



Public Document Pack

James Ellis
Head of Legal and Democratic Services

MEETING : EXECUTIVE
VENUE : COUNCIL CHAMBER, WALLFIELDS, HERTFORD
DATE : TUESDAY 7 JANUARY 2025
TIME : 7.00 PM

MEMBERS OF THE EXECUTIVE

Councillor Ben Crystall	- Leader of the Council
Councillor Mione H Goldspink	- Executive Member for Neighbourhoods
Councillor Carl Brittain	- Executive Member for Financial Sustainability
Councillor Alex Daar	- Executive Member for Communities
Councillor Joseph Dumont	- Executive Member for Corporate Services
Councillor Vicky Glover-Ward	- Executive Member for Planning and Growth
Councillor Sarah Hopewell	- Executive Member for Wellbeing
Councillor Tim Hoskin	- Executive Member for Environmental Sustainability
Councillor Chris Wilson	- Executive Member for Resident Engagement

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- 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;
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AGENDA

1. Apologies

To receive any apologies for absence.

2. Leader's Announcements

To receive any announcements from the Leader of the Council.

3. Minutes - 19 November 2024 (Pages 5 - 7)

To approve as a correct record the Minutes of the meeting held on 19 November 2024.

4. Declarations of Interest

To receive any Member(s) declaration(s) of interest.

5. Draft Budget 2025/26 and Medium Term Financial Plan 2025-2035 (Pages 8 - 21)

6. Capital Receipts Programme - Authority to Dispose of Assets by Sale (Pages 22 - 34)

To move that under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting during the discussion of Appendix B, Item 6 on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the said Act.

7. Urgent Business

To consider such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration and is not likely to involve the disclosure of exempt information.

MINUTES OF A MEETING OF THE
EXECUTIVE HELD IN THE COUNCIL
CHAMBER, WALLFIELDS, HERTFORD ON
TUESDAY 19 NOVEMBER 2024, AT 7.00
PM

PRESENT: Councillor (Chairman/Leader)
Councillors B Crystall, C Brittain, J Dumont,
S Hopewell, T Hoskin and C Wilson.

ALSO PRESENT:

Councillors S Bull and J Wyllie.

OFFICERS IN ATTENDANCE:

James Ellis	- Head of Legal and Democratic Services and Monitoring Officer
Steven Linnett	- Head of Strategic Finance and Property
Katie Mogan	- Democratic and Electoral Services Manager
Helen Standen	- Interim Chief Executive

234 APOLOGIES

Apologies for absence were received from Councillors Daar, Glover-Ward and Goldspink.

235 LEADER'S ANNOUNCEMENTS

The Leader reminded Members and Officers that the meeting was being webcast.

236 MINUTES - 1 OCTOBER 2024

Councillor Brittain proposed, and Councillor Dumont seconded a motion that the Minutes of the meeting held on 1 October 2024 be approved as a correct record and be signed by the Leader. On being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that the Minutes of the meeting held on 1 October 2024 be approved as a correct record and signed by the Leader.

237 DECLARATIONS OF INTEREST

There were no declarations of interest.

238 ANNUAL TREASURY MANAGEMENT REVIEW 2023/24

The Executive Member for Financial Sustainability presented the Annual Treasury Management Review 2023/24 which was required under CIPFA guidance to produce a report twice a year. The report gave the background on the external economic environment and of particular concern to the council was the 10 year gilt rate which had increased over the year. He said that the report also detailed the council's borrowing which had increased from £31.5 million to £50 million and investments had fallen from £34.9 million to £30.4 million due to the need to fund the capital programme.

The Executive Member for Financial Sustainability amended the recommendation in the report which should read "That the Executive recommend to Council that the Annual Treasury Management Review 2023/24 be approved".

Councillor Brittain proposed that the recommendations in the report be supported. Councillor Hoskin seconded the proposal.

Councillor Crystall said that the report had been discussed at Audit and Governance Committee and there were some corrections needed in some of the tables. He asked if this had happened.

Councillor Brittain said the majority of changes had been made.

The motion to support the recommendations having been proposed and seconded was put to the meeting and upon a vote being taken, was declared CARRIED.

RESOLVED – To recommend to Council that the Annual Treasury Management Review 2023/24 be approved.

239 URGENT BUSINESS

There was no urgent business.

The meeting closed at 7.05 pm

Chairman
Date

Agenda Item 5

East Herts Council Report

Executive

Date of meeting: Tuesday 7 January 2025

Report by: Councillor Carl Brittain – Executive Member for Financial Sustainability

Report title: Draft Budget 2025/26 and Medium Term Financial Plan 2025-2035

Ward(s) affected: (All Wards);

Summary – This report sets out the revised Medium Term Financial Plan (MTFP) and savings proposals to balance the 2025/26 budget. The council's financial position will remain uncertain until the draft Local Government Finance Settlement. This is due to be released week commencing 16th December. The MTFP is based on the latest intelligence around government funding for 2025/26.

The report presents a balanced budget for 2025/26 (with a small £6k surplus), there are a number of risks associated with this budget which will be discussed in the upcoming paragraphs. Delivery of the officer delegated and Executive recommended savings are critical to balancing the budget.

The base case MTFP was shared with Executive in October 2024 this version showed a budget gap of circa £2m. Base budgets, statutory and non-statutory services have been reviewed and savings options considered and discussed at both Leadership Team meetings and joint meetings with Executive. Proposals to mitigate the forecast budget gap of £2m are detailed within the report.

RECOMMENDATIONS FOR EXECUTIVE:

- a) Requests Audit and Governance Committee to consider the savings proposals and advise Executive of any significant issues they believe may arise;

b) Delegate to the Interim Head of Strategic Finance, in consultation with the Executive Member for Financial Sustainability, the authority to amend the proposed budget and medium term financial plan to be put to Audit and Governance Committee on 29 January 2025 in order to reflect the Local Government Finance Settlement and other emerging information, so that the committee can consider the most complete and up to date information.

1.0 2025/26 Budget & MTFP

1.1 The Medium Term Financial Plan (MTFP) approved by Council in February 2024, and amended in October 2024, has been updated to reflect the current known position and estimates of expected budget position. The MTFP is shown in Appendix A. Table 1 below shows the summary position.

Table 1: Summary MTFP as at 10/12/2024	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000
Net Cost of Services	19,266	19,142	19,860	20,809
Corporate Budgets	4,440	4,001	3,987	3,886
Savings plans	(3,409)	(4,222)	(5,210)	(5,420)
Government funding	(7,008)	(3,543)	(3,598)	(3,600)
Council Tax	(13,131)	(13,625)	(14,138)	(14,669)
Contributions to/from reserves	(164)	-	-	-
Net Budget position	(6)	1,753	901	1,006

1.2 The updated MTFP shows a balanced budget for 2025/26, with a small surplus of £6k, the paragraphs that follow detail the updates that have been made to the 2025/26 position since October 2024. The updated MTFP also shows that further work will be required to bridge the identified gaps for 2026/27 onwards – this work is ongoing.

1.3 Leadership Team, in conjunction with senior managers, presented savings options to the Executive in joint meetings to address the budget gap forecast in the MTFP. At these meetings consideration

was given to statutory and non- statutory services that the council provides and how services are delivered.

1.4 These savings options fall into 2 categories, those under officer delegation and those for Executive recommendation. The savings plans, as per table 1, total £3.4m. Of these, £1.582m are under officer delegation as shown in table 2 and Appendix B.

Table 2: Savings implemented under officer delegation	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000
<i>Approved as part of 2024/25 budget setting</i>	<i>(122)</i>	<i>(1,335)</i>	<i>(1,985)</i>	<i>(1,985)</i>
Savings proposed by Leadership Team – Dec 2024				
- Contractual changes	(937)	(1,137)	(1,137)	(1,137)
- Vacancy management	(337)	(421)	(421)	(421)
- General efficiencies	(128)	(128)	(128)	(128)
- Transformation	(58)	(88)	(103)	(103)
Total officer delegated savings	(1,582)	(2,125)	(2,140)	(2,140)

1.4.1 The savings proposals in place under officer delegation have fully worked up proposals to support, which will be shared following consultation with officers.

1.5 A range of savings options were presented for Member consideration, those proposed to be taken forward total £1.827m, of this total, £492k are new proposals for 2025/26 with the balance already approved as part of the 2024/25 budget setting process. These are shown in table 3 and Appendix C.

Table 3: Executive recommended savings	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000
<i>Approved as part of</i>	<i>(1,335)</i>	<i>(1,335)</i>	<i>(1,985)</i>	<i>(1,985)</i>

<i>2024/25 budget setting</i>				
Savings proposed 2025/26 budget setting				
- Retender of ground maintenance contract	-	-	(50)	(50)
- Increase Garden Waste charges by £10 to £59, then cpi increase per year	(300)	(330)	(360)	(390)
- Reduce contribution to HGGT	(15)	(15)	(15)	(15)
- Reduce member training budget	(10)	(10)	(10)	(10)
- Community grants - reduction	(30)	(30)	(30)	(30)
- Millstream property disposals	(63)	(190)	(253)	(253)
- New approach to partnerships	(74)	(147)	(147)	(147)
- Customer services, review receptions	-	(40)	(40)	(40)
- Transformation	-	-	(180)	(360)
Total Executive recommended savings	(1,827)	(2,097)	(3,070)	(3,280)

1.5.1 All options for Executive consideration are shown in Appendix C, including those that have been rejected as part of the 2025/26 budget setting.

1.5.2 Delivery of all savings proposed is vital to ensure that the authority can meet its commitments. Robust monitoring of the savings plan, early identification of risks and proposals for future savings and transformation will be carried out by Leadership Team.

1.6 Net Cost of services - updated figures

1.6.1 Extended Producer Responsibility

Confirmation from government was received on 2nd December 2024 that East Herts would receive £1.4m in 2025/26 in respect of the extended producer responsibility scheme, this is to compensate councils for managing packaging waste collected from households. No assumption was made in the previous versions of the MTFP previously as the amounts were unknown.

1.6.2 BEAM budget contribution

A review of the business plan for BEAM has been undertaken by external consultants. The net cost of services has been updated with a reduced surplus position from £1.8m to £200k in 2025/26. Any overachievement against this base position will be transferred to reserves.

1.6.3 Pay award 2024/25 & Salaries

The 2024/25 pay award was agreed in October 2024 at a lower rate than was included in the budget. A reduction of £200k in the 2025/26 base budget has been accounted for in the net cost of services. All salary budgets have been updated in line with current scale point and appointments made in 2024/25. A 3% pay award has been assumed in 2025/26 and all future years.

1.6.4 Employers National Insurance

Following the announcement of an increase from 13.8% to 15% in employers' national insurance contributions as part of the 2024 Autumn Budget, an increase of £347k has been built into the net cost of services figures. It is expected that the council will receive compensation from government for some of this cost, and £200k has been built into the government funding line in the MTFP to reflect this. This amount is not guaranteed and at present is an estimate. Officers are working with contractors to

ascertain the impact that the increase in national insurance contributions will have on the cost of contracts.

1.6.5 Business Rates – Charringtons House

A budget has been built in to cover ongoing pressure in respect of business rates liability at Charrington's House, these are £300k in 2025/26 reducing to £150k in 2026/27.

1.6.6 Capital Expenditure charged to a revenue account

The previous version of the MTFP included a budget of £550k for capital expenditure charged to a revenue account, this has been reduced to £50k in line with the reduced capital programme.

1.7 Corporate Budgets

1.7.1 Minimum Revenue Provision (MRP)

The budget in the MTFP hasn't been adjusted at present as a review of the Councils MRP policy is currently underway. Any identified savings will be set aside to the interest equalisation reserve to cover reduction in principal amount invested in property funds.

1.7.2 Interest payable on loans & investment income

Both lines have remained the same in the MTFP as they are currently being reviewed, in line with MRP any savings identified will be set aside to the interest equalisation reserve to cover reduction in principal amount invested in property funds.

1.8 Government Funding

All assumptions regarding government funding have been reviewed and updated in line with latest guidance from LG futures. The Local Government Finance Settlement is expected to be available week

commencing 16th December when received we will have greater certainty around our funding position

1.9 Council Tax increase

The MTFP includes a 2.98% increase in council tax for 2025/26 and all future years. For 2025/26 this gives a band D council tax of £201.04.

2.0 Uncertainty

2.1 The figures in the current MTFP are based on the best information available at the time of writing the report. The Local Government Finance Settlement is not expected until later in December. The figures included for government funding are therefore at risk of change.

2.2 Although this appears to be a balanced budget, the underlying need to deliver every saving cannot be stressed too much. There is a high risk that these savings may not materialise and there is a limited amount of reserves.

2.3 In the MTFP 2026/27 onwards is showing a budget gap of £1.7m that we currently haven't been able to bridge. Transformation and savings proposals need to be developed to set a balanced budget for future years.

3.0 Reason(s)

3.1 The Council is required to set a balanced budget each year. The Local Government Finance Act 1992 required the council to estimate revenue expenditure and income for the forthcoming year from all sources, together with contributions from reserves, in order to determine a net budget requirement to be met by government grant, Business Rates and Council Tax.

4.0 Options

4.1 Given the financial outlook there are limited options available to ensure a balanced budget. Any growth will need to be balanced with savings.

5.0 Risks

5.1 Risk and known uncertainties are highlighted in the body of the report.

6.0 Implications/Consultations

6.1 The council is required to consult with Business Ratepayers under s.34 Local Government Finance Act 1988.

6.2 The budget papers will be available on line for residents to view. Alongside this we will invite comments and feedback from residents on the proposals via an online survey which will run from late December until the 15th January. The results of this survey will be shared with Audit and Governance Committee for their consideration alongside the budget papers.

Community Safety

The budget underpins delivery of the council's policies and priorities in relation to community safety.

Data Protection

None directly arising from this report.

Equalities

The Council has a statutory duty under the Equalities Act 2010, in particular s149. This includes the requirements on the Council to have due regard to the need to eliminate discrimination and harassment, to advance equality of opportunity, to foster good relations and to remove or minimise disadvantages suffered by persons who share protected characteristics. Compliance with these duties in the Equalities Act does permit the Council to treat some persons more favourably than others,

but only to the extent that such conduct is not otherwise prohibited. In setting the budget, decisions on some matters may be particularly relevant to the discharge of this duty, particularly fees and charges concessions and an equalities impact assessment will be undertaken to assess and ensure compliance with this duty

Environmental Sustainability

The budget underpins delivery of the council's policies and priorities in relation to the environmental and sustainability areas.

Financial

All financial implications are contained within the report.

Health and Safety

None directly arising from this report.

Human Resources

The budget provides provision of a pay award for up to 3% in 2025/26, the actual award is subject to national NJC negotiations.

Human Rights

None directly arising from this report.

Legal

The council is required to set a balanced budget each year. The Local Government Finance Act 1992 (as amended by the Localism Act 2011) requires the council to estimate revenue expenditure and income for the forthcoming year from all sources, together with government grant and contributions from reserves, in order to determine a basic Council Tax Requirement.

Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of the estimates and adequacy of reserves to the council when it is considering the budget.

Specific Wards

No

7.0 Background papers, appendices and other relevant material

- 7.1 Budget 2025/26 and Medium Term Financial Plan – 28 February 2024 Council Meeting
- 7.2 Budget 2025-26 and Medium Term Financial Plan (MTFP) 2025-2035 Preparation – 1 October 2024 Executive

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General Fund Revenue Budget and Medium Term Financial Plan 2025/26 to 2034/35

Cost of Services		2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
£000		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
362	Chief Executive's Office	382	393	405	417	428	441	454	467	480	493
1,626	Communications, Strategy & Policy	2,060	2,111	2,164	2,218	2,273	2,330	2,388	2,447	2,507	2,568
2,400	Housing and Health	2,186	2,257	2,330	2,404	2,480	2,559	2,640	2,724	2,811	2,901
2,718	Operations	3,308	3,202	3,565	3,779	3,980	4,192	4,415	4,650	4,898	5,159
(548)	Hertford Theatre	(200)	(300)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)
2,345	Planning & Building Control	2,456	2,535	2,615	2,698	2,783	2,871	2,962	3,056	3,153	3,253
995	Shared Revenues & Benefits Service	966	1,025	1,086	1,148	1,213	1,280	1,351	1,426	1,505	1,588
2,822	IT Shared Service	3,038	2,720	2,822	2,928	3,038	3,152	3,270	3,392	3,519	3,651
1,597	Legal & Democratic Services	1,523	1,570	1,619	1,668	1,719	1,771	1,825	1,881	1,939	1,999
595	Human Resources & Org Development	657	670	683	697	710	724	738	752	766	780
2,394	Strategic Finance & Property	2,730	2,718	2,812	3,062	3,324	3,608	3,917	4,252	4,616	5,011
1,019	Centrally Managed Costs	260	260	260	260	260	260	260	260	260	260
(150)	Revenue Costs Capitalised	(150)	(70)	(50)	(20)	(20)	(20)	(20)	(20)	(20)	(20)
4,739	Capital Expenditure Charged to a Revenue Account	50	50	50	50	50	50	50	50	50	50
22,914	Net Cost of Services	19,266	19,142	19,860	20,809	21,738	22,718	23,750	24,837	25,984	27,193
2024/25	Corporate Budgets	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
£000		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
(50)	Fees and Charges Annual Review	(100)	(150)	(200)	(250)	(300)	(350)	(400)	(450)	(500)	(550)
1,032	Minimum Revenue Provision	1,634	1,702	1,786	1,786	1,786	1,786	1,786	1,786	1,786	1,786
2,955	Interest Payable on Loans	3,269	2,612	2,514	2,463	2,351	2,239	2,127	2,015	1,903	1,903
(1,200)	Investment Income	(1,000)	(800)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)
637	Pension Fund Deficit Contribution	637	637	637	637	637	637	637	637	637	637
3,374	Total Corporate Budgets	4,440	4,001	3,987	3,886	3,724	3,562	3,400	3,238	3,076	3,026
(1,103)	Savings implemented under existing delegations	(1,582)	(2,125)	(2,140)	(2,140)	(2,140)	(2,140)	(2,140)	(2,140)	(2,140)	(2,140)
(83)	Executive Savings approved 2024/25 budget round	(1,335)	(1,335)	(1,985)	(1,985)	(1,985)	(1,985)	(1,985)	(1,985)	(1,985)	(1,985)
0	Executive Recommended savings proposals - 2025/26	(492)	(762)	(1,085)	(1,295)	(1,295)	(1,295)	(1,295)	(1,295)	(1,295)	(1,295)
25,102	Total Costs	20,297	18,921	18,637	19,274	20,041	20,860	21,730	22,655	23,640	24,799

2024/25 £000	Government Funding & Council Tax	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000	2031/32 £000	2032/33 £000	2033/34 £000	2034/35 £000
(4,294)	Retained Business Rates - Business Rates	(5,092)	(3,149)	(3,202)	(3,202)	(3,202)	(3,202)	(3,202)	(3,202)	(3,202)	(3,202)
(1,697)	New Homes Bonus Grant	(1,193)	0	0	0	0	0	0	0	0	0
(111)	Revenue Support Grant	(120)	(122)	(124)	(126)	(128)	(130)	(132)	(134)	(136)	(138)
(1,999)	General Government Grants	(403)	(272)	(272)	(272)	(272)	(272)	(272)	(272)	(272)	(272)
0	NI grant	(200)									
(1,501)	New Burdens Funding - food waste collection										
(12,652)	Council Tax Demand on the Collection Fund	(13,131)	(13,625)	(14,138)	(14,669)	(15,219)	(15,789)	(16,380)	(16,992)	(17,625)	(18,282)
(500)	Collection Fund (Surplus)/Deficit										
(22,754)	Total Government Funding & Council Tax	(20,139)	(17,168)	(17,736)	(18,269)	(18,821)	(19,393)	(19,986)	(20,600)	(21,235)	(21,894)
2,348	Net Budget before Reserves movements	158	1,753	901	1,005	1,220	1,467	1,744	2,055	2,405	2,905
2024/25 £000	Contributions to/(from) Reserves	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000	2031/32 £000	2032/33 £000	2033/34 £000	2034/35 £000
652	Contributions to Earmarked Reserves	0	0	0	0	0	0	0	0	0	0
(3,000)	Contributions (from) Earmarked Reserves	(164)	0	0	0	0	0	0	0	0	0
	Contributions to General Fund										
	Contributions (from) General Fund										
(2,348)	Total Contributions to/(from) Reserves	(164)	0	0	0	0	0	0	0	0	0
0	Net Budget Position	(6)	1,753	901	1,005	1,220	1,467	1,744	2,055	2,405	2,905

Savings implemented under existing delegations

Service	Description	2025/26	2026/27	2027/28	2028/29
		£'000	£'000	£'000	£'000
Approved as part of 2024/25 budget setting					
Corporate	Senior Management Restructure	- 250	- 250	- 250	- 250
Revenues & Benefits	Shared Revenues and Benefits Service Review	- 25	- 225	- 225	- 225
Communications, Strategy & Policy	Leisure Project Manager	- 30	- 30	- 30	- 30
Communications, Strategy & Policy	Avoidable contacts	- 24	- 24	- 24	- 24
Property	Wallfields	- 157	- 186	- 186	- 186
Total approved as part of 2024/25 budget setting		- 486	- 715	- 715	- 715

Adjustments required following unachievement of savings built in to base budgets 2024/25					
Corporate	Ban on overtime	164	164	164	164
Property	Wallfields	200	200	200	200
Total adjustments		364	364	364	364

Budget Adjustments & Savings proposed by Leadership Team - December 2024					
	Contractual changes	- 937	- 1,137	- 1,137	- 1,137
	Vacancy management	- 337	- 421	- 421	- 421
	General efficiencies	- 128	- 128	- 128	- 128
	Transformation	- 58	- 88	- 103	- 103
Total Officer delegated savings - Dec 2024		- 1,460	- 1,774	- 1,789	- 1,789

Total 2025/26 officer delegated savings		- 1,582	- 2,125	- 2,140	- 2,140
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Executive recommended savings proposals

Service	Description	2025/26	2026/27	2027/28	2028/29
		£'000	£'000	£'000	£'000
Approved as part of 2024/25 budget setting					
Corporate	Innovation Corridor	- 10	- 10	- 10	- 10
Corporate	Digital Innovation Zone	- 10	- 10	- 10	- 10
Corporate	Visit Herts	- 5	- 5	- 5	- 5
Corporate	Advertising	- 20	- 20	- 20	- 20
Corporate	Asset Disposals	- 528	- 528	- 528	- 528
Operations	Invest to Save - Refuse Contract Vehicle Financing	- 200	- 200	- 200	- 200
Operations	Civil Parking Enforcement	- 1,750	- 1,750	- 1,750	- 1,750
Total approved 2024/25		- 2,523	- 2,523	- 2,523	- 2,523

Reductions to 2024/25 approved savings					
Planning	HGGT joint Committee	10	10	10	10
Corporate	Asset Disposals	528	528	528	528
Operations	Civil Parking Enforcement	650	650	-	-
Total reductions		1,188	1,188	538	538

Total savings approved by Executive 2024/25		- 1,335	- 1,335	- 1,985	- 1,985
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2025/26 Executive recommended savings

Operations	Retender of ground maintenance contract	-	-	- 50	- 50
Operations	Increase Garden Waste charges by £10 to £59, then cpi increase per year	- 300	- 330	- 360	- 390
Planning	Reduce contribution to HGGT	- 15	- 15	- 15	- 15
Legal & Democratic	Reduce Member training budget	- 10	- 10	- 10	- 10
Housing & Health	Community grants - reduction	- 30	- 30	- 30	- 30
Corporate	Millstream property disposals	- 63	- 190	- 253	- 253
Corporate	New approach to partnerships	- 74	- 147	- 147	- 147
Communications, Strategy & Policy	Customer Services - review receptions	-	- 40	- 40	- 40
Communications, Strategy & Policy	Transformation	-	-	- 180	- 360
2025/26 Executive Recommended savings		- 492	- 762	- 1,085	- 1,295

2025/26 Executive Rejected savings

Planning	Limited the planning enforcement resource to compliance	-233	-233	-233	-233
Planning	Reduce Enforcement officer resource from 3 to 1	-140	-140	-140	-140
Planning	Reduce Enforcement officer resource from 3 to 2	-67	67	67	67
Housing & Health	Citizens Advice - stop grant	-100	-100	-100	-100
Housing & Health	Citizens Advice - reduce grant	-30	-30	-30	-30
Housing & Health	Citizens Advice - reduce grant	-60	-60	-60	-60
Housing & Health	Delete Licensing Enforcement function	-63	-63	-63	-63
Housing & Health	Reduction current 1.3 FTE Licensing Enforcement Officers to 1 FT	-15	-15	-15	-15
Communications, Strategy & Policy	Communications - reduce service to minimum	-103	-103	-103	-103
Housing & Health	Staff paying for car park	-3	-5	-5	-5
Legal & Democratic	Land charges searches - charge for fast track service	-2	-2	-2	-2

Agenda Item 6

East Herts Council Executive Report

Date: 7 January 2025

Report by: Jonathan Geall, Interim Deputy Chief Executive & Head Housing, Health and Property

Report title: Capital Receipts Programme – Authority to Dispose of Assets by Sale

Ward(s) affected: Hertford Sele, Ware Priory, Ware St Mary's, Ware Trinity

Summary

This report identifies assets for disposal and seeks approval for disposal by the most appropriate means.

RECOMMENDATIONS FOR EXECUTIVE – That:

- (A) the assets approved for disposal by the Executive at its meeting of 1st October 2024, as listed in paragraph 1.1, be sold by any means that will achieve best consideration for the council, with the decision on the means of disposal used for each site delegated to the Head of Housing, Health and Property;**
- (B) Southern Maltings, Ware be let on a 99 year lease to Ware Town Council for the consideration in the EXEMPT Appendix B;**
- (C) land at Hawthorn Close, Hertford be disposed of for best consideration, with authority to determine the means of disposal delegated to the Head of Housing, Health and Property;**
- (D) land at Park Road, Ware be disposed of for best consideration, with authority to determine the means of disposal delegated to the Head of Housing, Health and Property;**

- (E) the property at 34 Queen’s Road Ware be disposed of for best consideration with the receipt being recycled into the council’s commuted sums reserve for affordable housing and the authority to determine the means of disposal delegated to the Head of Housing, Health and Property.**

1.0 Proposal(s)

1.1 To ensure best consideration is achieved for the four assets approved for disposal by the Executive of the 1st October 2024 by removing the stipulation for disposal *by auction* and instead delegating to the Head of Housing, Health and Property authority to determine the means of disposal for each site. These sites being:

- i. land at Widford Road, Hunsdon
- ii. land at 22 Great Innings North, Watton at Stone
- iii. land at King George Road Ware
- iv. land adjacent to 65 Sele Road, Hertford.

1.2 To dispose of Southern Maltings to Ware Town Council by means of a 99 year lease for the consideration in the EXEMPT Appendix B.

1.3 To dispose of the following assets by the sales method best able to achieve best consideration for the council – site plans attached at Appendix A:

- i. Land at Hawthorn Close, Hertford
- ii. Land at Park Road, Ware
- iii. 34 Queen’s Road, Ware.

2.0 Background

2.1 In support of the Medium Term Financial Plan, the council has embarked on a programme of disposal of assets which are of no or very limited value to the council by virtue of them not generating

any income and/or representing a financial liability in terms of maintenance or other costs.

- 2.2 The Executive considered a list of assets at their meeting on 1st October 2024, this report now presents a second tranche of assets that have been identified for disposal.
- 2.3 Generation of capital receipts enables the council to pay down debt and thus relieve it of interest payments and the need to make a minimum revenue provision (MRP). For every £1m of debt repaid, the council makes a revenue saving around £85,000 in combined interest and MRP avoided.
- 2.4 Officers estimate that the assets proposed for disposal in this report would achieve in the region of £900k to £1.0m in combined receipts, thus giving a revenue saving of around £85,000. The estimated value of the asset proposed for disposal in this report is presented in the EXEMPT Appendix B.

3.0 Reasons

Southern Maltings, Ware

- 3.1 Southern Maltings is an investment property which is currently leased to the Southern Maltings Community Group. Previous attempts by East Herts Council to sell the Grade II listed building for redevelopment were unsuccessful in 2014. A view that the building should be saved led to the council agreeing to lease the asset on commercial terms to the Southern Maltings Community Group for community uses and an arts centre.
- 3.2 Ware Town Council have been working with East Herts and the community group to acquire a long headlease of the building to assist with the continued use of the building as a Community Arts Centre. The long lease of this property will mean the council would no longer receive any rental income, but would unlock the value

from a capital receipt, whilst ensuring the continued community use and preservation of the listed building.

- 3.3 Lease terms and a lease payment have been agreed with Ware Town Council so this report is seeking approval to grant a 99 year lease to the Town Council.

Land at Hawthorn Close, Sele Farm

- 3.4 The land is a brownfield site surrounded by residential properties. It consists of a large hard standing and a garage which the council currently uses for storage. The site previously contained a prefabricated building used by the St Johns Ambulance service for training. The agreement with St Johns Ambulance ended in 2015 and the building was removed.

- 3.5 The site is not an ideal council storage facility due to lack of utilities, poor location and restricted access and has only been used on an opportunistic basis. Alternative storage within the council's estate has been found, thus officers recommend a sale to unlock the site's value and to facilitate a redevelopment. The site could have some residential potential or could work for a community or third sector group under its current planning use.

Land at Park Road, Ware

- 3.6 The land at Park Road is currently used under licence for private parking, with a peppercorn income. This site is next to a pair of semi-detached bungalows in private ownership.
- 3.7 Previously, the council explored purchasing the two bungalows, then provided as alms houses, in 2020 so as to assemble a larger land holding. The council, however, could not form a financially viable business case for acquisition.
- 3.8 Officers recommend the sale of this land which has the potential for a single house development.

34 Queen's Road, Ware

- 3.9 34 Queen's Road, Ware is residential semi-detached house in Ware. In late 2021, the council acquired it from a private owner who had gutted the inside and gained planning permission to create two flats. The council bought the property using commuted sums held for affordable housing as the plan was to complete the conversion and thus create two self-contained flats to use as temporary accommodation for homeless households. As the property is not in a habitable state, the council has not incurred any council tax liability.
- 3.10 Since acquisition, significant building cost inflation following the pandemic has undermined the financial viability of the works. The council is currently finalising an agreement with a private landlord to lease five self-contained flats in Hertford for use as temporary accommodation. For the first time, this would provide the council with temporary in the Hertford/Ware part of the district and thus obviates the pressing need for the two units that had been planned for 34 Queen's Road. The need for more temporary accommodation to minimise the use of bed and breakfast hotel rooms when the council's hostels remains and so the receipt from this disposal would return to the commuted sums pot for reallocation for alternative scheme(s) to provide temporary accommodation or affordable housing.
- 3.11 Officers thus recommend disposal of 34 Queen's Road, Ware with the capital receipt from this sale, of necessity, returning the commuted sums pot for allocation for alternative affordable housing schemes. It is expected the property would be acquired by a developer or private individual for complete refurbishment as a private dwelling.

4.0 Options

- 4.1 Retain some or all of the asset discussed in this report. NOT

RECOMMENDED as it is in the council's interest to dispose of underused assets and those which are in fact a financial liability given the need for investment.

5.0 Risks

5.1 As with any property disposal, there is a risk that an acceptable sales price cannot be achieved. This risk will be mitigated by disposing of each site in line with officers' and their agents' professional advice and expertise as, indeed, the council is obliged to achieve best consideration.

5.2 Also, as with any sale there is the risk that the neighbours or close community may not welcome a change in ownership and/or use of the land or buildings. Any alternative use would be subject to planning approval which affords interested parties the opportunity to raise their objections or concerns.

6.0 Implications/Consultations

6.1 Should members approve for disposal any/all of the assets presented in this report, prior to actual disposal ward members of the wards affected would be notified and briefed. As noted above, any change of use would be subject to the appropriate planning permission.

Community Safety

None arising directly from this report.

Data Protection

None arising directly from this report.

Equalities

None arising directly from this report.

Environmental Sustainability

Any future works, redevelopment or change of use of any of the assets covered in this report would be subject to planning permission and building control. This is likely to maximise environmental sustainability improvements.

Financial

Finance colleagues have been consulted about these disposals. As noted in the report, every £1m of receipts would enable the paying down of a commensurate level of debt and thus relieve the council of around £85,000 of revenue liabilities. Future disposals are being modelled in the council's Medium Term Financial Plan.

Health and Safety

Disposing of surplus assets or aging assets relieves the council of any future health and safety responsibilities, which are only set to increase as the condition of those assets deteriorates.

Human Resources

None arising directly from this report.

Human Rights

None arising directly from this report.

Legal

For any site approved by the Executive for disposal, the Head of Housing, Health and Property shall work with colleagues to ensure an appropriate means of disposal such that s123(2) is adhered to, that is, the council will **not** dispose of any site *'for consideration less than the*

best that can be reasonably obtained'.

**Ward(s) affected: Hertford Sele, Ware Priory, Ware St Mary's,
Ware Trinity**

7.0 Background papers, appendices and other relevant material

7.2 Appendix A Location plans of each asset

7.1 Appendix B List of estimated asset values – EXEMPT

Contact Member

Councillor Carl Brittain

Executive Member for Financial Sustainability

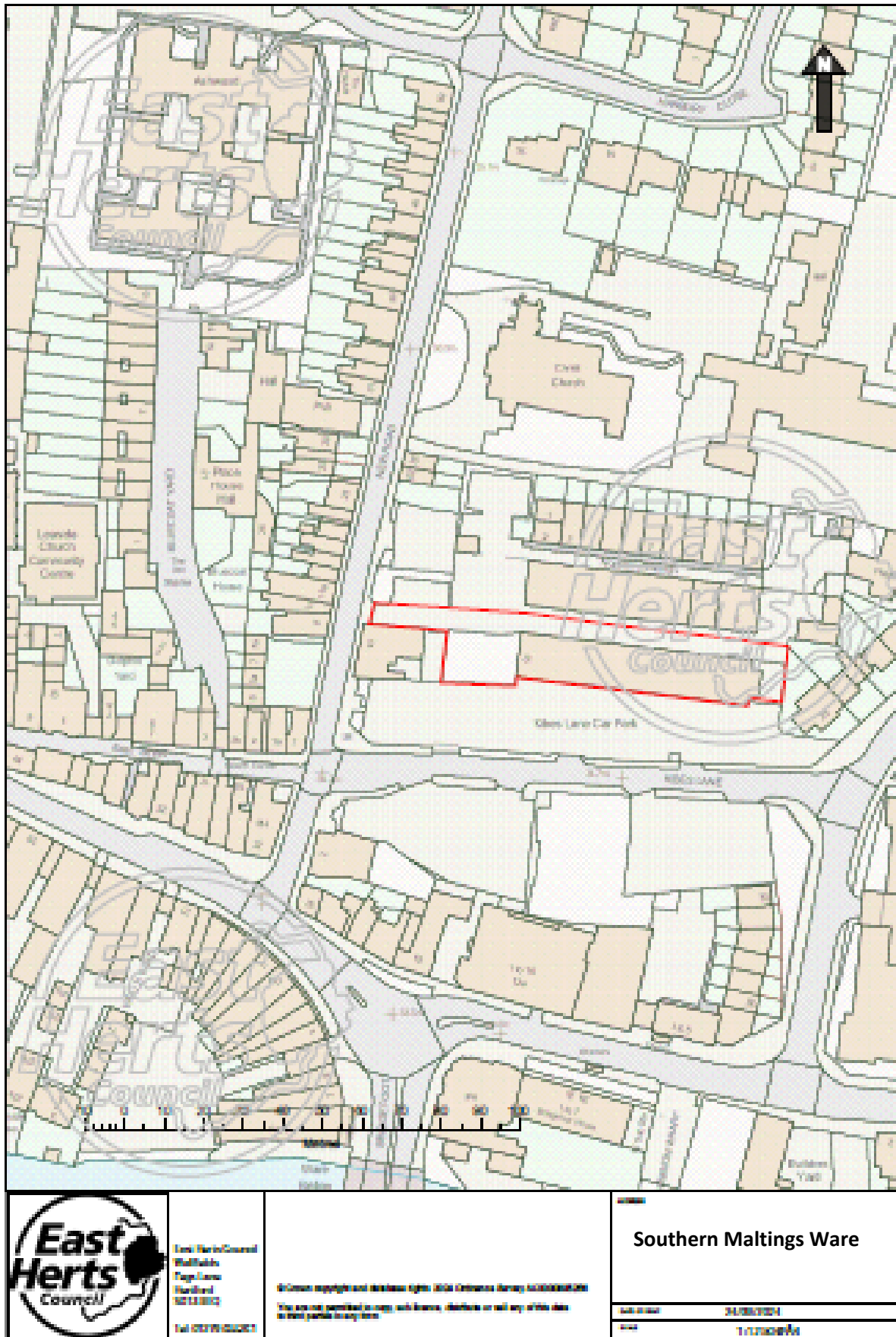
Carl.brittain@eastherts.gov.uk

Contact Officer

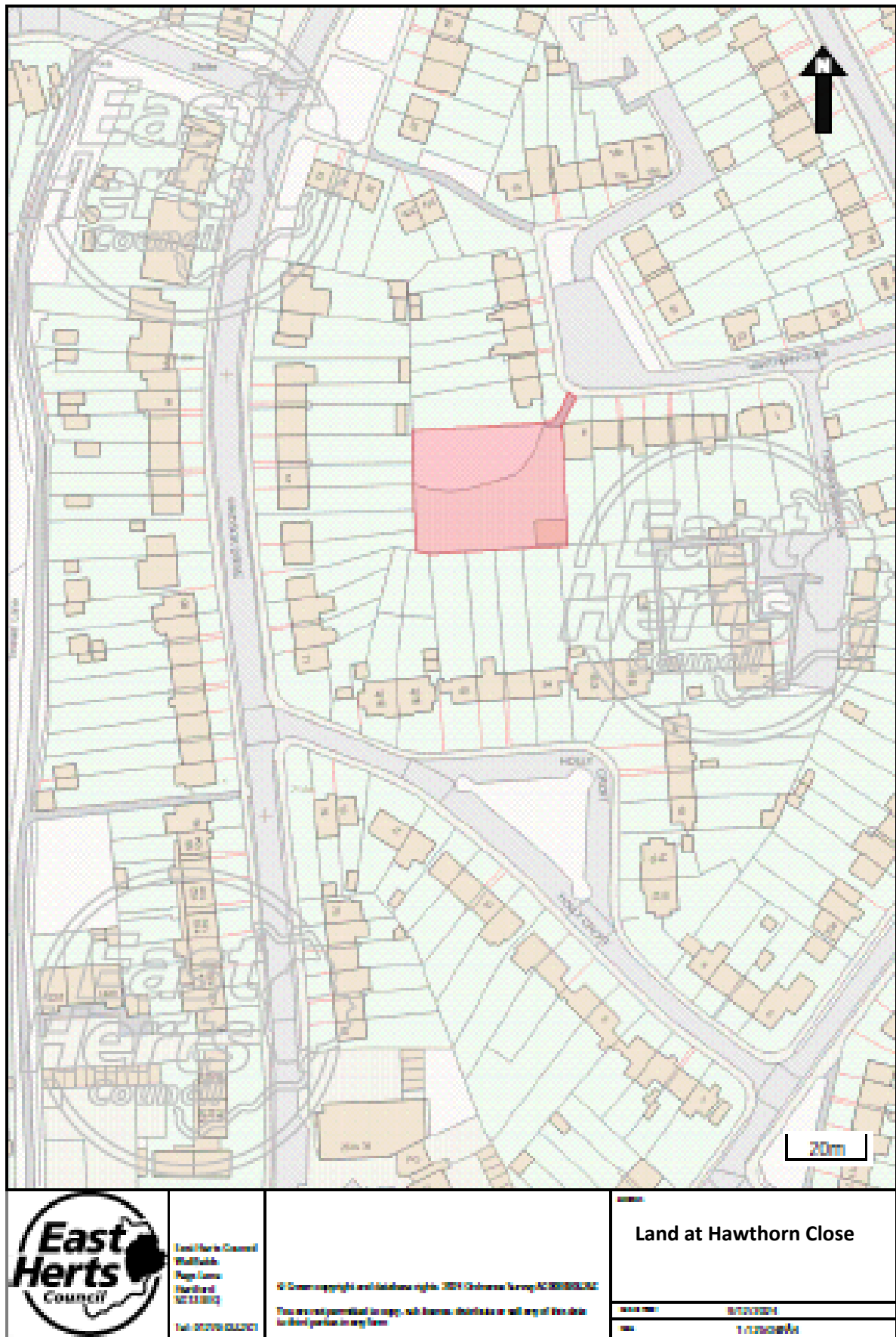
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Housing and Property

Jonathan.Geall@[eastherts.gov.uk](mailto:Jonathan.Geall@eastherts.gov.uk)

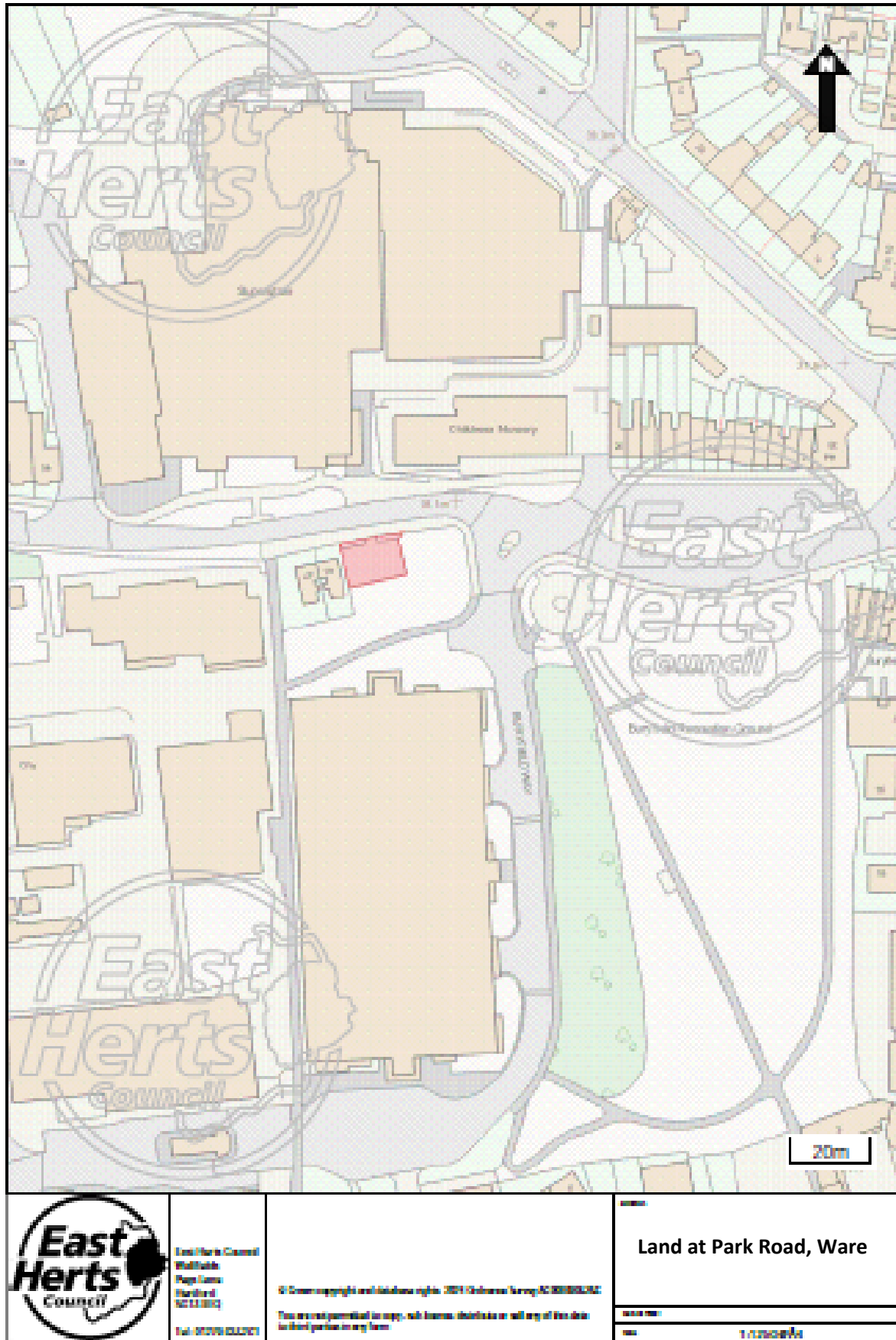
Appendix A – Site Plans



Appendix A – Site Plans




Appendix A – Site Plans



Appendix A – Site Plans



	<p>East Herts Council Wolfhills Pige Lane Hatfield SG13 8EQ Tel: 01279 655261</p>	<p>© Crown copyright and database rights 2004 Ordnance Survey AC000005256 You are not permitted to copy, re-transmit, distribute or sell any of this data to third parties in any form</p>	<p>ADDRESS 34 Queen's Road, Ware</p> <p>DATE OF PLAN 10/01</p> <p>SCALE 1:1250@A4</p>
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