some of the key financial the risks facing the Council are highlighted in section 10 and the table below summarises the financial implications if assumptions made in the MTFS change in the future (the details of which are included in section 10 also). This gives some indications of the kind of risks which need to be allowed for in considering the level of reserves in future years.

Scenario	Estimated Cumulative financial impact		
	2019/20 £'m	2020/21 £'m	2021/22 £'m
Inflation - Pay award 1% higher than assumed	0.14	0.14	0.14
Inflation on contracts - 1% higher than assumed	0.13	0.13	0.13
Ongoing growth (10% higher than forecasted)	0.07	0.07	0.06
Savings (10% of savings not delivered)	0.16	0.23	0.25
Corporate Income - 5% lower than assumed	0.28	0.28	0.28
Income from fees and charges (5% lower)	0.74	0.74	0.74
Budget requirement - 1% overspent	0.19	0.19	0.19
<b>Total</b>	<b>1.72</b>	<b>1.79</b>	<b>1.80</b>

## 12 COUNCIL TAX

- 12.1 The Council is committed to do all it can to reduce the financial burdens placed upon its residents during a period of difficult economic circumstances. The Council froze its average Band D council tax for seven consecutive years, followed by a tax increase of £5 per annum in 2017/18 and 2018/19.
- 12.2 For 2019/20, again the Council will be allowed increases of less than 3% or up to, and including, £5, whichever is higher, without triggering the need for a referendum. If Welwyn Hatfield chose to increase the average Band D council tax by 2.5%, this increase alone would result in an extra £657k income by 2021/22. This would support the Council in delivering its saving requirements and to becoming more self-reliant during the term of the MTFS.
- 12.3 The Local Plan is likely to suggest a continuing upward trend in the population growth and this should be reflected in the Council's tax base. To summarise, the projection of tax base is estimated to be increased by 1.3% per annum after 2019/20.
- 12.4 A copy of the medium-term financial forecast on the General Fund is attached in Annex A.

<b>Effect of a 2.5% increase, followed by 1.5% increase</b>			
	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Council Tax Band D increase (WHBC portion only) (%)	2.50	1.50	1.50
Increase (£)	5.16	3.18	3.22
Average Band D tax (£)	211.77	214.95	218.17
Adjusted tax base taking into account council tax support scheme	41,889.60	42,434.16	42,985.81
Additional amount raised from 2019/20 increase (£k)	216	219	222
Additional amount raised from 2020/21 increase (£k)		135	137
Additional amount raised from 2021/22 increase (£k)			139
<b>Total additional precept as a result of increases (£k)</b>	<b>216</b>	<b>354</b>	<b>498</b>
<b>Council Tax Precept (£k)</b>	<b>8,871</b>	<b>9,121</b>	<b>9,378</b>

## 13 VALUE FOR MONEY AND EFFICIENCY

- 13.1 Value for Money (VFM) is an assessment of whether or not we obtain the maximum benefit from the goods and services we both acquire and provide, within the resources available

to achieve it. This assessment includes considerations about suitability, quality, whole life costs and the relationship between economy, efficiency and effectiveness.

- 13.2 Value for money remains an integral part of the external audit opinion. Although the Use of Resources regime has been abolished a considerable amount of work had been input by both officers and the external audit team. The general feedback was that the Council had consolidated previous improvements and demonstrates good value for money across our services.
- 13.3 The Council's Value for Money Strategy provides a framework on how the Council will optimise the use of its resources.

### Efficiencies

- 13.4 A key part of the Council's ethos is its focus on achieving efficiencies. This is a main driver during the budget and planning process; ensuring resources are directed in the appropriate areas and is embedded across the whole council. Service efficiencies are monitored and reviewed highlighting where savings can be made.
- 13.5 The Council is committed to delivering efficiencies to drive costs down and improve services.
- 13.6 It is evident from the spending review that finding efficiencies to deliver a balanced budget will be a significant challenge as well as looking for opportunities to invest in improving services. Our approach to source efficiencies beyond 2019/20 will be via:
- Rebasing services budget, wherever practicable to do so
  - Exploring new areas of income generation activities
  - Asset use optimisation and seeking commercial opportunities
  - Effective use of assets – challenging the asset base and the use of assets and looking to manage and plan maintenance in the most effective way
  - Working in partnership with both private, charitable and public bodies to improve quality and scope of service and reduce costs, including models for sharing
  - Improving efficiency where possible but the scale of the financial constraint will almost certainly require reductions in services
  - Smarter procurement processes and ways of working
- 13.7 While the budget setting process is focused on the preparation of the budget for the following financial year, it is clear from government funding forecasts that the Council is facing a growing budget gap over the medium term period. In order to ensure the Council looks to the future and takes the necessary action to maintain financial sustainability, the annual budget process also focuses on the delivery of longer term projects to deliver efficiencies and increased income in future years.
- 13.8 Longer term projects are likely to require some upfront investment and so an annual allowance for corporate projects will be maintained in the base budget and a strategic

reserve maintained with contributions of the New Homes Bonus to ensure resources are available as and when required.

- 13.9 The Council's efficiency plan is annually updated with progress against the longer term projects to inform the budget setting process.

## 14 INCOME GENERATION

### Forecasting Income

- 14.1 The assumptions built into the MTFS regarding grants from central government are highlighted in section 10, this section covers the income from fees and charges.

### Policy on Fees and Charges

- 14.2 The Council is looking to maximise the potential from fees and charges. A significant proportion of our income is from fees and charges and a balance has to be struck between meeting our statutory responsibilities and our subsidies on providing discretionary services. The Council takes the view that raising charges to recover costs is more preferable to removing the service completely. Charges are set after taking into account local circumstances (including economic conditions) and the user's ability to pay. The Council's fees and charges will normally increase at least in line with inflation or, where appropriate, statutory defined fees and charges increases. Increased or reduced income due to volume changes or charge proposals above or below inflation are addressed through the budget setting process.
- 14.3 The full list of fees and charges is shown in Appendices E and H of this report for General Fund and HRA respectively.
- 14.4 It is recognised that in developing a strategy for specific charges it is important to consider a number of factors on an options appraisal basis i.e. considering affordability, comparability and the implications of changing charges on forecasted income levels.
- 14.5 Concessionary charges should be as appropriate to the circumstances of the customer while encouraging increased participation for less advantaged groups. This should not lead to unjustifiable preferential treatment.
- 14.6 The Council's longer term policy has three fundamental principles:
- Services should raise income wherever there is a power or duty to do so
  - The income raised should cover the full costs of providing the service including all overheads
  - Any departures from this policy must be justified in a transparent manner with reference to the Council's priorities and policies
- 14.7 When the Council does not raise income in areas where it has the power to do so, it foregoes the opportunity to raise money to improve services and leaves less money available for spending on high priority services. Members must be supplied with information to allow them to make decisions in a structured and explicit manner. A decision to forego income or to subsidise a service is a policy decision about resources as significant as any decision made in the budget setting process.

### Developing the New Trading and Charging Powers

- 14.8 The Council has developed a number of partnership arrangements for delivery of services, and would not view extension of its own provision of services as a high priority. However, there are a number of possibilities that could be considered as local government provides more examples of models of this form of service provision.

### Income and Debt Management

- 14.9 The Council has a good history of debt collection. The Council continues to build on this to maximise income received and minimise income written off. Monitoring information which is produced monthly has been enhanced to provide information on evaluating the effectiveness of debt recovery actions, associated costs and the cost of not recovering debt promptly.

## 15 USE OF RESERVES

- 15.1 The Council will retain its approved minimum general fund reserve of at least 5% of turnover (excluding taxation and non-specific grants). This equates to £2.7m. This is based on previous guidance from the Audit Commission, along with the Councils own risk assessments, including risk of contractor failure, higher levels of inflation, and variance on anticipated income.
- 15.2 Risks to the Council's financial position could derive potentially from budget overspend, loss of income, contractual/legislative failure or challenge and emergency events. Historically, the Council has a very good record of outturn financial position being within budget. However, local government finance reform is continuing to transfer greater risk and opportunity to Local Authorities with regard to the retention of business rates. This key source of income is uncertain (unlike the previous regime when grant funding was certain for the year) and so holding additional provision in reserves is prudent.
- 15.3 In setting budgets and projections for individual years, it is important that the use of reserves is not increasing and creating an unsustainable future problem. To achieve this it is important to note the requirement to meet the budget gap savings identified in Annex A.
- 15.4 A summary of the General Fund reserves is shown in the table below and is based on a budget projection that includes aspects such as inflation, pension fund contributions and a number of priority and statutory growth pressures offset by savings identified. The overall aim is ensure that reserves do not fall below 5% of turnover (£2.7m) and the current projections keep well within this target. A copy of the policy for reserves and balances can be found in Annex B.

<b>General Fund Revenue Reserves Summary</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
<b>Balance b/f</b>				
General Fund Reserves	8,796	8,695	8,600	8,600
Earmarked Reserves	3,338	3,701	3,404	3,513
Collection Fund Earmarked Reserve	2,720	2,720	0	0
<b>Total</b>	<b>14,854</b>	<b>15,116</b>	<b>12,004</b>	<b>12,113</b>
<b>Projected Movement</b>				
General Fund Reserves	(101)	(95)	0	0
Earmarked Reserves	363	(297)	109	503
Collection Fund Earmarked Reserve	0	(2,720)	0	0
<b>Total</b>	<b>262</b>	<b>(3,112)</b>	<b>109</b>	<b>503</b>
<b>Balance c/f</b>				
General Fund Reserves	8,695	8,600	8,600	8,600
Earmarked Reserves	3,701	3,404	3,513	4,016
Collection Fund Earmarked Reserve	2,720	0	0	0
<b>Total</b>	<b>15,116</b>	<b>12,004</b>	<b>12,113</b>	<b>12,616</b>

## 16 CAPITAL

### Capital spend and funding

16.1 The Council's Capital Strategy sets out how the Council will manage its capital investments in the future. It is agreed on an annual basis and serves the following purposes:

- It sets out how capital contributes to the achievement of the Council's corporate objectives
- It establishes the criteria for the allocation of capital resources
- It provides a framework for the administration of capital projects and monitoring of outcomes

16.2 The Council's capital programme has in general always been funded by the use of capital receipts, contributions, Major Repairs Reserve or from capital grants. However, levels of capital receipts have fallen over time as the number of assets identified for the disposal list has reduced. This has meant it has been necessary to internally borrow cash balances and, in some cases, externally borrow to fund some of the schemes within the approved capital programme.

16.3 The current five-year capital programme is underpinned by capital receipts generated through the sale of homes through the 'Right to Buy' programme as well as further internal borrowing.

16.4 The extent of the capital programme will be influenced by the ongoing affordability of the level of internal and external borrowing needed to fund the programme. A Minimum

Revenue Provision (MRP) is charged to the General Fund to repay the borrowing over the life of the asset. New capital schemes for the programme will, therefore, be prioritised if there is a financial business case which can demonstrate a revenue return on the investment to the General Fund and/or the Housing Revenue Account.

- 16.5 The Council is able to use receipts from sales of General Fund assets and limited income from council house sales to fund any type of capital expenditure. In addition, there are ring-fenced funds for capital spend and repayment of borrowing on housing from the Major Repairs Allowance (MRA).
- 16.6 The current programme for 2019/20 to 2023/24 has been set out in detail and is deemed to be affordable.

### Revenue implications of capital programme

- 16.7 The key driver for the Council's approach to capital expenditure is revenue affordability.
- 16.8 Most capital projects have financial implications on the annual revenue budget. The revenue implications can take a variety of forms and they include:
- Capital financing costs
  - Loss of investment income
  - Annual non-capital financing costs, e.g.
    - Salaries
    - Rent
    - Rates
    - Energy costs
    - Ongoing maintenance costs
    - Income generated from the scheme or project
- 16.9 The revenue implication of the capital programme has been built into the General Fund forecasts in the MTFS.

## 17 HOUSING REVENUE ACCOUNT (HRA) BUDGET

- 17.1 The HRA is a ring-fenced account relating to the Council's landlord function. The self-financing system introduced in 2012 for the HRA removed the uncertainty caused by the old annual subsidy announcements and has allowed for better, longer term financial planning. Although the government introduced a four-year programme of 1% reductions for social housing in April 2016, this will end in 2019/20. From 2020/21, it is assumed that the previous CPI+1% formula will be restored.
- 17.2 The core constituents of the HRA are rent income, both capital and revenue maintenance of the housing stock, management costs and debt repayments. As the HRA has been carrying a fairly high balance, the Council has been making revenue contributions to capital expenditure as well. Most recently this has been used for the provision of new properties, supplementing retained 'Right to Buy' receipts. As a ring-fenced account, any residual balance at the end of each financial year is accumulated and carried forward for use in future years.
- 17.3 A large proportion of the expenditure on the HRA relates to services provided through long-term partnering contracts, linked to maintaining the Decent Homes Standard and sound asset management. These contracts are aimed at improving value for money and generating ongoing efficiency savings. This is particularly true of the 15-year maintenance contract, with Mears, which commenced in October 2007. The Council have also let a

long-term gas maintenance contract that is expected to deliver an improved and more efficient service. While these two contracts form the bulk of maintenance spending, further procurement work has continued on some of the smaller electrical and specialist maintenance areas with the expectation of greater value for money and efficiency gains.

- 17.4 The process for setting financial targets for HRA services is the same as for General Fund services in terms of links to the Business Plan, Corporate Objectives and service planning and setting the approved budget.
- 17.5 In previous years the Council has taken the position of a managed reduction of the balances held in the HRA, with the intention of leaving a reasonable reserve in the accounts of £5m. In 2018/19, this was amended to 5% of income to minimise borrowing costs and maintain reserves directly linked to the size of the Service and this methodology will carry through to 2019/20. The revenue contribution to capital outlay in 2018/19 will be adjusted at year end to reduce the HRA balance to around 5% of rental turnover.
- 17.6 The HRA will roughly remain at a breakeven position over the rest of the projected period due to the inclusion of further borrowing to support capital spending.
- 17.7 'Right to Buy' sales continue to reduce stock numbers, but this is being mitigated by the Affordable Housing Programme. In the long-term, continued reduction in stock numbers would damage the economies of scale within the HRA and this is considered as part of the HRA business planning process.
- 17.8 Welfare reform continues to be a large threat to the sustainability of the HRA. Many of the changes are either yet to be finalised, fully implemented or have had the time to take full effect. Although financial performance has remained strong and rent collection levels have been high, this is countered by further reductions to the benefit cap, wider roll-out of Universal Credit payments direct to customers and the cumulative impact of previous reforms.
- 17.9 A significant review of aged debt has been conducted in 2018/19 along with the balances held for the provision for bad debt. In future years the charge to the HRA has reduced as a result of this review and accommodating appropriate assumptions.
- 17.10 The HRA projection is set with regard to the Council's overall Housing Business Plan. The following table shows the HRA position to 2021/22 and includes remaining rent reductions until 2020/21.

	2018/19 Forecast Outturn at Period 6	2019/20 Proposed Budget	2020/21 Forecast Budget	2021/22 Forecast Budget
	£'000	£'000	£'000	£'000
Rental Income	48,589	49,082	49,917	51,695
Void Losses	(343)	(439)	(399)	(414)
Service Charges	2,628	2,556	2,612	2,667
Non-Dwelling Income	513	541	552	564
Grants & Other Income	259	260	262	264
<b>Total Income</b>	<b>51,647</b>	<b>52,000</b>	<b>52,944</b>	<b>54,776</b>
General Management	(7,602)	(8,123)	(8,301)	(8,476)
Special Management	(3,640)	(3,703)	(3,785)	(3,864)
Other Management	(1,694)	(1,763)	(1,802)	(1,840)
Rent Rebates	0	0	0	0
Bad Debt Provision	(725)	(500)	(507)	(525)
Responsive & Cyclical Repairs	(9,068)	(9,474)	(9,761)	(10,047)
<b>Total Revenue Expenditure</b>	<b>(22,730)</b>	<b>(23,563)</b>	<b>(24,156)</b>	<b>(24,752)</b>
Interest Paid	(6,443)	(6,492)	(7,024)	(7,309)
Finance Administration	0	0	0	0
Interest Received	138	94	95	94
Depreciation	(14,273)	(14,777)	(15,102)	(15,419)
<b>Net Operating Income</b>	<b>8,339</b>	<b>7,262</b>	<b>6,757</b>	<b>7,390</b>
Revenue Contribution to Capital	(12,448)	(7,068)	(7,039)	(7,112)
<b>Net surplus/(deficit)</b>	<b>(4,109)</b>	<b>194</b>	<b>(282)</b>	<b>278</b>
Opening HRA Balance	6,580	2,471	2,665	2,380
<b>Closing HRA Balance</b>	<b>2,471</b>	<b>2,665</b>	<b>2,380</b>	<b>2,658</b>

17.11 The Major Repairs Allowance (MRA) will continue to be a primary source of capital funding for the housing stock. The current asset management plan has been funded within this Allowance. The statutory changes to depreciation, have resulted in a higher contribution to the Major Repairs Reserve and a balance over and above that needed for the capital programme. As such, the remaining balance will be used towards loan repayments.

17.12 Overall, the HRA and its supporting capital programme are projected to be in a sustainable position over the next five years, but this is only possible by re-financing the current debt on the HRA for the continuation of the Affordable Housing Programme. There are also still significant risks in the medium-term, particularly to income streams, from the changes to the welfare system and the potential of large payments to the government to support the extension of the 'Right to Buy' programme.

## 18 TREASURY MANAGEMENT LINKS WITH FINANCIAL STRATEGY

18.1 The Council has produced new Capital and Investment Strategies stating the specific policies and arrangements for non-treasury investments. It sets out the Council's risk appetite and it recognises that the risk appetite for these activities may differ from that for treasury management.

- 18.2 The Prudential Code requires authorities to look at capital expenditure and investment plans in the light of overall organisational strategy and resources and ensure that decisions are being made with sufficient regard to the long run financing implications and potential risks to the Council. Effective financial planning, option appraisal and governance processes are essential in achieving a prudential approach to capital expenditure, investment and debt.
- 18.3 The Council will continue to invest in accordance with the Treasury Management Strategy and will plan any consideration of borrowing closely by reference to the financial strategy, Capital Strategy and Investment Strategy.
- 18.4 Investment income and borrowing cost is a significant part of the budgets of the council and movements in interest rates can result in significant changes. This is considered in more detail in the Treasury Management Strategy which is submitted for Cabinet Approval.

## 19 WORKING WITH PARTNERS

- 19.1 The Council works with partners and other key stakeholders to deliver services within Welwyn Hatfield.
- 19.2 Some of the significant financial arrangements are with:

### Serco

The Council has a £5.9m per annum contract for provision of street scene activities, grounds maintenance and refuse collection. The contract expires on 31 March 2020.

### Mears

This is a 15 year contract for provision of housing maintenance for council dwellings, to the value of £14m per annum. The contract expires on 30 September 2022.

### Sopra Steria

The Council has a 12 year contract for the delivery of Council Tax, Housing Benefits, ICT and Customer Services to the value of £3.4m per annum. This contract expires on 31 December 2022.

### 19.3 Local Strategic Partnership

A well organised Local Strategic Partnership exists to promote strong partnership working in areas where we are not the lead organisation.

### 19.4 Shared Services

Some shared arrangements exist for providing services within the organisation. The Council is a partner of the Hertfordshire Shared Internal Audit Service and in 2016 became one of 7 Authorities to start a joint Building Control service across Hertfordshire. The Council also shares a Procurement Officer with other Hertfordshire districts and works with North Hertfordshire District Council in the provision of the Local Land and Property Gazetteer service.

## 20 EQUALITY IMPACT ASSESSMENTS (EIA)

- 20.1 The Council is committed to ensuring equality and diversity issues are given proper consideration. Equality Impact Assessments are an important part of our decision-making and enable us to assess the impact of our decisions on residents, stakeholders and customers. Where the impact is 'high', mitigation plans can be developed to reduce the

impact of decisions. These are completed in accordance with national guidance and best practice.

20.2 In developing individual budget proposals officers are requested to undertake an Equality Impact Assessment.

## 21 CONCLUSION

21.1 The MTFS should be considered in the context of the following issues:

- The unprecedented level of uncertainties in local government funding beyond 2019/20
- The Council's robust financial management as shown by the healthy General Fund balances, robust financial controls and excellent track record in achieving efficiency savings
- That challenging decisions will still need to be made to safeguard frontline services and maintain a balanced budget

21.2 The next three years will see the Council use some cash balances for internal borrowing for the General Fund capital programme. Key schemes included in the capital programme have been designed to improve the position of the General Fund over the medium term, which currently has an anticipated of £1.8m gap to be closed by 2021/22. As anticipated, the HRA will be undertaking further borrowing to support the Affordable Housing Programme.

List of Appendices

Annex A sets out medium term projections for the General Fund

Annex B shows the Policy on reserves and balances

**Annex A - Medium term financial strategy 2019/20 - 2020/21****MTFS Forecast Savings Requirement Based on 2019/20 Budget**

	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Net cost of services</b>	14,630	14,000	13,819
Remove one off budgets	(540)	(234)	(167)
<b>Base budget</b>	<b>14,090</b>	<b>13,766</b>	<b>13,652</b>
Pay Inflation	533	256	261
Contractual Inflation	224	372	420
One off growth items	234	167	23
Ongoing growth	486	22	26
Savings	(1,567)	(764)	(192)
<b>Net Cost of Services</b>	<b>14,000</b>	<b>13,819</b>	<b>14,190</b>
Interest payable and MRP and RCCO	1,138	1,337	1,337
<b>Budget before transfers to/from reserves</b>	<b>15,138</b>	<b>15,155</b>	<b>15,527</b>
Transfer (from)/ to Earmarked Reserve in relation to Collection Fund surplus/deficit	(2,720)	0	0
Other transfers (from)/ to Earmarked Reserves	(297)	109	346
<b>Corporate income (Retained Business Rates + RSG + New Homes Bonus)</b>	<b>(3,155)</b>	<b>(4,601)</b>	<b>(4,643)</b>
<b>Council Tax Income</b>	<b>(8,871)</b>	<b>(9,121)</b>	<b>(9,378)</b>
<b>Cumulative Budget Gap [(Surplus) / Deficit]</b>	<b>95</b>	<b>1,542</b>	<b>1,851</b>

## Annex B – Policy on Reserves and Balances

### Purpose

A Policy for Reserve and Balances represents good financial management and should be reviewed annually.

CIPFA guidelines were reissued in November 2008 under LAAP Bulletin No. 77. The main issues covered in the guidelines are set out below together with Welwyn Hatfield's approach.

### Application

The general principles set out in this Reserves and Balances Policy apply to the General Fund and to the Housing Revenue Account for Welwyn Hatfield Borough Council. It applies to reserves only and not provisions.

### The Existing Legislative/Regulatory Framework

The requirement for financial reserves is acknowledged in statute. Sections 32 and 43 of the Local Government Finance Act 1992 require billing and precepting authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

The Local Government Finance Act 1992 and Local Government Act 2003 set out that a range of safeguards to mitigate against local authorities over-committing themselves financially. These include:

- The balanced budget requirement
- Chief Finance Officers' duty to report robustness of estimates and adequacy of reserves when considering the budget requirement
- Requirement for local authority to make arrangements for proper administration of their financial affairs and that the Chief Finance Officer is that responsible person (Section 151 duties)
- The requirements of the Prudential Code
- The auditor will consider whether audited bodies have established adequate arrangements to ensure that their financial position is soundly based

Generally, the balanced budget requirement is sufficient discipline for the majority of local authorities. This requirement is reinforced by section 114 of the Local Government Finance Act 1988 which requires the Chief Finance Officer in England and Wales to report to all the authority's councillors if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the authority will not have the resources to meet its expenditure in a particular financial year. The issue of a section 114 notice by the Chief Finance officer cannot be taken lightly and has serious operational implications.

The Prudential Code requires chief finance officers to have full regard to affordability when making recommendations about future capital programmes.

Guidance on specific levels of reserves and balances is not given in statute, by CIPFA or the Auditors. There is no statutory minimum level of reserves. It is up to local

authorities themselves to set their own level of reserves and balances on the advice of the Chief Finance Officer.

### The Role of the Section 151 Officer

Within the existing statutory and regulatory framework, it is the responsibility of the Section 151 Officer to advise the Council about the level of reserves that it should hold and to ensure that there are clear protocols for their establishment and use. For the Council, the Section 151 Officer is the Corporate Director (Resources, Environment and Cultural Services).

The Council then, acting on the advice of the Section 151 Officer must make its own judgements on the level of reserves and balances taking into account all the relevant local circumstances. These include the operational and financial risks, and the arrangements in place to manage them, including adequate and effective systems of internal control. The duties of the Chief Finance Officer in relation to the level of reserves are covered by the legislative framework described in 3 above. Under the Local Government Act 2003, the Chief Finance Officer must report to the Council on the adequacy of reserves(section 27) and reserve transactions must be taken account of within the required budget monitoring arrangements (section 28).

### Types of Reserves

Reserves can be held for three main purposes:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves
- A contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves
- A means of building up funds, often referred to as earmarked reserves, to meet known or predicted liabilities

The Council also holds other reserves that arise out of the interaction of legislation and proper accounting practice. These reserves are not resource backed and cannot be used for other purposes:

- Pensions Reserve (required under IAS19).This is a specific accounting mechanism used to recognise the Council's share of pension fund liabilities in its balance sheet. As this is a reserve which arises from an accounting standard it is not available to finance Council expenditure.
- Revaluation Reserve – this records unrealised gains in the value of fixed assets
- Capital Adjustment Account – this is a specific accounting mechanism used to reconcile different rates at which assets are depreciated under proper accounting practice and financed through the capital controls system

For each earmarked reserve held by the Council there should be a clear protocol setting out:

- The reason for/purpose of the reserve
- How and when the reserve can be used
- Procedures for the reserve's management and control
- A process and timescale for review of the reserve to ensure continuing relevance and adequacy

The Reserves and Balances Policy ensures that when establishing reserves, the Council complies with the Code of Practice on Local Authority Accounting in the United Kingdom (“the Code”) and in particular the need to distinguish between reserves and provisions.

### Policy and Principles to Assess the Adequacy of Reserves

The principles used by the Chief Finance Officer to assess the adequacy of unallocated general reserves when setting the budget, ensure that account is taken of the strategic, operational and financial risks facing the authority.

Setting the level of reserves is just one of several related decisions in the formulation of the medium term financial strategy and the budget for a particular year. This is carried out as part of the four year Service and Resource Planning Process. Account is taken of the key financial assumptions underpinning the budget alongside a consideration of the authority’s financial management arrangements. In addition to the cash flow requirements of the authority the following factors are considered:

- The treatment of inflation and interest rates
- Estimates of the level and timing of capital receipts
- The treatment of demand led pressures
- The treatment of planned efficiency savings/productivity gains
- The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments
- The availability of other funds to deal with major contingencies and the adequacy of provisions
- The economic situation, unforeseen events etc.
- The risks identified by the authority as part of its risk management arrangements

The Council holds two types of reserves:

- General non-earmarked reserves (the Council’s General Fund Balances)
- Earmarked reserves held for specific purposes

It is the current policy of the Council for the General Fund non-earmarked reserves (the General Fund Balances) to be held at a level of, at least, £1.6m. This is reviewed at least annually, during the setting of the budget. Factors which are taken into account during the review include; the level of balances as a percentage of the net revenue requirement, budget management and monitoring procedures, risk levels and financial projections for future years. The HRA balance is also reviewed annually.

One earmarked reserve is referred to as our strategic reserve. The strategic approach has been to draw down on this reserve to meet fixed-term items of spending in the budget.

Reserves can be created or increased to ensure that the Service and Resource Planning Process takes account of any need to increase due to factors which may arise and to fully account for these factors.

In addition, the regular budget monitoring process carried out by the Council throughout the year will report on any changes in the level of balances or reserves.

The Reserves and Balances Policy is set in the context of the authority's Medium Term Financial Strategy and does not focus exclusively on short-term considerations. Balancing the annual budget by drawing on general reserves may be viewed as a legitimate short-term option. However, where reserves are to be deployed to finance recurrent expenditure this will be made explicit. Advice will be given by the Chief Finance Officer on the adequacy of reserves over the lifetime of the medium term financial projections. This is addressed in the Medium Term Financial Strategy.

### Reporting Framework

The Chief Finance Officer has a fiduciary duty to local taxpayers, and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds. Compliance with this Reserves and Balances Policy assists in allowing the Chief Finance Officer to be satisfied that there is proper stewardship of public funds. The level and utilisation of reserves is determined formally by the Council at its meetings to approve the annual budget and the final accounts. These decisions are informed by the advice and judgement of the Chief Finance Officer.

The Reporting Policy for Welwyn Hatfield Council is:

- The Medium Term Financial Strategy report to the Council includes a statement showing the proposed use of, or contribution to, general and earmarked reserves for the year ahead. Reference should be made as to the extent to which such reserves are to be used to finance recurrent expenditure.
- The budget report itself includes a statement from the Chief Finance Officer on the adequacy of reserves in respect of the forthcoming financial year and the council's medium term financial strategy.
- The Councils' annual statement of accounts includes a schedule of all reserves in the balance sheet, showing opening balance, net movement in year and year-end balance. Notes to individual reserves are given in the accounts and significant reserve movements are explained in the Chief Finance Officer's foreword to the accounts and the covering report to Council which accompanies the presentation of the accounts.
- The regular in-year Budget Monitoring reports to Cabinet include details of any transactions affecting the Council's reserves.

### Good Governance

It is important that local authority councillors take responsibility for ensuring the adequacy of reserves and provisions when they set the budget. This will be subject to the advice of the Chief Finance Officer and the arrangements for reviewing and reporting on the level of reserves and balances as set out above.

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Welwyn Hatfield Borough Council

Treasury Management Strategy and  
Minimum Revenue Provision Policy



**WELWYN  
HATFIELD**

## 1 Introduction

- 1.1 Treasury Management is the management of the Council's cash flows, borrowing and investments and associated risks. This activity involves substantial sums of money and therefore involves exposure to financial risks such as loss of invested funds and impact on revenue due to changing interest rates. The successful identification, monitoring and control of these risks are therefore central to prudent financial management.
- 1.2 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code), which requires the approval of a treasury management strategy before the start of each year. This report also fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

## 2 Balance sheet summary and forecast

- 2.1 To take a view on likely treasury activity in 2019/20 it is necessary to look at the Council's balance sheet to estimate the level of funds available for investment purposes and any borrowing requirements, as shown in the table below:-

Table 1: Balance Sheet summary and Forecast

	31.3.18 Actual £'000	31.3.19 Estimate £'000	31.3.20 Forecast £'000	31.3.21 Forecast £'000	31.3.22 Forecast £'000
General Fund CFR	21,188	37,416	47,881	46,791	46,151
HRA CFR	242,248	246,631	241,987	250,297	245,961
<b>Total CFR</b>	<b>263,436</b>	<b>284,047</b>	<b>289,869</b>	<b>297,089</b>	<b>291,822</b>
Less: Other debt liabilities	(2,333)	(2,174)	(2,159)	(2,144)	(2,129)
<b>Loans CFR</b>	<b>261,103</b>	<b>281,873</b>	<b>287,710</b>	<b>294,945</b>	<b>289,693</b>
Less: Existing borrowing	(236,599)	(219,499)	(200,699)	(180,699)	(159,299)
<b>Under/(Over) borrowing</b>	<b>24,504</b>	<b>62,374</b>	<b>87,011</b>	<b>114,246</b>	<b>130,394</b>
Less: Usable reserves	(51,450)	(37,790)	(28,686)	(21,629)	(20,636)
Less: Working capital	(8,187)	(8,200)	(8,200)	(8,200)	(8,200)
New HRA Borrowing (Cumulative)		(27,132)	(41,288)	(69,598)	(86,372)
New GF Borrowing Requirement (Cumulative)			(18,837)	(24,819)	(25,186)
<b>Investments</b>	<b>35,133</b>	<b>10,748</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>

### 3 **Borrowing strategy**

- 3.1 **Objectives:** The Council's primary objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long term plans change is a secondary objective.
- 3.2 **Strategy:** The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). It represents the amount of debt the Council needs to/has taken to fund the capital programme after repayments and Minimum Revenue Provision (MRP) are taken into account.
- 3.3 Whether external borrowing is taken out depends on the level of cash balances held by the Council. The finance team manage and monitor the Council's cash position to ensure sufficient funds are available to meet all requirements, taking advice from our treasury advisors Arlingclose Ltd in relation to timing and structure of borrowing.
- 3.4 This may be through utilising cash balances held by the Council (internal borrowing) in the short or medium term. When required and prudent, the Council will borrow externally from external bodies (such as the Government through Public Works Loan Board (PWLb) or the money markets).
- 3.5 At 1 April 2019 the Council will hold around £247m of long term HRA loans. The debt portfolio was originally structured to mirror projected cash surpluses arising from the HRA business plan on the introduction of self-financing, with all loans being repaid by 2028. The impact of changes in government policy, particularly the four year rent reduction policy, means that the Council will need to refinance part of its existing borrowing in future years. This refinancing is fully incorporated into the Council's 30 Year HRA Business Plan.
- 3.6 Within this Business Plan there is an additional borrowing requirement of £14.2m in 2019/20, to support the Affordable Housing Programme. The programme is continuing to see receipts from right to buy sales, however, the number of sales has started to reduce over the last year, and the programme has reduced in line with the projected income.
- 3.7 In addition to this, the Governments rent reduction policy has impacted on the Council's ability to repay loans as quickly as it intended. This means that in the medium term of the 30 Year HRA Business Plan, additional borrowing will be needed to extend the duration of the repayment period.
- 3.8 The General Fund borrowing requirement of £18.8m relates to the acquisition of properties in recent years to support economic development and regeneration of the town centres in the Borough.
- 3.9 The Council may also borrow in advance of need to take advantage of low interest rates, if deemed to be in the financial interests of the Council. Any borrowing in advance of need will not exceed the capital financing requirement for current plus 2 years.

- 3.10 Borrowing for short periods of time to cover unexpected cash flow shortages may also be undertaken.
- 3.11 **Sources of borrowing:** Approved sources of long-term and short-term borrowing will be:
- Public Works Loan Board and any successor body
  - any institution approved for investments
  - any other bank or building society authorised to operate in the UK
  - any other UK public sector body
  - UK public and private sector pension funds (except Hertfordshire Pension Fund)
  - capital market bond investors
  - special purpose companies created to enable local Council bond issues
- 3.12 **Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:
- leasing
  - hire purchase
  - Private Finance Initiative
  - sale and leaseback
- 3.13 The Council has previously raised all of its long-term borrowing from the PWLB but will consider other sources of finance, such as local Council loans and bank loans that may be available at more favourable rates.
- 3.14 **Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

#### **4 Investment Strategy**

- 4.1 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held and it is expected that investment balances are likely to range between £10m and £60m in the 2019/20 financial year.
- 4.2 **Objective:** Both the CIPFA Code and the MHCLG guidance require that funds be invested prudently and regard be given to the security and liquidity of investments before seeking the highest rate of return, or yield. The Council's objective when investing is therefore to strike a balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 4.3 **Negative interest rates:** If the UK enters into a recession in 2019/20 there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the

contractually agreed amount at maturity, even though this may be less than the amount originally invested.

- 4.4 **Strategy:** Although investments balances are forecast to reduce in 2019/20, given the increased risk and low returns from short-term unsecured bank investments, it is the intention to continue to look for opportunities to diversify into more secure and/or higher yielding asset classes and to identify core cash that can be invested for longer periods to improve yield.
- 4.5 **Business models:** Under the new IFRS 9 standard, the accounting for certain investments depends on the Council's 'business model' for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.
- 4.6 **Approved investment counterparties:** The Council may invest its surplus funds with any of the counterparties in the following table, subject to the cash limits (per counterparty) and time limits shown. The table must be read in conjunction with the notes below.

Credit Rating	Banks Unsecured	Banks Secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£3m 5 years	£4m 20 years	£4m 50 years	£3m 20 years	£3m 20 years
AA+	£3m 5 years	£4m 10 years	£4m 25 years	£3m 10 years	£3m 10 years
AA	£3m 4 years	£4m 5 years	£4m 15 years	£3m 5 years	£3m 10 years
AA-	£3m 3 years	£4m 4 years	£4m 10 years	£3m 4 years	£3m 10 years
A+	£3m 2 years	£4m 3 years	£4m 5 years	£3m 3 years	£3m 5 years
A	£3m 13 months	£4m 2 years	£4m 5 years	£3m 2 years	£3m 5 years
A-	£3m 6 months	£4m 13 months	£3m 5 years	£3m 13 months	£3m 5 years
None	£1m 6 months	n/a	£3m 25 years	n/a	£3m 5 years
Pooled funds	£4m per fund				

- 4.7 **Credit Ratings:** Investment limits are set by reference to the lowest published long term credit rating from a selection of rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. Investment decisions, however, are never made solely based on credit ratings and all other relevant factors, including external advice, will be taken into account.
- 4.8 **Banks Unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

- 4.9 **Banks Secured:** Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks or building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.
- 4.10 **Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in and there is generally a lower risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.
- 4.11 **Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in but are exposed to the risk of the company going insolvent.
- 4.12 **Registered Providers:** Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as Housing Associations. These bodies are tightly regulated by the Regulator of Social Housing and, as providers of public services, they retain the likelihood of receiving government support if needed.
- 4.13 **Pooled Funds:** Shares or units in diversified investment vehicles consisting of any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short term Money Market Funds that offer same-day liquidity and very low or no volatility will be used alongside instant bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.
- 4.14 Bond, equity and property funds offer enhanced returns over the longer term but are more volatile in the short term. These allow diversification into asset classes other than cash without the need to own and manage the underlying investments. As these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.
- 4.15 **HSBC Group:** As an exception to the criteria in the table above, the maximum limit for unsecured deposits in HSBC banking group is increased to £4m, subject to the bank's lowest long term credit rating remaining at A+ or above. This is to allow balances up to £1m to be invested in an interest bearing call account when it is not cost effective to place the funds elsewhere. Overnight balances in the Council's operating bank accounts at HSBC will not count towards their investment limit, on the basis that they cannot always be controlled and unexpected payments are often received.
- 4.16 **Investment Limits:** The maximum that will be lent to any one organisation (other than the UK government) will be £4m in order that no sum in excess of

available reserves is put at risk in the case of a single default. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on investments in brokers' nominee accounts and industry sectors as below.

4.17 The Council's treasury advisors, Arlingclose Ltd, generally recommend a secured bank deposit limit of 30% of general fund reserves and unsecured limit of 15%, to ensure resilience in the event of a default. On the basis GF reserves before borrowing are anticipated to be £15m as at 31 March 2019, this would mean limits of £4.5m and £2.25m respectively. Due to the short dated nature of the majority of the Council's investments, and reserves being able to absorb more than one default, it is believed that the limits in the above table are currently acceptable. The situation will, however, be kept under continuous review.

	<b>Cash limit</b>
Any single organisation, except the UK Central Government	£4m each
UK Central Government	Unlimited
Any group of organisations under the same ownership	£4m per group
Any group of pooled funds under the same management	£4m per manager
Negotiable instruments held in a broker's nominee account	£10m per broker
Registered providers and registered social landlords	£6m in total
Money market funds	£28m in total

- 4.18 **Risk assessment and use of credit ratings:** Credit ratings are obtained and monitored by the Council's treasury advisors, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
  - any existing investments that can be recalled or sold at no cost will be, and
  - full consideration will be given to recall or sale of all other existing investments with the affected counterparty.
- 4.19 Where a credit rating agency announces that a rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it is likely to fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made in that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long term direction of travel rather than an imminent change of rating.
- 4.20 **Other information on the security of investments:** The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management advisor. No investments will be made with an

organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

- 4.21 When deteriorating financial market conditions affect the creditworthiness of all organisations, as in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of “high credit quality” are available to invest the Council’s cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.
- 4.22 **Other Treasury Management Issues:** Money Market Fund Regulatory Change - The Money Market Fund sector is now in the last stages of introducing new regulations, expected to be finalised in early 2019. These will see existing non-government Constant Net Asset Value (CNAV) funds convert to Low Volatility Net Asset Value (LVNAV) pricing. Government-type funds will remain as “CNAV” funds under the new regulations. This change is not expected to impact on the existing treasury Management strategy.
- 4.23 **Liquidity management:** The Council uses cash flow analysis to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long term investments are set with reference to the Council’s medium term financial strategy and cash flow forecast.
- 4.24 **Interest Rate Risk:** The Council manages its exposure to fluctuations in interest rates with a view to containing interest costs and/or securing interest revenues, to meet budget expectations.
- 4.25 This is achieved through the prudent use of approved instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, whilst retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. Advice is taken from advisors Arlingclose Ltd in this respect.

## **5 Treasury Management Indicators**

- 5.1 The Council measures and manages its exposures to treasury management risks using the following indicators:
- 5.2 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 will be:

Refinancing rate risk indicator	Upper Limit	Lower Limit
Under 12 months	20%	0%
12 months and within 24 months	30%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	80%	0%
10 years and within 20 years	100%	0%
20 years and above	100%	0%

Time periods 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.

### 5.3 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 on the total principal sum invested to final maturities beyond the period end will be:

	2019/20 £'000	2020/21 £'000	2021/22 £'000
Limit on principal invested beyond year end	10,000	5,000	5,000

### 5.4 Borrowing Limits

The Council is being asked to approve these Prudential Indicators as part of its requirement to set limits on borrowing activity.

Authorised Limit	2019/20 £000	2020/21 £000	2021/22 £000
General Fund Borrowing	27,000	33,000	33,000
Other Long Term Liabilities	2,159	2,144	2,129
Housing Revenue Account Borrowing	304,799	304,799	304,799
<b>Total</b>	<b>333,958</b>	<b>339,943</b>	<b>339,928</b>

The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

<b>Operational Boundary</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
General Fund Borrowing	18,837	24,819	25,186
Other Long Term Liabilities	2,159	2,144	2,129
Housing Revenue Account Borrowing	241,987	250,297	245,961
<b>Total</b>	<b>262,983</b>	<b>277,260</b>	<b>273,276</b>

The operational boundary is based on the Council's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise of a finance lease and forms part of the Council's debt.

## **6 Policy on Use of Financial Derivatives**

- 6.1 The CIPFA Code does require authorities to clearly detail their policy on the use of derivatives in the annual strategy. The council does not plan to use derivatives currently.
- 6.2 If required, the Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 6.3 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

## **7 Markets in Financial Instruments Directive**

- 7.1 The Council has opted up to professional client status with its providers of financial services, including advisors, banks, brokers and fund managers, allowing access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities the Corporate Director (Resources, Environment and Cultural Services) believes this to be the most appropriate status.

## **8 Policy on apportioning interest to the Housing Revenue Account**

- 8.1 On 1 April 2012, the Council assigned the entire long term loans portfolio to the HRA pool and in the future, new long-term loans borrowed will also be assigned in their entirety to either the General Fund or the HRA pool. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/credited to the respective revenue account.
- 8.2 Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each month and interest transferred between the General Fund and HRA at the Council's average rate on investments, adjusted by credit risk.

## **9 Policy on the Council's Minimum Revenue Position**

- 9.1 Where the Council finances General Fund capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Council to have regard to the Department for Communities and Local Government's Guidance on Minimum Revenue Provision (the Ministry for Housing, Communities and Local Government Guidance) most recently issued in 2018.
- 9.2 The broad aim of prudent provision is to require local authorities to put aside revenue over time to cover their capital financing requirement. In doing so, local authorities should align the period over which they charge MRP to one that is commensurate with the period over which their capital expenditure provides benefits.
- 9.3 The MHCLG Guidance requires the Council to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP.
- 9.4 The Council's policy for the calculation of MRP shall be the Asset Life Method (Option 3 of the guidance), the principal (capital) element reflects the true nature of the rent/ charge over the life of the assets.
- 9.5 All assets will have the MRP calculated on an equal instalment basis, where a charge is made equal to the element of the charge that goes to write down the balance sheet liability.
- 9.6 The Council's policy is to charge MRP from the financial year following completion of the capital scheme / purchase.
- 9.7 Based on these policies, the Council's estimated MRP for 2019/20 is £814k which is included in the budget as part of the Capital Financing Costs.

## 10 Economic update provided by Arlingclose Ltd (External Context)

10.1 The following section has been provided by the Council's treasury management advisors to provide some economic context to support the Council's Strategy.

Underlying assumptions:

- The Bank of England's Monetary Policy Committee (MPC) left Bank Rate unchanged at the September meeting, after voting unanimously to increase Bank Rate to 0.75% in August.
- Our projected outlook for the UK economy means we maintain the significant downside risks to our interest rate forecast. The UK economic environment is relatively soft, despite seemingly strong labour market data. GDP growth recovered somewhat in Q2 2018, but the annual growth rate of 1.2% remains well below the long term average. Our view is that the UK economy still faces a challenging outlook as the country exits the European Union and Eurozone economic growth softens.
- Cost pressures were projected to ease but have risen more recently and are forecast to remain above the Bank's 2% target through most of the forecast period. The rising price of oil and tight labour market means inflation may remain above target for longer than expected. This means that strong real income growth is unlikely in the near future.
- The MPC has a bias towards tighter monetary policy but is reluctant to push interest rate expectations too strongly. We believe that MPC members consider both that: 1) ultra-low interest rates result in other economic problems, and 2) higher Bank Rate will be a more effective policy weapon should downside Brexit risks crystallise.
- The global economy appears to be slowing, particularly the Eurozone and China, where the effects of the trade war has been keenly felt. Despite slower growth, the European Central Bank (ECB) is adopting a more strident tone in conditioning markets for the end of quantitative easing, the timing of the first rate hike (2019) and their path thereafter. Meanwhile, European political issues, mostly lately with Italy, continue.
- The US economy is expanding more rapidly. The Federal Reserve has tightened monetary policy by raising interest rates to the current 2%-2.25% range; further rate hikes are likely, which will start to slow economic growth. Central bank actions and geopolitical risks have and will continue to produce significant volatility in financial markets, including bond markets.

Forecast:

- The MPC has maintained expectations of a slow rise in interest rates over the forecast horizon. Our central case is for Bank Rate is to rise twice in 2019. The risks are weighted to the downside.
- Gilt yields have remained at low levels. We expect some upward movement from current levels based on our interest rate projections, the strength of the US economy and the ECB's forward guidance on higher rates. However, volatility arising from both economic and political events will continue to offer borrowing opportunities.

# Welwyn Hatfield Borough Council

## Investment Strategy 2019/20



**WELWYN  
HATFIELD**

## **1 Introduction**

- 1.1 In accordance with the Ministry for Housing, Communities and Local Government Investment Guidance 2018, the Council sets out in this document its Investment Strategy for 2019/20.
- 1.2 The Council invests its money for three broad purposes:
- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as treasury management investments) – section 2,
  - to support local public services by lending to or buying shares in other organisations (service investments) – section 3, and
  - to earn investment income (known as commercial investments where this is the main purpose) – section 4.
- 1.3 This investment strategy is a new report for 2019/20, meeting the requirements of statutory guidance issued by the government in January 2018, and focuses on the second and third of these categories.

## **2 Treasury Management Investments**

- 2.1 The Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £10m and £60m during the 2019/20 financial year.
- 2.2 Contribution: The contribution that these investments make to the objectives of the Council is to support effective treasury management activities.
- 2.3 Further details: Full details of the Council's policies and its plan for 2019/20 for treasury management investments are covered in a separate document, the treasury management strategy, available at appendix M to the Budget Report.

## **3 Service Investments: Loans**

- 3.1 Contribution: The Council has loan arrangements with local charities, local residents, its joint venture and its employees to support local public services and stimulate local economic growth.
- 3.2 The Council provided loans against properties relating to the rent to mortgage housing scheme which has since ceased. The Council has a car loan scheme to offer a competitive rate of borrowing for employees to assist with their car purchase. The Council also has two small loans to organisations that were established to support local services. The Council has no plans to make further loans, other than under the current car loan scheme policy.

- 3.3 **Security:** The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Council, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 1: Loans for service purposes

Category of borrower	31.3.2018 actual			31.03.2019	2019/20
	Balance owing £000	Loss allowance £000	Net figure in accounts £000	Forecast Balance £000	Approved Limit £000
Joint Venture	107		107	107	172
Local charities	162		162	146	162
Local residents	4,434		4,434	4,434	4,434
Employees	159	(13)	146	120	500
<b>TOTAL</b>	<b>4,862</b>	<b>(13)</b>	<b>4,849</b>	<b>4,807</b>	<b>5,268</b>

- 3.4 Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's statement of accounts from 2018/19 onwards will be shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.
- 3.5 The loans to residents under the rent to mortgage scheme are secured by a charge on the property for the debt to be repaid when the asset is sold. Other categories of borrowing are low value and not considered material risk.
- 3.6 **Risk assessment:** The Council has discretion to make loans for a number of reasons. These loans are treated as capital expenditure.
- 3.7 In making loans the Council is exposing itself to the risk that the borrower defaults on repayments. In making these loans, the Council therefore ensures they are prudent and fully considers the risk implications, with regard to both the individual loan and that the cumulative exposure of the Council is proportionate and prudent.
- 3.8 The Council will ensure that a full due diligence exercise is undertaken and adequate security is in place. The business case will balance the benefits and risks. All loans are approved in line with the constitution and approved policies. All loans will be subject to close, regular monitoring.
- 3.9 In addition to debt liabilities set out in the treasury management strategy, the Council is committed to making future payments to cover any pension deficit. The pension fund is subject to a triennial valuation and the revenue implications are built into the Medium Term Financial strategy.

#### **4 Commercial Investments: Property**

- 4.1 Contribution: The Council holds local commercial property with the intention of generating an income that will be spent on local public services.
- 4.2 Properties held by the Council for investment purposes as defined in International Accounting Standard 40: Investment Property including freehold on properties subject to ground rent and other land and buildings, totalling £5.276m as at 31 March 2018. These assets have been held by the council for a number of years.
- 4.3 Security: In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.
- 4.4 A fair value assessment of the Council's investment property portfolio has been made by the Council's valuer as at 31<sup>st</sup> March 2018, and the underlying assets provide security for capital investment. These assets are valued every year to monitor the risk.
- 4.5 **Risk assessment:** The Council assesses the risk of loss before entering into and whilst holding property investments by ensuring they are prudent and has fully considered the risk implications, with regard to both the individual property and that the cumulative exposure of the council is proportionate and prudent.
- 4.6 The Council will ensure that a full due diligence exercise is undertaken and adequate security is in place, before entering into any commercial property investment and the business case will balance the benefits and risks. All investments of this type are agreed by Cabinet.
- 4.7 **Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice, and can take a considerable period to sell in certain market conditions.
- 4.8 The investment strategy for the Council for 2019-20 is proposed to remain broadly unchanged as it is considered overall to be well structured to limit any undue risks to the security of assets and preservation of liquidity whilst also allowing the council and delegated officers to access suitable investment opportunities.

#### **5 Capacity, Skills and Culture**

- 5.1 The Council has professionally qualified staff across a range of disciplines including finance, legal and property that follow continuous professional development (CPD) and attend courses on an ongoing basis to keep abreast of new developments and skills.
- 5.2 The council establishes project teams from all the professional disciplines from across the council as and when required. External professional advice is taken where required and will always be sought in consideration of any major commercial property investment decision.

- 5.3 Internal and external training is offered to members to ensure they have up to date knowledge and expertise to understand and challenge capital and treasury decisions taken by the Corporate Director (Resources, Environment and Cultural Services).

## **6 Investment Indicator**

- 6.1 The Council has set the following quantitative indicator to allow elected members and the public to assess the Council's total risk exposure as a result of its investment decisions.
- 6.2 **Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 2: Investment Rate of Return (net of all costs)

<b>Investments net rate of return</b>	<b>2017/18 Actual</b>	<b>2018/19 Forecast</b>	<b>2019/20 Forecast</b>
Treasury management investments	0.98%	1.20%	1.20%
Service investments: Loans	1.42%	1.58%	2.47%
<b>TOTAL INVESTMENT EXPOSURE</b>	<b>1.20%</b>	<b>1.54%</b>	<b>1.98%</b>

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# Welwyn Hatfield Borough Council

## Capital Strategy 2019/20



**WELWYN  
HATFIELD**

## 1 Introduction

- 1.1 The capital strategy provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.

## 2 Capital Expenditure and Financing

- 2.1 Capital expenditure is where the Council spends money on assets, such as property or vehicles, which will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, as it follows an internationally set of accounting standards.
- 2.2 In 2019/20, the Council is planning capital expenditure of £50.073m as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure

	2017/18 Actual £'000	2018/19 Forecast £'000	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000
General Fund services	4,016	23,558	27,683	7,236	2,375
Council Housing (HRA)	31,498	40,115	22,390	40,709	22,641
<b>TOTAL</b>	<b>35,514</b>	<b>63,673</b>	<b>50,073</b>	<b>47,945</b>	<b>25,016</b>

- 2.3 The main General Fund capital projects include Hatfield Business Centre and town centre Regeneration works to support economic development.
- 2.4 The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately, and includes the building or buying of 299 new homes over the forecast 5 year period 2019/20 to 2023/24.
- 2.5 **Governance:** Service managers bid annually in August to include projects in the Council's capital programme. Bids are collated by finance who calculate the financing cost. The Corporate Management Team appraises all bids based on a comparison of service priorities against financing costs and makes recommendations to Cabinet. The final capital programme is then presented to Cabinet in January and to Council in February each year. For full details of the Council's capital programme can be found at appendix I.
- 2.6 All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or borrowing. The planned financing of the above expenditure is as follows:

Table 2: Capital financing

	<b>2017/18 Actual £'000</b>	<b>2018/19 Forecast £'000</b>	<b>2019/20 Budget £'000</b>	<b>2020/21 Budget £'000</b>	<b>2021/22 Budget £'000</b>
External Sources	843	1,519	12,715	5,817	592
Own Resources	30,589	24,443	12,736	14,908	8,291
Increased Borrowing Requirement	4,081	37,711	24,622	27,220	16,133
<b>TOTAL</b>	<b>35,514</b>	<b>63,673</b>	<b>50,073</b>	<b>47,945</b>	<b>25,016</b>

- 2.7 Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP is as follows:

Table 3: Minimum Revenue Provision

	<b>2017/18 Actual £'000</b>	<b>2018/19 Forecast £'000</b>	<b>2019/20 Budget £'000</b>	<b>2020/21 Budget £'000</b>	<b>2021/22 Budget £'000</b>
Minimum Revenue Provision	604	514	814	1,330	1,330

- 2.8 The Council's full minimum revenue provision policy is available within Appendix M of this report - Treasury Management Strategy and Minimum Revenue Provision Policy.
- 2.9 The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP, repayments of borrowing and capital receipts used to replace debt. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement

	<b>31.03.2018 Actual £'000</b>	<b>31.03.2019 Forecast £'000</b>	<b>31.03.2020 Budget £'000</b>	<b>31.03.2021 Budget £'000</b>	<b>31.03.2022 Budget £'000</b>
General Fund Services	21,188	37,416	47,881	46,791	46,151
Council Housing (HRA)	242,248	246,631	241,987	250,297	245,961
<b>TOTAL CFR</b>	<b>263,436</b>	<b>284,047</b>	<b>289,869</b>	<b>297,089</b>	<b>291,822</b>

- 2.10 Asset management: To ensure that capital assets continue to be of long-term use, the Council has an asset management strategy in place.

- 2.11 Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2021/22. Repayments of capital grants, loans and investments also generate capital receipts. The Council expects to receive £4.2m of capital receipts in the coming financial year as follows:

Table 5: Capital receipts

	<b>2017/18 Actual £'000</b>	<b>2018/19 Forecast £'000</b>	<b>2019/20 Budget £'000</b>	<b>2020/21 Budget £'000</b>	<b>2021/22 Budget £'000</b>
Asset Sales	7,416	4,855	4,187	4,392	4,605
Loans Repaid	215	69	50	50	50
<b>TOTAL</b>	<b>7,631</b>	<b>4,928</b>	<b>4,212</b>	<b>4,442</b>	<b>4,655</b>

The majority of the asset disposal forecast relate the forecast sales of Council Houses. These receipts are generated when the tenant applies to purchase their home.

### **3 Treasury Management**

- 3.1 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before returns are generated. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
- 3.2 Due to the HRA Self Financing that came into effect in 2012, as at 31<sup>st</sup> March 2018 the Council had £236.6m borrowing at an average interest rate of 2.55% and £35m treasury investments at a weighted average rate of 0.98%.
- 3.3 Borrowing strategy: The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 1.0%) and long-term fixed rate loans where the future cost is known but higher (currently 2.0 to 3.0%).
- 3.4 Projected levels of the Council's total outstanding debt (which comprises borrowing and leases are shown below, compared with the capital financing requirement (see above).

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement

	31.03.2018 Actual £'000	31.03.2019 Forecast £'000	31.03.2020 Budget £'000	31.03.2021 Budget £'000	31.03.2022 Budget £'000
Debt (incl. Leases)	238,932	248,805	262,983	277,260	272,986
Capital Financing Requirement	263,436	284,047	289,869	297,089	291,822

- 3.5 Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Council expects to comply with this in the medium term.
- 3.6 Affordable borrowing limit: The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit. The Councils limits can be found in its “Treasury Management Strategy and Minimum Revenue Provision Policy”.
- 3.7 Investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
- 3.8 The Council’s policy on treasury investments is to prioritise security and liquidity over yield. This is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.
- 3.9 **Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Corporate Director (Resources, Environment and Cultural Services), who must act in line with the treasury management strategy approved by council. Mid year and year end reports on treasury management activity are presented to Cabinet. The Council’s Resources Overview and Scrutiny Committee is responsible for scrutinising treasury management decisions.

#### **4 Investments for Service Purposes**

- 4.1 The Council makes investments to assist local public services, including making loans to local service providers and the Council’s joint venture that provide services. In light of the public service objective, the Council is willing to take more risk than

with treasury investments, however it plans for such investments to have low value and to break even after all costs.

- 4.2 **Governance:** Decisions on service investments are made by the relevant service manager in consultation with the Corporate Director (Resources, Environment and Cultural Services) and must meet the criteria and limits laid down in the investment strategy. Further details on service investments are in page 2 of the investment strategy.

## 5 Liabilities

- 5.1 In addition to debt detailed above, set out in the treasury management strategy, the council is committed to making future payments to cover any pension deficit. The pension fund is subject to a triennial valuation and the revenue implications are built into the Medium Term Financial strategy.
- 5.2 **Governance:** Decisions on incurring new discretionary liabilities are taken by service managers in consultation with the Corporate Director (Resources, Environment and Cultural Services). The risk of liabilities crystallising and requiring payment is monitored by finance and reported to Cabinet.

## 7 Revenue Budget Implications

- 7.1 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Table 8: Prudential Indicator: Proportion of financing costs to net revenue stream

	2017/18 Actual £'000	2018/19 Forecast £'000	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000
Financing Costs (£m)	604	514	814	1,330	1,330
Proportion of net revenue stream	4.0%	3.5%	6.9%	9.2%	9.2%

- 7.2 **Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Corporate Director (Resources, Environment and Cultural Services) is satisfied that the proposed capital programme is prudent, affordable and sustainable because due to the affordability and sustainability of the revenue budget implications.

Type equation here.

**8 Knowledge and Skills**

- 8.1 The council has professionally qualified staff across a range of disciplines including finance, legal and property that follow continuous professional development (CPD) and attend courses on an ongoing basis to keep abreast of new developments and skills.
- 8.2 The council establishes project teams from all the professional disciplines from across the council as and when required. External professional advice is taken where required and will always be sought in consideration of any major commercial property investment decision.
- 8.3 Internal and external training is offered to members to ensure they have up to date knowledge and expertise to understand and challenge capital and treasury decisions taken by the Corporate Director (Resources, Environment and Cultural Services).

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**Summary of Special Expenses Impact on Band D Council Tax**

Parish	Tax Base @ 99.4% Collection Rate	Expenditure	Reduction in Council Tax	Additional Council Tax	Net Inc/(Dec) in Council Tax 2019/2020	Net Inc/(Dec) in Council Tax 2018/2019
		£	£	£	£	£
Ayot St Lawrence	70.10	-	(13.27)	-	(13.27)	(13.84)
Ayot St Peter	115.10	-	(13.27)	-	(13.27)	(13.84)
Essendon	430.60	2,690.00	(13.27)	6.25	(7.02)	(6.96)
Hatfield	11,593.40	86,360.00	(13.27)	7.45	(5.82)	(6.35)
North Mymms	4,383.40	-	(13.27)	-	(13.27)	(13.84)
Northaw & Cuffley	3,057.10	41,350.00	(13.27)	13.53	0.26	(7.27)
Welwyn	4,617.10	31,044.56	(13.27)	6.72	(6.55)	(5.59)
Welwyn Garden City	17,094.10	394,394.87	(13.27)	23.07	9.80	11.51
Woolmer Green	528.70	-	(13.27)	-	(13.27)	(13.84)
	<b>41,889.60</b>	<b>555,839.43</b>				

**Additional Council Tax, per area, for each element of the Special Expenses**

<b>Parish / Area</b>	Open Spaces	Play Areas	Public Conveniences	Community Centres	Allotments	Playing Fields	<b>Total</b>
	£	£	£	£	£	£	£
Ayot St Lawrence	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
Ayot St Peter	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
Essendon	6.25	0.00	0.00	0.00	0.00	0.00	<b>6.25</b>
Hatfield	1.47	2.94	2.04	0.00	1.00	0.00	<b>7.45</b>
North Mymms	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
Northaw & Cuffley	13.53	0.00	0.00	0.00	0.00	0.00	<b>13.53</b>
Welwyn	10.49	0.00	0.00	(5.96)	0.20	1.99	<b>6.72</b>
Welwyn Garden City	2.49	2.63	0.00	1.36	1.56	15.03	<b>23.07</b>
Woolmer Green	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
	34.23	5.57	2.04	(4.60)	2.76	17.02	<b>57.02</b>

**Total Provision Special Expenses**

	Essenden	<----- Hatfield ----->				Northaw & Cuffley	<-----Welwyn----->					<----- Welwyn Garden City ----->					TOTAL	
	Open	Open	Allotments	P.C.s	Total	Open	Open	Community	Allotments	Playing	Total	Open	Playing	Community	Allotments	Total		
	Spaces	Spaces			Hatfield	Spaces	Spaces	Centres		Fields	Welwyn	Spaces	Fields	Centres		W.G.C		
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Maintenance	1,310	6,720	3,460	0	10,180	31,450	23,550	0	270	7,946	31,766	20,730	142,654	12,910	7,930	184,224	258,930	
Other Expenses																		
Employees	730	16,970	5,770	0	22,740	8,410	12,780	0	460	0	13,240	30,790	0	0	13,230	44,020	89,140	
Premises	0	3,960	590	23,650	28,200	680	480	0	50	1,229	1,759	6,030	31,338	37,140	1,350	75,858	106,497	
Rent/Rates	0	3,200	0	0	3,200	0	0	0	0	0	0	0	0	11,090	0	11,090	14,290	
Equipment	380	10,240	0	0	10,240	9,010	6,750	0	0	0	6,750	18,130	37,370	14,120	0	69,620	96,000	
Direct Overheads	0	0	0	0	0	0	0	0	0	0	0	0	6,758	0	0	6,758	6,758	
	2,420	41,090	9,820	23,650	74,560	49,550	43,560	0	780	9,175	53,515	75,680	218,120	75,260	22,510	391,570	571,615	
Income	0	0	(3,560)	0	(3,560)	(14,730)	0	(33,010)	(280)	0	(33,290)	(5,000)	(24,547)	(64,130)	(8,160)	(101,837)	(153,417)	
Operating Cost	2,420	41,090	6,260	23,650	71,000	34,820	43,560	(33,010)	500	9,175	20,225	70,680	193,573	11,130	14,350	289,733	418,198	
Departmental Overhead	270	9,970	5,390	0	15,360	6,530	4,890	5,510	420	0	10,820	16,880	63,392	12,050	12,340	104,662	137,642	
<b>Total</b>	<b>2,690</b>	<b>51,060</b>	<b>11,650</b>	<b>23,650</b>	<b>86,360</b>	<b>41,350</b>	<b>48,450</b>	<b>(27,500)</b>	<b>920</b>	<b>9,175</b>	<b>31,045</b>	<b>87,560</b>	<b>256,965</b>	<b>23,180</b>	<b>26,690</b>	<b>394,395</b>	<b>555,839</b>	

**Opens Spaces**

Total maintenance costs and ground rent for Opens Spaces, excluding capital charges, are allocated directly based on information from the Landscape & Ecology team. The remainder of associated costs (equipment, overheads etc) are apportioned on a pro-rata basis to maintenance costs

Open Spaces	£	Essendon	Hatfield	Northaw & Cuffley	Welwyn	WGC		
Category of Expenditure	2019/20	Essendon	Hat General	Northaw	Danesbury	Mardley Heath	WGC General	Total
Maintenance	8,980	140	720	3,370	1,670	850	2,230	8,980
Maintenance Directly Apportioned	67,100	1,170	6,000	20,400	13,930	7,100	18,500	67,100
Maintenance Directly Apportioned (1)	7,680			7,680				7,680
Employees	36,800	730	3,640	8,410	8,470	4,310	11,240	36,800
Premises	1,730		140	680	320	160	430	1,730
Ground rent	3,200		3,200					3,200
Equipment	24,010	380	1,930	9,010	4,470	2,280	5,940	24,010
Income	(14,730)			(14,730)				(14,730)
Departmental Overheads	17,390	270	1,400	6,530	3,240	1,650	4,300	17,390
<b>Grand Total</b>	<b>152,160</b>	<b>2,690</b>	<b>17,030</b>	<b>41,350</b>	<b>32,100</b>	<b>16,350</b>	<b>42,640</b>	<b>152,160</b>
<b>Cost</b>		2,690	17,030	41,350	32,100	16,350	42,640	152,160
<b>Tax Base</b>		430.6	11,593.4	3,057.1	4,617.1	4,617.1	17,094.1	41,889.6
<b>Council Tax Charge for Special Expenses - Open Spaces</b>		<b>6.25</b>	<b>1.47</b>	<b>13.53</b>	<b>6.95</b>	<b>3.54</b>	<b>2.49</b>	<b>(3.63)</b>

**Play areas**

The costs from Play areas general budget (6421) are proportionately allocated between Welwyn Garden City and Hatfield based on the number of play areas in the each area.

	<b>Sites</b>	
Hatfield	15	40.5%
WGC	22	59.5%
	<u>37</u>	

<b>Play Areas</b>	<b>£</b>
<b>Category of expenditure</b>	<b>2019/20</b>
Employees	32,880
Premises	9,420
Equipment	20,500
Income	(5,000)
Departmental Overheads	21,150
<b>Grand Total</b>	<b>78,950</b>

<b>Hatfield</b>	<b>WGC</b>	<b>Total</b>
13,330	19,550	<b>32,880</b>
3,820	5,600	<b>9,420</b>
8,310	12,190	<b>20,500</b>
	(5,000)	<b>(5,000)</b>
8,570	12,580	<b>21,150</b>
<b>34,030</b>	<b>44,920</b>	<b>78,950</b>

<b>Cost</b>	34,030	44,920	<b>78,950</b>
<b>Tax Base</b>	11,593.4	17,094.1	<b>41,889.6</b>
<b>Council Tax Charge for Special Expenses - Play Areas</b>	<b>2.94</b>	<b>2.63</b>	<b>(1.88)</b>

**Public Conveniences**

The costs from Public Conveniences budget (6492) are proportionately allocated between sites within Welwyn Garden City and Hatfield. The costs for the Welwyn Garden City toilets are not shown as these toilets have been closed.

	<b>NDR</b>	
Hatfield	1,704	22.7%
WGC	5,793	77.3%
	7,497	

Public Conveniences	Year		
Category of Expenditure	2019/20	Hatfield	Total
Premises	23,650	23,650	23,650
<b>Grand Total</b>	<b>25,150</b>	<b>23,650</b>	<b>23,650</b>

<b>Cost</b>	23,650.00	<b>23,650.00</b>
<b>Tax Base</b>	11,593.40	<b>41,889.60</b>
<b>Council Tax Charge for Special Expenses - Public Conveniences</b>	<b>2.04</b>	<b>(0.56)</b>

**Community Centres**

The net costs of running community centres, excluding the capital charges, are directly allocated to area where community centre is located. Each community centre has its own cost centre which is fully allocated to the relevant area.

Cost Centre Description	Category of Expenditure	Year 2019/20
Hazel Grove Community Centre	Maintenance	3,100
	Premises	9,410
	Rent/Rates	1,990
	Equipment	2,530
	Income	(5,200)
	Departmental Overheads	4,930
Vineyard Barn CC	Maintenance	8,810
	Premises	13,290
	Rent/Rates	4,030
	Equipment	5,810
	Income	(32,490)
	Departmental Overheads	6,380
Welwyn CC	Income	(33,010)
	Departmental Overheads	5,510
Panshanger CC	Maintenance	1,000
	Premises	14,440
	Rent/Rates	5,070
	Equipment	5,780
	Income	(26,440)
	Departmental Overheads	740
<b>Grand Total</b>		<b>(4,320)</b>

Welwyn	WGC	Total
0	3,100	3,100
0	9,410	9,410
0	1,990	1,990
0	2,530	2,530
0	(5,200)	(5,200)
0	4,930	4,930
0	8,810	8,810
0	13,290	13,290
0	4,030	4,030
0	5,810	5,810
0	(32,490)	(32,490)
0	6,380	6,380
(33,010)	0	(33,010)
5,510	0	5,510
0	1,000	1,000
0	14,440	14,440
0	5,070	5,070
0	5,780	5,780
0	(26,440)	(26,440)
0	740	740
<b>(27,500)</b>	<b>23,180</b>	<b>(4,320)</b>

<b>Cost</b>	<b>(27,500)</b>	23,180	<b>(4,320)</b>
<b>Tax Base</b>	4,617.1	17,094.1	<b>41,889.6</b>
<b>Council Tax Charge for Special Expenses - Community Centres</b>	<b>(5.96)</b>	<b>1.36</b>	<b>0.10</b>

**Allotments**

The total net costs from the Allotments general budget (6080), is allocated proportionately based upon the number of plots within each area

	<b>Plots</b>	
Hatfield	127	29.7%
WGC	291	68.0%
Welwyn	10	2.3%
	<u>428</u>	

<b>Allotments</b>	<b>Year</b>					
<b>Category of Expenditure</b>	<b>2019/20</b>	<b>Hatfield</b>	<b>Welwyn</b>	<b>WGC</b>		<b>Total</b>
Maintenance	11,660	3,460	270	7,930		11,660
Employees	19,460	5,770	460	13,230		19,460
Premises	1,980	590	50	1,350		1,990
Income	(12,000)	(3,560)	(280)	(8,160)		(12,000)
Departmental Overheads	18,160	5,390	420	12,340		18,150
<b>Grand Total</b>	<b>39,260</b>	<b>11,650</b>	<b>920</b>	<b>26,690</b>		<b>39,260</b>

<b>Cost</b>	11,650	920	26,690		39,260
<b>Tax Base</b>	11,593.4	4,617.1	17,094.1		41,889.6
<b>Council Tax Charge for Special Expenses - Allotme</b>	<b>1.00</b>	<b>0.20</b>	<b>1.56</b>		<b>(0.94)</b>

**Playing Fields**

The total net costs of running playing fields, is provided by the contractor for this service, apportioned directly to the relevent areas

Playing Fields	£	WGC		Welwyn	Total
		KGV	Moneyhole	Digswell	
Category of Expenditure	2019/20				
Maintenance	150,600	143,493	6,330	777	150,600
Maintenance (work plan)	(0)	(20,501)	13,332	7,169	(0)
Premises	32,567	31,235	103	1,229	32,567
Equipment	37,370	36,880	490	0	37,370
Income	(24,547)	(20,989)	(3,558)	0	(24,547)
Direct Overheads	6,758	6,758	0	0	6,758
Departmental Overheads	63,392	63,392	0	0	63,392
<b>Grand Total</b>	<b>266,139</b>	<b>240,268</b>	<b>16,697</b>	<b>9,175</b>	<b>266,139</b>

  

<b>Cost</b>	240,268	16,697	9,175	<b>266,139</b>
<b>Tax Base</b>	17,094.1	17,094.1	4,617.1	<b>41,889.6</b>
<b>Council Tax Charge for Special Expenses - Playing Fields</b>	<b>14.06</b>	<b>0.98</b>	<b>1.99</b>	<b>(6.35)</b>

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## Statement of the Chief Finance Officer

### Introduction

The 'Chief Finance Officer' within the meaning of section 151 of the Local Government Act 1972, and known as the S151 Officer, is required to make a statement on the adequacy of reserves and the robustness of the budget. This is a statutory duty under section 25 of the 2003 Local Government Act which states the following:

*(1) Where an authority to which section 32 or 43 of the Local Government Finance Act 1992 (billing or major precepting authority) or section 85 of the Greater London Authority Act 1999 (c.29) (Great London Authority) applies is making calculations in accordance with that section, the chief finance officer of the authority must report to it on the following matters-*

- (a) The robustness of the estimates made for the purposes of the calculations, and*
- (b) The adequacy of the proposed financial reserves.*

*(2) An authority to which a report under this section is made shall have regard to the report when making decisions about the calculations in connection with which it is made.*

This includes reporting and taking into account:

- The key assumptions in the proposed budget and to give a view on the robustness of those assumptions.
- The key risk areas in the budget and to assess the adequacy of the Council's reserves when reviewing the potential financial impact of these risk areas on the finances of the Council. This should be accompanied by a Reserves Strategy.

This report has to be considered and approved by Council as part of the budget approval and Council Tax setting process.

This document concentrates on the 2019/20 General Fund and Housing Revenue budgets, the Capital Programme, Treasury Management, and also considers key medium term issues faced by the Council.

### Assurance Statement of the Council's Section 151 Officer

The following are the summary assurances and recommendations of the Council's Section 151 Officer.

In relation to the 2019/20 Budgets I have examined the proposals and I believe that they are achievable, given the political and management will to implement them. The Council has a history of strong financial management, along with sound and robust monitoring of performance and budgets. A comprehensive budget planning process has ensured the robustness of the budget proposals, and I believe the estimates are reasonable, given the inherent uncertainties and climate of economic change.

The forecast reserve levels in 2019/20 are appropriate and adequate, given the amount of known financial risks and future volatility, along with the potential for unknown financial risks. The financial outlook beyond 2019/20 is dependent upon the outcome of the Spending Review 2019, Fair Funding Review and 75% Business Rates Retention system, which is also accompanied by a full reset of all the mechanisms within the business rates system. Over the medium term (2020/21 to 2021/22), I will continue to closely monitor the achievement of savings targets which need to be delivered, to ensure reserve balances continue to be maintained at an adequate level.

I, as the Council's Section 151 Officer, consider the estimates for 2019/20 to be sufficiently robust, and that the level of reserves adequate for approval by the Council. This statement is conditional upon the agreement of the budget proposals, appendices, strategies and policies contained within the budget report for 2019/20.

**Ka Ng, BSc(Hons), MSc, CPFA**  
**Corporate Director (Resources, Environment and Cultural Services)**

WELWYN HATFIELD BOROUGH COUNCIL  
COUNCIL – 4 FEBRUARY 2019

Recommendations from the Cabinet on 4 December 2018:-

80.1 Council Tax Empty Homes Premium

The Cabinet considered new discretionary powers to increase the Council Tax on long term empty properties.

Since 2013, the Council had been able to levy a Council Tax premium of 50% on homes left empty for two years or more. The number of long term empty homes in the Borough had since fallen from 72 to 52, perhaps indicating the use of the premium in incentivising landlords to bring homes back into use.

Taking advantage of this new legislation would help to bring further homes back into use at a time of housing shortages and would provide some additional Council Tax income.

The Cabinet **RECOMMENDS** to the Council that the current council tax 50% empty homes premium be changed as follows:

- 1 April 2019 - 100% premium for properties empty for two years or more.
- 1 April 2020 - 200% premium for properties empty for five years or more.
- 1 April 2021 - 300% premium for properties empty for ten years or more.

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WELWYN HATFIELD BOROUGH COUNCIL  
CABINET – 4 DECEMBER 2018  
REPORT OF THE CORPORATE DIRECTOR (RESOURCES, ENVIRONMENT AND  
CULTURAL SERVICES)

COUNCIL TAX EMPTY HOMES PREMIUM

**1 Executive Summary**

- 1.1 The purpose of this report is to advise Cabinet of the new discretionary powers that will be available to us from April 2019 to increase the council tax payable on long term empty properties. This will give councils the ability to increase the incentives for landlords to bring the long term empty properties back into use and potentially help increase housing supply.

**2 Recommendation(s)**

- 2.1 Cabinet recommends to Full Council that the current council tax 50% empty homes premium is changed as follows:
- 1 April 2019 - 100% premium for properties empty 2 years or more.
  - 1 April 2020 - 200% premium for properties empty 5 years or more.
  - 1 April 2021 - 300% premium for properties empty 10 years or more.

**3 Explanation**

- 3.1 Since 2013, councils have been able to charge a 50% premium on the council tax bills of owners of homes empty for two years or more. A total of 291 out of 326 councils applied an empty homes premium in 2017/18. All but 3 are charging the premium at the maximum 50% rate.
- 3.2 In Welwyn Hatfield, an empty property is exempt from council tax for one month if it is vacant and substantially unfurnished after which time the full council tax becomes payable. The Council also exercises its discretionary powers to levy a 50% empty homes premium on the council tax payable in respect of properties that have been left empty for a period of two years or more.
- 3.3 From April 2019 we will be able to increase this premium to 100% meaning that long term empty properties would pay double council tax. This can increase to 200% and 300% from April 2020 and April 2021 for properties that are empty for a period exceeding 5 and 10 years respectively.
- 3.4 The government has expressed concerns about the number of properties that are left empty across the country at a time when there is an overall housing shortage, and there are social housing waiting lists. This council already levies a 50% empty homes premium on the council tax payable in respect of properties that have been left empty for a period of two years or more. We currently have 52 such properties which has reduced from 72, since April 2013, when this premium applied.

## **Implications**

### **4 Legal Implication(s)**

- 4.1 The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 has made provisions to increase the percentage by which a billing authority may increase the council tax payable in respect of a long-term empty properties. Section 11B of Local Government Finance Act 1992 (higher amount for long-term empty dwellings) has been amended to incorporate this change.

### **5 Financial Implication(s)**

- 5.1 The changes to the empty homes premium could generate the additional council tax shown below based on the existing number of long term empty properties.

	<b>Currently - 50% premium after 2 years</b>	<b>April 2019 - 100% premium after 2 years</b>	<b>April 2020 - 200% premium after 5 years</b>	<b>April 2021 - 300% premium after 10 years</b>
<b>Potential Income</b>	<b>£44,193</b>	<b>£88,386</b>	<b>£139,944</b>	<b>£4,686</b>
<b>WHBC's 12% share of income</b>	<b>£5,303</b>	<b>£10,606</b>	<b>£16,793</b>	<b>£562</b>
<b>Number of Properties</b>	<b>52</b>	<b>52</b>	<b>41</b>	<b>1</b>

### **6 Risk Management Implications**

- 6.1 A risk assessment has not been prepared in relation to the proposal in this report as there are no significant risks inherent in the proposals.

### **7 Security & Terrorism Implication(s)**

- 7.1 There are no security and terrorism implications with the recommendation in this report.

### **8 Procurement Implication(s)**

- 8.1 There are none.

### **9 Climate Change Implication(s)**

- 9.1 The proposals in this report will not impact on greenhouse gas emissions.

### **10 Human Resources Implication(s)**

- 10.1 There are none.

### **11 Health and Wellbeing Implication(s)**

11.1 There are none.

**12 Communication and Engagement Implication(s)**

12.1 The proposal supports the Government's intention to bring empty properties back into use and that landlords of the long term empty properties affected by the proposal will be contacted in due course.

**13 Link to Corporate Priorities**

13.1 The subject of this report is linked to the Council's Corporate Priority: Our Council and achieving value for money.

**14 Equality and Diversity**

14.1 An initial impact assessment has been carried out on our proposed changes and there was not any negative impact identified on any of the protected groups under Equalities legislation.

Name of author	Farhad Cantel
Title	Client Support Services Manager
Date	15 November 2018

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WELWYN HATFIELD BOROUGH COUNCIL  
COUNCIL – 4 FEBRUARY 2019

Recommendation from the special Cabinet on 22 January 2019:-

## 102 Retail Relief Guidelines and Business Rate 2018 Budget Changes

The Cabinet considered the business rate local retail relief scheme, following an announcement on this new form of relief in the 2018 budget and an update on the other business rate changes announced in the budget.

The following business rate changes were announced by the Chancellor in the October 2018 budget:

- Reduce rate bills by one third for retail properties with a rateable value below 51,000, for 2 years from April 2019.
- 100% rate relief for all public lavatories.
- Continue with the £1,500 business rate discount for office space occupied by local newspapers in 2019/20.

The Cabinet **RECOMMENDS** to the Council that Welwyn Hatfield Borough Council's local retail relief scheme as shown in Appendix A be agreed.

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WELWYN HATFIELD BOROUGH COUNCIL  
SPECIAL CABINET – 22 JANUARY 2019  
REPORT OF THE CORPORATE DIRECTOR (RESOURCES, ENVIRONMENT AND  
CULTURAL SERVICES)

RETAIL RELIEF GUIDELINES AND BUSINESS RATE 2018 BUDGET CHANGES

**1 Executive Summary**

- 1.1 The purpose of this report is to agree a business rate local retail relief scheme, following an announcement on this new form of relief in the 2018 budget and to also update Cabinet on the other business rate changes announced in the budget.
- 1.2 The chancellor announced the following business rate changes in the October 2018 budget.
- Reduce rate bills by one third for retail properties with a rateable value below 51,000, for 2 years from April 2019.
  - 100% rate relief for all public lavatories.
  - Continue with the £1,500 business rate discount for office space occupied by local newspapers in 2019/20.

**2 Recommendation(s)**

- 2.1 Cabinet recommends to Council that Welwyn Hatfield Borough Council's local retail relief scheme, shown in appendix A, is agreed.
- 2.2 Cabinet notes the other business rate changes announced in the 2018 budget.

**3 Explanation**

- 3.1 Retail Relief – This rates retail relief scheme will apply for the 2019/20 and 2020/21 years. Properties that will benefit from the relief will be occupied properties with a rateable value of less than £51,000, that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments. The value of relief will be one third of the bill, and applied after any other forms of relief that are already on the account.
- 3.1.1 To qualify for the relief the business should be wholly or mainly being used as a shop, restaurant, cafe or drinking establishment. In a similar way to other reliefs, such as charity relief, this is a test on use rather than occupation. Therefore, properties which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.
- 3.1.2 It will be for individual local councils to adopt a local scheme and determine in each individual case when to grant relief. We await the necessary software update from our business rate software supplier to identify the qualifying ratepayers. The guidelines for awarding this relief are shown in Appendix A.

3.2 Public Lavatory Relief – All public lavatories will qualify for 100% rate relief.

3.2.1 We have the following public conveniences in the borough:

- Market Place, Hatfield – Rates payable £1,704.00
- Welwyn Parish Council, Lockleys Drive - Empty and exempt
- Welwyn Garden City UDC, Bridge Road - Empty rates payable £5,792.75

3.3 Local Newspapers - The Government will continue the £1,500 discount for office space occupied by local newspapers in 2019/20, up to a maximum of one discount per local newspaper title and per property. This commenced in April 2017 and was initially for only two years. The Welwyn Hatfield Times is based in our borough.

### **Implications**

#### **4 Legal Implication(s)**

4.1 The Government is not changing the legislation around the reliefs available to properties. Instead, it is assumed that local authorities can use their discretionary relief powers, introduced by the Localism Act 2011, which amended section 47 of the Local Government Finance Act 1988.

4.2 This allows a billing authority to grant relief if it is satisfied that it would be reasonable for it to do so, having regard to the interests of persons liable to pay council tax set by it. Each local authority will need to adopt a local scheme and determine when to grant relief, under section 47.

#### **5 Financial Implication(s)**

5.1 Local authorities will be compensated in full for their loss of income as a result of these changes. This compensation will be paid in the same way as it has been previously, by section 31 grant, Local Government Act 2003, and calculated on the basis of the returns that the council makes under the rates retention scheme.

5.2 The council will make full savings from the relief awarded to public conveniences.

#### **6 Risk Management Implications**

6.1 A risk assessment has not been prepared in relation to the proposal in this report as there are no significant risks inherent in the proposals.

#### **7 Security & Terrorism Implication(s)**

7.1 There are no security and terrorism implications with the recommendation in this report.

#### **8 Procurement Implication(s)**

8.1 There are none.

#### **9 Climate Change Implication(s)**

9.1 The proposals in this report will not impact on greenhouse gas emissions.

**10 Human Resources Implication(s)**

10.1 There are none.

**11 Health and Wellbeing Implication(s)**

11.1 There are none.

**12 Communication and Engagement Implication(s)**

12.1 There are none.

**13 Link to Corporate Priorities**

13.1 The subject of this report is linked to the Council's Corporate Priority: Our Council and achieving value for money.

**14 Equality and Diversity**

14.1 An initial impact assessment has been carried out on our proposed guidelines and there was not any negative impact identified on any of the protected groups under Equalities legislation.

Name of author	Farhad Cantel
Title	Client Support Services Manager
Date	December 2018

**Welwyn Hatfield Borough Council Local Retail Relief Scheme**  
**Section 47 Local Government Finance Act 1988**

1. Businesses that will benefit from the relief will be occupied properties with a rateable value of less than £51,000, that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments, for the 2019/20 and 2020/21 years.
2. These guidelines will apply to future years should the scheme be extended. Relief will only be awarded for the years Government funding is available.
3. Properties that are occupied but not wholly or mainly used for the qualifying purpose, or meet the rateable value criteria, will not qualify for the relief.
4. The definition of shops, restaurants, cafes and drinking establishments is shown in section 1. This list is not exhaustive and is based on what the Government considers for this purpose to be retail. Properties that are not broadly similar in nature to those listed above will not be eligible for the relief. Section 2 lists the properties which are not deemed to be retail for the purpose of this relief.
5. All business that meets core criteria are eligible for relief. Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties. The £51,000 RV ceiling will not be based on the aggregate rateable value of all the businesses of a ratepayer. This will be subject to State Aid De Minimis limits. The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).
6. Eligible ratepayers will be identified and relief will be automatically awarded. An application for retail relief will not need to be completed.
7. The total amount relief available for each qualifying property for 2019-20 and 2020/21 under this scheme is one third of the bill, after mandatory reliefs and other discretionary reliefs have been applied. There is no relief available under this scheme for properties with a rateable value of £51,000 or more.
8. The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis, based on the following formula:
9. Amount of relief to be granted = the daily charge for the property for the chargeable day after the application of any mandatory and discretionary reliefs/3. This will be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
10. The relief will be applied on a day to day basis using the formula set out above. A new property created as a result of a split or merger during the financial year, or where there is a change of use, will be considered afresh for the relief on that day.
11. Relief can be retrospectively awarded for a qualifying property for a period up to 18 months after the end of a qualifying year.

12. Section 47 discretionary rate relief awards are administered under the Local Government Finance Act 1988 and awards are not subject to a statutory appeals process. Appeals therefore will be decided by Welwyn Hatfield Borough Council whose decision is final. Where an application for discretionary rate relief is refused an appeal against this decision must be made in writing. The appeal will be considered by Client Support Services Manager or the Revenue & Benefit Client Officer, who did not make the original decision.
13. Appeals will not be entertained where the rateable value of a property exceeds £51,000 or there is not any Government funding available. The appeals process will be based on the appeals process in existing discretionary rate relief guidelines.
14. Relief will only be awarded up to the end of the financial year in question. This will meet the requirements of Regulation 2 to SI 1989/1059 as there will be no revocation and 12 months' notice to end the relief awarded when not required.

Shops, Restaurants, Cafes and Drinking Establishments means:**i. Properties that are being used for the sale of goods to visiting members of the public:**

- Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc.)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
- Car/ caravan show rooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

**ii. Properties that are being used for the provision of the following services to visiting members of the public:**

- Hair and beauty services (such as: hair dressers, nail bars, beauty salons, tanning shops, etc.)
- Shoe repairs/ key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/ TV/ domestic appliance repair
- Funeral directors
- Photo processing
- Tool hire
- Car hire

**iii. Properties that are being used for the sale of food and/ or drink to visiting members of the public:**

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

Properties not considered retail for the purpose of local retail relief

- i. Properties that are being used for the provision of the following services to visiting members of the public:**
  - Financial services (e.g. banks, building societies, cash points, bureaux de change, payday lenders, betting shops, pawn brokers)
  - Other services (e.g. estate agents, letting agents, employment agencies)
  - Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
  - Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)
  - Post office sorting offices
  
- ii. Properties that are not reasonably accessible to visiting members of the public**

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WELWYN HATFIELD COUNCIL  
COUNCIL – 4 FEBRUARY 2019

## NOTICE OF MOTIONS UNDER PROCEDURE RULE 50

To consider the following notice of motion submitted under Procedure Rule 50:-

**1. The following motion has been submitted by Councillor Siobhán Elam and will be seconded by Councillor Malcolm Cowan:-**

“This Council shares the shock experienced by local residents on hearing of GLL's announcement of their plans to close the Gosling Sports Hall, as well as their disappointment at the minimal notice and lack of consultation with users prior to the decision being announced.

Gosling is WGC's only significant indoor sports facility, having a serious impact on the physical activity and hence the health of the community. The hall is relied on by local schools and sports clubs, several of whom have nurtured Olympic athletes. It is a vital part of our local amenity.

This Council resolves to do all in its power to maintain the future of the existing facilities, and to make very clear to GLL that its behaviour and approach in recent weeks is unacceptable. The Council joins with local campaigners in its insistence that the existing facilities are maintained at least until the completion of WGC's centenary year in 2020, during which several Centenary Events are planned using the Sports Hall.

As the landowner of the site, this Council also pledges to work with GLL, the Gosling Sports Park Trust, user groups and other stakeholders, to develop a long term plan for the entire site, including the ski slope, that offers a continuing, and hopefully growing set of sporting facilities for future generations to enjoy at affordable rates.”

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