



James Ellis

Head of Legal and Democratic Services

MEETING : EXECUTIVE
VENUE : COUNCIL CHAMBER, WALLFIELDS, HERTFORD
DATE : TUESDAY 8 FEBRUARY 2022
TIME : 7.00 PM

MEMBERS OF THE EXECUTIVE

Councillor Linda Haysey	- Leader of the Council
Councillor Peter Boylan	- Executive Member for Neighbourhoods
Councillor Eric Buckmaster	- Executive Member for Wellbeing
Councillor George Cutting	- Executive Member for Corporate Services
Councillor Jan Goodeve	- Executive Member for Planning and Growth
Councillor Jonathan Kaye	- Executive Member for Communities
Councillor Graham McAndrew	- Executive Member for Environmental Sustainability
Councillor Geoffrey Williamson	- Executive Member for Financial Sustainability

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Disclosable Pecuniary Interests

A Member, present at a meeting of the Authority, or any committee, sub-committee, joint committee or joint sub-committee of the Authority, with a Disclosable Pecuniary Interest (DPI) in any matter to be considered or being considered at a meeting:

- must not participate in any discussion of the matter at the meeting;
- must not participate in any vote taken on the matter at the meeting;
- must disclose the interest to the meeting, whether registered or not, subject to the provisions of section 32 of the Localism Act 2011;
- if the interest is not registered and is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days;
- must leave the room while any discussion or voting takes place.

Public Attendance

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The Council operates a paperless policy in respect of agendas at committee meetings and the Council will no longer be providing spare copies of Agendas for the Public at Committee Meetings. The mod.gov app is available to download for free from app stores for electronic devices. You can use the mod.gov app to access, annotate and keep all committee paperwork on your mobile device.

Visit <https://www.eastherts.gov.uk/article/35542/Political-Structure> for details.

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AGENDA

24. Proposed amendments to recommendations (Pages 5 - 16)

This supplementary agenda provides the amended appendices for Item 8 and Item 10.

- Appendix A and C – Budget 2022/23 and Medium Term Financial Plan 2022-25
- Appendix B – Treasury Management Strategy Statement and Annual Investment Strategy 2022/23

GENERAL FUND REVENUE BUDGET AND MEDIUM TERM FINANCIAL PLAN

2021/22		2022/23	2023/24	2024/25	2025/26	2026/27
£'000		£'000	£'000	£'000	£'000	£'000
401	Chief Executive & PA's	378	349	359	370	381
1,386	Communications, Strategy & Policy	1,416	1,450	1,484	1,520	1,556
578	Human Resources & Org Development	534	546	531	542	553
2,653	Strategic Finance & Property	2,933	3,435	3,679	3,930	4,186
1,426	Legal & Democratic Services	1,484	1,507	1,546	1,587	1,629
2,571	Housing and Health	2,398	2,417	2,483	2,554	2,627
238	Capital Expenditure Charged to a Revenue Account	238	238	238	238	238
1,202	Planning & Building Control	1,954	2,014	2,076	2,139	2,204
3,058	Operations	2,282	1,840	1,022	1,034	1,113
709	Shared Revenues & Benefits Service	931	975	1,021	1,067	1,115
2,151	IT Shared service	2,213	2,313	2,313	2,313	2,313
-	Transforming East Herts savings	(100)	(900)	(1,000)	(1,000)	(1,000)
-	Savings proposals	(481)	(780)	(790)	(790)	(792)
-	Contract renewals cost pressures	-	50	100	550	50
16,374	Net Cost of Services	16,179	15,451	15,061	16,053	16,172

Corporate Budgets

2021/22		2022/23	2023/24	2024/25	2025/26	2026/27
£'000		£'000	£'000	£'000	£'000	£'000
-	Fees & Charges Annual Review	(50)	(100)	(150)	(200)	(250)
-	Minimum Revenue Provision	20	943	1,685	2,289	2,335
-	Interest Payable on Loans	459	815	1,091	1,247	1,255
(750)	Investment Income	(750)	(750)	(750)	(750)	(750)
734	Pension Fund Deficit Contribution	754	800	800	800	800
-	Savings to be identified	-	(209)	(665)	(1,671)	(1,671)
(16)	Total corporate budgets	433	1,499	2,011	1,715	1,719

Reserves

2021/22		2022/23	2023/24	2024/25	2025/26	2026/27
£'000		£'000	£'000	£'000	£'000	£'000
3,369	Contributions to Earmarked Reserves	438	190	490	490	335
(769)	Contributions from Earmarked Reserves	(1,555)	(1,585)	-	-	-
-	Planned Use of General Fund Balance	-	-	-	(265)	205
299	New Homes Bonus Cont to Reserve	1,383	-	-	-	-
2,898	Total reserves	265	(1,395)	490	225	540



Funding

2021/22		2022/23	2023/24	2024/25	2025/26	2026/27
£'000		£'000	£'000	£'000	£'000	£'000
(150)	Capital Salaries	(150)	(150)	(150)	(150)	(150)
(2,721)	NDR	(3,616)	(5,000)	(4,950)	(4,900)	(4,850)
(4,666)	Section 31 Grants	(1,900)	-	-	-	-
2,455	(Surplus)/Deficit on Collection Fund	2,386	1,585	-	-	-
(874)	Government Grant	(689)	-	-	-	-
(2,244)	New Homes Bonus	(1,383)	-	-	-	-
(8,200)	Total Funding	(5,352)	(3,565)	(5,100)	(5,050)	(5,000)

11,056	Net Expenditure financed by Council Tax	11,526	11,990	12,462	12,942	13,431
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(11,056)	Demand on Collection Fund	(11,526)	(11,990)	(12,462)	(12,942)	(13,431)
61,734	Council Taxbase	62,610	63,410	64,210	65,010	65,810
179.09	Council Tax at Band D (£)	184.09	189.09	194.08	199.08	204.09

Percentage Increase in Council Tax	2.78%	2.72%	2.64%	2.58%	2.51%
£ increase in Council Tax	5.00	5.00	5.00	5.00	5.00

Prudential Indicators 2022/23 for Approval

1. Capital Expenditure

Year End Resources	2020/21 Actual £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Services Total	31.520	26.867	27.561	21.793	10.135

Financing of capital expenditure	2020/21 Actual £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Capital receipts	(0.420)	(1.600)	(3.160)	(1,450)	(0.250)
Capital grants and 3 rd party Contributions	(6.450)	(3.185)	(2.276)	(0.083)	-
Revenue	-	(0.445)	(0.363)	(3.310)	(0.308)
Net financing need for the year	24.650	21.637	21.762	17.400	9.577

2. Capital Financing Requirement

	2020/21 Actual £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Capital Financing Requirement					
Services	24.650	21.637	27.762	17.400	9.577
Total CFR	6.110	27.747	55.489	71.946	79.838
Movement in CFR	24.650	21.637	27.742	16.457	7.892

Movement in CFR represented by					
Net financing need for the year (above)	24.650	21.637	27.762	17.400	9.577
Less MRP/VRP and other financing movements	-	-	(0.020)	(0.943)	(1.685)
Movement in CFR	24.650	21.637	27.742	16.457	7.892

3. Core Funds and expected investment balances

Year End Resources	2020/21 Actual £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Fund balances / reserves	28.760	31.660	30.540	24.020	26.210
Capital receipts	-	-	-	-	-
Other	0.220	-	-	-	-
Total core funds	28.980	31.660	30.540	24.020	26.210
Working capital*	2.940	3.000	3.000	3.000	3.000
Under/over borrowing	4.610	6.270	6.620	5.680	4.030
Expected investments	36.530	40.930	40.160	32.700	33.240

4. Actual External Borrowing

	2020/21 Actual £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
External Debt					
Debt at 1 April	7.500	1.500	21.479	42.873	59.825
Expected change in Debt	(6.000)	19.979	21.394	16.952	9.577
Other long-term liabilities (OLTL)	-				
Expected change in OLTL	-				
Actual gross debt at 31 March	1.500	21.479	42.873	59.825	69.402
The Capital Financing Requirement	6.110	27.747	55.489	71.946	79.838
Under / (over) Borrowing	4.610	6.268	12.616	12.121	10.436

5. Operational Boundary

Operational boundary	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Debt	40.0	60.0	75.0	80.0
Other long term liabilities	10.0	10.0	10.0	10.0
Total	50.0	70.0	85.0	90.0

6. Authorised Limit

Authorised Limit	2021/22	2022/23	2023/24	2024/25
	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m
Debt	150.0	180.0	180.0	180.0
Other long term liabilities	10.0	10.0	10.0	10.0
Total	160.0*	190.0	190.0	190.0

* See Appendix A

7. Upper limit for principal sums invested for longer than 365 days

Current investments as at 23.12.21 in excess of 1 year maturing in each year	2022/23	2023/24	2024/25
£m	£m	£m	£m
20.0	30.0	30.0	30.0

8. Creditworthiness policy and counter-party limits

	Colour (and long term rating where applicable)	Money Limit per banking group (at time of investment)	Transaction Limit	Time Limit
Banks	yellow	£10m	£10m	5yrs
Banks	purple	£10m	£10m	2 yrs
Banks	orange	£10m	£10m	1 yr
Banks – part nationalised	blue	£20m	£20m	1 yr
Banks – part nationalised – Council’s bank	blue	£40m	£30m	1 yr
Banks	red	£10m	£10m	6 mths
Banks	green	£10m	£10m	100 days
Banks	No colour	Not to be used	N/A	N/A
Limit 3 category – Council’s banker (where “No Colour”)	No Colour	£30m	£30m	1 day
Property Funds	-	£20m	£10m	Not fixed term investment - no time limit
DMADF	UK sovereign rating	unlimited	unlimited	6 months
Local authorities	n/a	£10m (per local authority)	£10m	unlimited
	Fund rating	Money Limit (at time of investment)		Time Limit
Money Market Funds CNAV	AAA	£10m (per fund)	£10m	liquid
Money Market Funds LVNAV	AAA	£10m (per fund)	£10m	liquid
Money Market Funds VNAV	AAA	£10m (per fund)	£10m	liquid
Ultra-Short Dated Bond Funds with a credit score of 1.25	Dark pink / AAA	£10m (per fund)	£10m	liquid
Ultra-Short Dated Bond Funds with a credit score of 1.50	Light pink / AAA	£10m (per fund)	£10m	liquid

9. Ratio of financing costs to net revenue stream

%	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Services	0.79%	2.93%	4.51%	11.16%	15.98%

10. Maturity structure of borrowing

Maturity structure of fixed interest rate borrowing 2021/22

	Lower	Upper
Under 12 months	0%	95%
12 months to 2 years	0%	95%
2 years to 5 years	0%	95%
5 years to 10 years	0%	50%
10 years to 20 years	0%	75%
20 years to 30 years	0%	75%
30 years to 40 years	0%	95%
40 years to 50 years	0%	50%

Maturity structure of variable interest rate borrowing 2021/22

	Lower	Upper
Under 12 months	0%	50%
12 months to 2 years	0%	50%
2 years to 5 years	0%	50%
5 years to 10 years	0%	50%
10 years to 20 years	0%	50%
20 years to 30 years	0%	50%
30 years to 40 years	0%	50%
40 years to 50 years	0%	50%

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EAST HERTS DISTRICT COUNCIL CAPITAL PROGRAMME 2022/23 TO 2026/27

APPROVED SCHEMES	Major Schemes expenditure to 31/03/21 £000	2021/22 Forecast Outturn £000	2022/23 Original Budget £000	2023/24 Original Budget £000	2024/25 Original Budget £000	2025/26 Original Budget £000	2026/27 Original Budget £000	Scheme Total £000
Land and Buildings								
Investment in operational assets		205	250	250	250	250	250	1,455
Buntingford Depot		-	208	-	-	-	-	208
Grange Paddocks Leisure Centre	13,795	10,019	853	-	-	-	-	24,667
Hartham Leisure Centre - Extension	1,440	3,273	6,358	-	-	-	-	11,071
Ward Freman Joint Use Facilities		-	1,100	-	-	-	-	1,100
Temp Accom -Hostels		614	-	-	-	-	-	614
Car Park Resurfacing		491	134	-	-	-	-	625
Hertford Theatre	1,575	1,400	10,558	10,572	-	-	-	24,105
Northgate End Regeneration (MSCP, domestic and non-domestic units)	11,704	9,068	1,890	-	-	-	-	22,662
Old River Lane Regeneration and Arts Centre	2,815	500	2,000	9,000	9,077	-	-	23,392
Elizabeth Road Redevelopment		-	1,080	1,080	-	-	-	2,160
Pinehurst Community Centre		-	200	-	-	-	-	200
Total Land and Buildings	31,329	25,570	24,631	20,902	9,327	250	250	112,259
Vehicles and Equipment								
LED Lighting Upgrades		170	60	-	-	-	-	230
Council Chamber AV System		60	-	-	-	-	-	60
Heat Detection Unit at Buntingford Depot		-	305	-	-	-	-	305
ICT Rolling programme		470	612	450	450	450	450	2,882
Total Vehicles and Equipment		700	977	450	450	450	450	3,477

APPROVED SCHEMES	Major Schemes expenditure to 31/03/21 £000	2021/22 Forecast Outturn £000	2022/23 Original Budget £000	2023/24 Original Budget £000	2024/25 Original Budget £000	2025/26 Original Budget £000	2026/27 Original Budget £000	Scheme Total £000
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Community Assets								
<i>Open Space Improvements:</i>								
The Wash, Hertford		-	50	-	-	-	-	50
Cannons Mill Lane, Bishops Stortford		-	30	-	-	-	-	30
Trinity Close - Open Space Project		57	-	-	-	-	-	57
Phisiobury Park - HLF		100	-	-	-	-	-	100
Replacement play equipment across the district		-	50	50	50	50	50	250
Play Area and other projects, Hartham Common		105	-	-	-	-	-	105
Castle Park - HLF - Delivery Phase		50	1,500	83	-	-	-	1,633
Total Community Assets		312	1,630	133	50	50	50	2,225

Revenue Expenditure Funded as Capital Under Statute (REFCUS)								
Home Improvement Loans		20	120	120	120	120	120	620
Community Capital Grants		127	65	50	50	50	50	392
Green Deal Loans		20	20	20	20	20	20	120
Rivers and Watercourse Maintenance		48	48	48	48	48	48	288
Land Management Asset Register & Associated Works		50	50	50	50	50	50	300
Historic Building Loans		20	20	20	20	20	20	120
Total REFCUS		285	323	308	308	308	308	1,840
TOTAL CAPITAL EXPENDITURE	31,329	26,867	27,561	21,793	10,135	1,058	1,058	119,801

FUNDED BY:

Borrowing (Internal)		(1,658)	(368)	-	-	-	-	(2,026)
Borrowing (External)		(19,979)	(21,394)	(16,952)	(9,577)	(500)	(500)	(68,902)
Capital Receipts		(1,600)	(3,160)	(1,450)	(250)	(250)	(250)	(6,960)
Capital Grants Applied		(3,185)	(2,276)	(83)	-	-	-	(5,544)
Capital Expenditure Charged to a Revenue Account		(445)	(363)	(3,308)	(308)	(308)	(308)	(5,040)
TOTAL CAPITAL PROGRAMME FUNDING	(31,329)	(26,867)	(27,561)	(21,793)	(10,135)	(1,058)	(1,058)	(119,801)

APPROVED BUT NOT YET COMMITTED			2022/23 Original Budget £000	2023/24 Original Budget £000	2024/25 Original Budget £000	2025/26 Original Budget £000	2026/27 Original Budget £000	Scheme Total £000
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Schemes approved not yet committed								
Transformation Programme			1,000	2,000	2,000			
Capital Contingency - Major Projects			1,500	-	-	-	-	-
TOTAL APPROVED BUT NOT YET COMMITTED			2,500	2,000	2,000	0	0	0

Funded by:

Borrowing			(1,500)	-	-	-	-	-
Capital Receipts			-	-	-	-	-	-
Capital Grants Applied			-	-	-	-	-	-
Use of Earmarked Reserves			(1,000)	(2,000)	(2,000)			
Capital Expenditure Charged to a Revenue Account			-	-	-	-	-	-
TOTAL APPROVED BUT NOT YET COMMITTED			(2,500)	(2,000)	(2,000)	0	0	0

NOTE:

Schemes Approved but not yet Committed are those schemes where past experience has indicated there are traditionally underspends or there are specific issues with a scheme proceeding that is outside the control of the Council. Approval by Council provides protection for the budgeted scheme for the year(s) indicated. Schemes are Committed by the Head of Strategic Finance in consultation with the Executive Member for Financial Sustainability. Virements are forbidden from these budgets without the authority of Council to prevent these budgets being committed to cover overspends or for immediate transfer to new schemes that do not have Council approval.

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