

# Public Document Pack

14 July 2017

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Your Ref.  
Contact. Ian Gourlay (01462) 474403  
Direct Dial. (01462) 474403  
Email. ian.gourlay@north-herts.gov.uk

To: Members of the Cabinet:

Councillor Lynda Needham, Leader of the Council (Chairman)  
Councillor Julian Cunningham, Executive Member for Finance and IT & Deputy Leader of the Council (Vice-Chairman)  
Councillor Jane Gray, Executive Member for Leisure  
Councillor Tony Hunter, Executive Member for Community Engagement and Rural Affairs  
Councillor David Levett, Executive Member for Planning and Enterprise  
Councillor Bernard Lovewell, Executive Member for Housing and Environmental Health  
Councillor Ray Shakespeare-Smith, Executive Member for Policy, Transport and Green Issues  
Councillor Michael Weeks, Executive Member for Waste Management, Recycling and Environment

You are invited to attend a

## **MEETING OF THE CABINET**

to be held in the

**FOUNDATION HOUSE, ICKNIELD WAY, LETCHWORTH  
GARDEN CITY**

on

**TUESDAY, 25TH JULY, 2017 AT 7.30 PM**

Yours sincerely,



David Miley  
Democratic Services Manager

## **Agenda** **Part I**

<b>Item</b>	<b>Page</b>
<b>1. APOLOGIES FOR ABSENCE</b>	
<b>2. MINUTES - 13 JUNE 2017</b> To take as read and approve as a true record the minutes of the meeting of the Cabinet held on 13 June 2017.	(Pages 1 - 8)
<b>3. NOTIFICATION OF OTHER BUSINESS</b> Members should notify the Chairman of other business which they wish to be discussed by the Cabinet at the end of either Part I or Part II business set out in the agenda. They must state the circumstances which they consider justify the business being considered as a matter of urgency.  The Chairman will decide whether any item(s) raised will be considered.	
<b>4. CHAIRMAN'S ANNOUNCEMENTS</b> Members are reminded that any declarations of interest in respect of any business set out in the agenda, should be declared as either a Disclosable Pecuniary Interest or Declarable Interest and are required to notify the Chairman of the nature of any interest declared at the commencement of the relevant item on the agenda. Members declaring a Disclosable Pecuniary Interest must withdraw from the meeting for the duration of the item. Members declaring a Declarable Interest which requires they leave the room under Paragraph 7.4 of the Code of Conduct, can speak on the item, but must leave the room before the debate and vote.	
<b>5. PUBLIC PARTICIPATION</b> To receive petitions, comments and questions from the public.	
<b>6. ITEMS REFERRED FROM OTHER COMMITTEES</b> Any Items referred from other committees will be circulated as soon as they are available.	
<b>7. STRATEGIC PLANNING MATTERS</b> <b>REPORT OF THE STRATEGIC DIRECTOR OF PLANNING, HOUSING AND ENTERPRISE</b>	(Pages 9 - 20)

*To inform Cabinet of the current positions regarding:*

- *Duty to Co-operate with neighbouring authorities;*
- *Other Local Plans and Examinations;*
- *North Hertfordshire Local Plan*
- *Neighbourhood Plans; and*
- *Government announcements.*

8. **CORPORATE PLAN 2018 TO 2023** (Pages  
REPORT OF THE STRATEGIC DIRECTOR OF FINANCE, POLICY AND 21 - 38)  
GOVERNANCE
- To consider the Corporate Plan 2018 to 2023.*
9. **MEDIUM TERM FINANCIAL STRATEGY 2018-2023** (Pages  
REPORT OF THE STRATEGIC DIRECTOR OF FINANCE, POLICY AND 39 - 54)  
GOVERNANCE
- To consider the Medium Term Financial Strategy 2018-2023.*
10. **REVIEW OF EXISTING NORTH HERTFORDSHIRE PLANNING GUIDANCE** (Pages  
REPORT OF THE STRATEGIC DIRECTOR OF PLANNING, HOUSING AND 55 - 64)  
ENTERPRISE
- To consider a review of existing North Hertfordshire Planning Guidance.*
11. **DESIGNATION OF A NEIGHBOURHOOD PLANNING AREA FOR** (Pages  
**BALDOCK, BYGRAVE AND CLOTHALL** 65 - 86)  
REPORT OF THE STRATEGIC DIRECTOR OF PLANNING, HOUSING AND  
ENTERPRISE
- To consider the designation of a Neighbourhood Planning Area for Baldock,  
Bygrave and Clothall.*
12. **CAPITAL PROPOSAL TO PURCHASE CARDIO AND RESISTANCE** (Pages  
**FITNESS EQUIPMENT FOR THE COUNCIL'S HITCHIN AND ROYSTON** 87 - 94)  
**LEISURE FACILITIES**  
REPORT OF THE HEAD OF LEISURE AND ENVIRONMENTAL SERVICES
- To consider a Capital proposal to purchase cardio and resistance fitness  
equipment for the Council's Hitchin and Royston leisure facilities.*
13. **NATIONAL NON-DOMESTIC RATES LOCAL DISCRETIONARY FUND** (Pages  
REPORT OF THE HEAD OF REVENUES, BENEFITS AND IT 95 - 104)
- To consider the National Non-Domestic Rates Local Discretionary Fund.*

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## NORTH HERTFORDSHIRE DISTRICT COUNCIL

### CABINET

MEETING HELD IN THE LOWER HALL, ICKNIELD CENTRE, ICKNIELD WAY,  
LETCWORTH GARDEN CITY ON TUESDAY, 13TH JUNE, 2017 AT 7.30 PM

### MINUTES

**Present:** *Councillors Councillor Lynda Needham (Chairman), (Vice-Chairman), Jane Gray, Tony Hunter, David Levett, Bernard Lovewell and Ray Shakespeare-Smith.*

**In Attendance:**

*David Scholes (Chief Executive), Norma Atlay (Strategic Director of Finance, Policy and Governance), Ian Couper (Head of Finance, Performance and Asset Management), Ian Fullstone (Head of Development and Building Control), Louise Symes (Strategic Planning and Projects Manager), Stuart Izzard (Communities Manager), Anthony Roche (Corporate Legal Manager) and Ian Gourlay (Committee and Member Services Manager).*

**Also Present:**

*Councillors Simon Harwood (Vice-Chairman of Finance, Audit and Risk Committee) and Frank Radcliffe.*

#### 1 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Julian Cunningham (Vice-Chairman) and Michael Weeks.

#### 2 MINUTES - 28 MARCH 2017

**RESOLVED:** That the Minutes of the meeting of Cabinet held on 28 March 2017 be approved as a true record of the proceedings and signed by the Chairman.

In response a Member's question in respect of progress with the acquisition of 14/15 Brand Street in connection with the North Hertfordshire Museum project (Minutes 128 and 129 refer), the Chief Executive stated that, pursuant to the Cabinet meeting on 28 March 2017, legal documentation regarding the conveyance of the property had been prepared and sent to Hitchin Town Hall Limited and Hitchin Town Hall Finance Limited. The matter was currently with their solicitors, but despite regularly chasing, progress appeared slow. The Council would continue to push for the legal documentation to be signed and the Chief Executive would keep Cabinet Members updated with progress.

#### 3 NOTIFICATION OF OTHER BUSINESS

There was no notification of other business.

#### 4 CHAIRMAN'S ANNOUNCEMENTS

- (1) The Chairman announced that Members of the public and the press may use their devices to film/photograph, or do a sound recording of the meeting, but she asked them to not use flash and to disable any beeps or other sound notifications that emitted from their devices. In addition, the Chairman had arranged for the sound at this particular meeting to be recorded;
- (2) The Chairman reminded Members that, in line with the Code of Conduct, any Declarations of Interest needed to be declared immediately prior to the item in question;
- (3) The Chairman asked that, for the benefit of any members of the public present at the meeting, Officers announce their name and their designation to the meeting when invited to speak.

## 5 PUBLIC PARTICIPATION

There was no public participation.

## 6 ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE: 12 JUNE 2017 - RISK MANAGEMENT UPDATE AND ANNUAL REPORT ON RISK MANAGEMENT

The Vice-Chairman of the Finance, Audit and Risk Committee presented the following referral from that Committee, made at its meeting held on 12 June 2016, in respect of a Risk Management Update and Annual Report on Risk Management 2016/17 (Minute 12 refers):

### ***“RECOMMENDED TO CABINET:***

- (1) That the reduction in the score for the “Increased Homelessness and use of B & B” risk from a 7 to a 5 be approved;
- (2) That the reduction in the score for the “Office Accommodation” risk from a 7 to a 5 be approved;
- (3) That a reduction in the likelihood score for the “Sale of Materials” sub-risk to a 2 – Medium – be approved; and
- (4) That the Annual Report on Risk and Opportunities Management 2016/17, as set out at Appendix B to the report, be supported and referred to Council for approval.”

The Cabinet was pleased that the “Increased Homelessness and use of B & B” risk was proposed to be reduced in score. It was noticed that the Risk matrix which formed part of the Annual Report on Risk and Opportunities Management 2016/17 showed the aforementioned risk as 5 score when at that time it should have been a 7 score. This was an error, which would be corrected in the version of the Annual report which would be submitted to Council on 19 July 2017.

### ***RESOLVED:***

- (1) That the reduction in the score for the “Increased Homelessness and use of B & B” risk from a 7 to a 5 be approved;
- (2) That the reduction in the score for the “Office Accommodation” risk from a 7 to a 5 be approved;
- (3) That a reduction in the likelihood score for the “Sale of Materials” sub-risk to a 2 – Medium – be approved; and

***RECOMMENDED TO COUNCIL:*** That the Annual Report on Risk and Opportunities Management 2016/17, as set out at Appendix B to the report, and as amended, be approved.

**REASON FOR DECISION:** To comply with the requirements of the Risk and Opportunities Management Strategy.

## 7 STRATEGIC PLANNING MATTERS

The Executive Member for Planning and Enterprise presented a report of the Strategic Director of Planning, Housing and Enterprise informing Members of the current position regarding the Duty to Co-operate with neighbouring authorities; Other Local Plans and Examinations; North Hertfordshire Local Plan; Neighbourhood Plans; and Government announcements. The following appendices were submitted with the report:

Appendix A – Copy of NHDC response to Luton Borough Council on the “proposed main modifications” to their Pre-Submission Local Plan; and

Appendix B – Hertfordshire Infrastructure and Planning Panel (HIPP) joint response to consultation on DCLG Housing White Paper “Fixing our broken Housing Market”.

The Executive Member for Planning and Enterprise updated the Cabinet on the following matters:

**Tuesday, 13th June, 2017**

- Duty to Co-operate with neighbouring authorities – 19 Memoranda of Understandings/Statements of Common Ground with neighbouring authorities were at various stages of completion (11 had been signed; 4 were under consideration; 2 were in preparation; and 2 were about to be prepared). When completed, these would be provided to the appointed Local Plan examination Inspector as part of the examination submission documents;
- East Hertfordshire and Welwyn Hatfield Local Plans – these were on similar timelines to the North Hertfordshire Local Plan, and were consequently awaiting dates for their respective examinations;
- Luton Local Plan – the Inspector's report had been published and consultation had taken place on some "proposed main modifications" and the Council had prepared a response, attached at Appendix A to the report, primarily in respect to transport matters;
- Stevenage Local Plan – the examination sessions had concluded and consultation on the some "proposed main modifications" had commenced on 12 June 2017 for a period of six weeks. If required, a response would be prepared and reported to Cabinet in due course;
- St. Albans Local Plan – a Judicial Review into the Inspector's conclusion that St. Albans Council had failed to meet the legal requirements under the duty to co-operate on its Local Plan would be held on 21 and 22 June 2017;
- North Hertfordshire Local Plan – The Plan had been submitted to the Planning Inspectorate on 9 June 2017. An Examination Inspector (Simon Berkeley) and Programme Officer (Louise St. John Howe) had been appointed. The Council's website will be updated accordingly and Members will be informed via the Members' Information Service. Dates for the Examination had yet to be supplied.
- Neighbourhood Plans – consultation on the Pirton Neighbourhood Plan had taken place between 9 February 2017 and 23 March 2017. 205 representations had been received and would be collated by an independent examiner before a referendum on the Plan could be held; an application to designate Bygrave Parish, Clothall Parish and the unparished area of Baldock as a Neighbourhood Planning Area had been received and would be consulted on for four weeks from 9 June 2017, with outcomes being reported to Cabinet in July 2017; Delegated authority to undertake public consultation on the Wymondley Neighbourhood Plan proposed submission document had been agreed and the consultation period would be commencing during the week commencing 19 June 2017; and
- Government announcements – A joint Hertfordshire Infrastructure and Planning Partnership response to the Government Housing White Paper "Fixing our Broken Housing Market", attached as Appendix B to the report, had been prepared and sent; the National Infrastructure Commission (NIC) had published a discussion paper on strategic planning and governance in the Cambridge/Milton Keynes/Oxford corridor; the Neighbourhood Planning Bill received Royal Assent on 27 April 2017, and the subsequent Regulations would be reported as soon as they were received.

**RESOLVED:** That the report on Strategic Planning Matters be noted.

**REASON FOR DECISION:** To keep the Cabinet informed of recent developments on strategic planning matters and progress on the North Hertfordshire Local Plan.

## **8 REVENUE BUDGET OUTTURN 2016/17**

The Cabinet Chairman presented the report of the Strategic Director of Finance, Policy and Governance in respect of the Revenue Budget Outturn 2016/17. The following appendices were submitted with the report:

Appendix A – General Fund Summary 2016/17; and  
Appendix B – Carry Forward Budgets requested for 2017/18.

The Cabinet Chairman advised that the net expenditure on the General Fund in 2016/17 was £15.974million. This was a net decrease of £1.294million on the working budget of £17.268million. She referred to Table 2 of the report, which set out the significant variances, and she highlighted a number of these.

The Cabinet Chairman stated that the estimated impact on the 2017/18 budget was a £228,000 increase in budget, which included the request to carry forward £255,000 of budgets from 2016/17 to 2017/18 for projects that were not completed by the end of the financial year. The Cabinet was requested to approve the total budgets to be carried forward of £642,100.

The Cabinet Chairman explained that, at the end of 2016/17, the Council had retained a total of £3.227million of Business Rates income, £819,000 more than had been projected to this point. This was primarily due to the Council's Business Rates Collection Fund benefiting from a change in the discretionary reliefs issued. In 2015/16, NHDC issued retail reliefs worth £760,000. Any compensation received from Central Government for this relief would be posted to the General Fund and transferred to an earmarked reserve to fund the payment of the deficit on the Collection Fund. The equivalent retail relief issued in 2016/17, however, reduced to £16,000 due to a change in the national scheme. This reduction in relief issued therefore increased the level of Business Rates income in the Collection Fund and contributed to increasing the amount that the Council retained.

The Cabinet Chairman drew attention to Table 5 of the report, which summarised the General Fund impact at the end of March 2017, and which showed a difference of £2.272million.

The Head of Finance, Performance and Asset Management commented that the Cabinet was also being asked to recommend to Council that the net contribution to reserves of £4,000 be approved, which left a total balance in earmarked reserves at 31 March 2017 of £4.609million.

In respect of the increase in Planning Control Fees and Charges, the Executive Member for Planning and Enterprise commented that this was due to increased confidence amongst developers as a result of positive progress on the North Hertfordshire Local Plan. This was set to continue as applications were submitted on some of the larger allocated sites in the Plan. The Cabinet Chairman advised that, if the ability to meet statutory deadlines in respect of the determination of applications for such sites was compromised, she would be supportive of (if necessary) additional meetings of the Planning Control Committee being arranged.

**RESOLVED:**

- (1) That the contents of the report be noted;
- (2) That a decrease of £1.294million in the 2016/17 General Fund expenditure, as identified in Table 2 and Paragraph 8.1 of the report, to a total of £15.974million, be approved;
- (3) That the requested changes to the 2017/18 General Fund budget, as identified in Table 2 and Paragraph 8.2 of the report, of a £227,000 increase in net expenditure and the total carry forward into 2017/18 of budgets from 2016/17 of £642,000, be approved; and

**RECOMMENDED TO COUNCIL:** That the net transfer to earmarked reserves of £4,000, as identified in Table 6 and Paragraph 8.14 of the report, be approved.

**REASON FOR DECISION:** To monitor and request appropriate action of Services who do not meet the budget targets set as part of the Corporate Business Planning process; and to ensure that changes to the Council's balances are monitored and approved.

## **9 ANNUAL TREASURY MANAGEMENT REVIEW 2016/17**

The Cabinet Chairman presented a report of the Strategic Director of Finance, Policy and Governance in respect of the Annual Treasury Management Review 2016/17. The following appendix was submitted with the report:

### **Appendix A – Annual Treasury Management Review 2016/17.**

The Cabinet Chairman advised that, during 2016/17, the Council had generated £0.444million of interest from its investments. This was slightly above the budgeted total of £0.440million. The Council continued to invest in smaller Building Societies (subject to checks that compared the size of the Society with that of the investment) but did not invest outside of the United Kingdom.

The Cabinet Chairman stated that the Council had repaid £1.035million of borrowing during the year as it had matured. The Council had £0.480million of remaining borrowing. This borrowing was at a fixed rate for a fixed period. The premium from repaying this borrowing early meant that it was not worthwhile.



The Cabinet noted that the Council complied with its legislative and regulatory requirements. There was one minor breach of the limit that was set on the percentage that could be invested with a single counterparty.

The Cabinet Chairman explained that the forecast was that investment income would continue to fall due to market conditions and balances being used to fund the Capital Programme.

**RESOLVED:** That the position of Treasury Management activity as at the end of March 2017 be noted.

**RECOMMENDED TO COUNCIL:**

- (1) That the actual 2016/17 prudential and treasury indicators be approved; and
- (2) That the Annual Treasury Management Report for 2016/17 be noted.

**REASON FOR DECISION:** To ensure the Council's continued compliance with CIPFA's Code of Practice on Treasury Management and the Local Government Act 2003 and that the Council manages its exposure to interest and capital risk.

## **10 CAPITAL PROGRAMME OUTTURN 2016/17**

The Cabinet Chairman presented a report of the Strategic Director of Finance, Policy and Governance in respect of the Capital Programme Outturn 2016/17. The following appendices were submitted with the report:

Appendix A – Capital Programme Summary 2016/17 onwards; and  
Appendix B – Capital Programme Detail including Funding 2016/17 onwards.

The Cabinet Chairman advised that the outturn capital expenditure for 2016/17 was £5.686million. This was a reduction of £3.745million on that reported at the end of the third quarter. The decrease in spend was largely due to re-profiling spend into future years.

The Cabinet Chairman referred to Table 2 of the report, which showed the scheme timetable revisions. The most significant proposal was for a request for the further capitalisation of Pension Fund Contributions. It was noted that approval was required from the Department for Communities and Local Government (DCLG) to grant a capitalisation request, where capital funding was used for what would usually be considered to be revenue purposes. When the Council last made this type of application (3 years ago) it was granted. This time the application had been denied on the basis that the Council's reserves would still be above the minimum level at the end of 2020/21. Officers had highlighted to the DCLG that this was dependent on the delivery of significant savings and had asked them to reconsider their position on the matter.

The Cabinet Chairman stated that Table 3 of the report showed changes to the Capital Schemes scheduled to have commenced in 2016/17. The funding of the Capital Programme for 2016/17 was set out in Table 4 of the report. The availability of third party contributions and grants to fund capital investment was continuously sought in order to reduce pressure on the Council's available capital receipts and to allow for further investment.

**RESOLVED:**

- (1) That expenditure of £5.686million in 2016/17 on the Capital Programme (Paragraph 8.2 refers), and in particular the changes detailed in Table 3 which resulted in a net decrease on the working estimate of £0.190million, be noted;
- (2) That the changes to the Capital Programme for 2017/18 and onwards as a result of the revised timetable of schemes detailed in Table 2, increasing the estimated spend in 2017/18 by £3.354million and 2019/20 by £0.200million (re-profiled from 2016/17), be approved;
- (3) That the position of the availability of Capital resources, as detailed in Table 4, Paragraph 8.6, and the requirement to keep the Capital Programme under review for affordability, be noted; and
- (4) That the application of £2.328million of Capital receipts towards the 2016/17 Capital Programme, and the drawdown of £2.185million from set aside receipts, as referred to in Paragraph 8.6 of the report, be approved.

**REASON FOR DECISION:** To approve revisions to the Capital Programme; and to ensure that the Capital Programme is fully funded.

## 11 CORPORATE OBJECTIVES FOR 2018-2023

The Executive Member for Policy, Transport and Green Issues presented a report of the Strategic Director of Finance, Policy and Governance in respect of Corporate Objectives for 2018-2023.

The Executive Member for Policy, Transport and Green Issues advised that it was proposed that the Corporate Objectives for 2018-2023 were unchanged from previous years. The option to change the Objectives from those used for the 2016/17 and 2017/18 Corporate Business Planning process was considered, but discounted, since the aspects which informed their original adoption in 2015 remained valid for the foreseeable future.

The Executive Member for Policy, Transport and Green Issues commented that, in determining its Objectives, the Council needed to reflect any recent changes in:

- Legislation, which may require changes to existing services, or delivery of new services;
- Capacity, since the authority had reduced headcount over recent years;
- Financial Constraints – work on future funding of Local Authority services through 100% retention of Business Rates had been halted as a result of the General Election and it was unclear when and if it would restart. This would add greater uncertainty into financial forecasting; and
- Population – the need to plan for an ageing population which required health, social care and Council service providers to consider how necessary support could be provided together.

The Executive Member for Policy, Transport and Green Issues stated that a further issue that he would wish to add to the above list would be the impact of the new Government's delayed Queen's Speech.

**RECOMMENDED TO COUNCIL:** That the following Corporate Objectives be continued for 2018 to 2023:

1. To work with our partners to provide an attractive and safe environment for our residents, where diversity is welcomed and the disadvantaged are supported;
2. To promote sustainable growth within our district to ensure economic and social opportunities exist for our communities, whilst remaining mindful of our cultural and physical heritage; and
3. To ensure that the Council delivers cost effective and necessary services to our residents that are responsive to developing need and financial constraints.

**REASON FOR DECISION:** To allow Cabinet and Council to review the Corporate Objectives which will guide the Corporate Business Planning process for 2018/19 through to 2023.

## 12 FUTURE SUPPORT AND FUNDING ARRANGEMENTS RE: CO-ORDINATION OF TOWN CENTRE INITIATIVES AND COMMUNITY EVENTS WITHIN BALDOCK

The Executive Member for Community Engagement and Rural Affairs presented a report of the Strategic Director of Finance, Policy and Governance in respect of the future support and funding arrangements regarding the co-ordination of Town Centre initiatives and community events within Baldock. The following appendices were submitted with the report:

Appendix A – Phased funding reductions to Town Centre Partnerships – March 2011; and  
Appendix B – Business Plan: Baldock Community Forum CIC – May 2017.

The Executive Member for Community Engagement and Rural Affairs advised that the Council had, since 2007, financially supported Town Centre Partnerships by way of annual grants. The intention had been to support the Partnerships to become established, with a long term view to them becoming self-financing.

The Executive Member for Community Engagement and Rural Affairs explained that unfortunately the Baldock Town Partnership had failed to comply with the agreed terms for use of the Council's grant

**Tuesday, 13th June, 2017**

monies. Accordingly, the Council's Section 151 Officer (the Strategic Director of Finance, Policy and Governance) withdrew the Partnership's grant funding in 2015/16, and subsequently no funding was put forward in 2017/18.

The Executive Member for Community Engagement and Rural Affairs stated that a new organisation had come into being in January 2017, namely the Baldock Community Forum Community Interest Company (CIC). This organisation had requested to take on the unreleased accumulated support funding of £27,310 previously assigned to the Baldock Town Partnership through to March 2020.

The Executive Member for Community Engagement and Rural Affairs commented that one of the principals of the Baldock Community Forum CIC was a North Hertfordshire District Councillor. Legal advice had been sought on this matter, and it had been made clear to the councillor that any reimbursement of his personal deposit of £2,000 used to help the new organisation with start up costs should not be made from the Council's grant monies.

The Executive Member for Community Engagement and Rural Affairs hoped that the Council's Communities Team would monitor the new organisation closely to ensure that it operated in accordance with the agreed terms for use of the Council's grant monies.

In response to a Member's question regarding the Baldock Town Partnership, the Strategic Director of Finance, Policy and Governance advised that the Shared Anti-Fraud Service (SAFS) had investigated the matter, but had found no evidence that could be taken forward to prosecution. The Council had withdrawn its funding for the Partnership as soon as it became aware that the Partnership was not submitting any accounts to substantiate its use of the funds received.

**RESOLVED:**

- (1) That the funding previously allocated to Baldock Town Partnership be withdrawn, as they have failed to provide appropriate accounts and information requested to support on-going provision of public money;
- (2) That funding be provided to the newly formed Baldock Community Forum CIC on a contractual basis to assist the revival, co-ordination and delivery of future town centre initiatives within the Baldock and District area;
- (3) That it be noted that the Chairman of the newly formed BCF is currently a serving Councillor, and that his action in making a personal deposit of £2,000 to help with start-up costs results in a Disclosable Pecuniary Interest, in relation to which he has sought appropriate advice from the Monitoring Officer; and
- (4) That funding be provided on the basis that it must all be used to support the community events and should the Chairman of BCF be seeking reimbursement of the personal deposit, it shall not be made from the Council's grant.

**REASON FOR DECISION:** To ensure that community events & initiatives within Baldock and the surrounding area are maintained and enhanced to help secure and sustain town centre vibrancy and community cohesion.

The meeting closed at 8.27 pm

Chairman at the meeting on  
Tuesday, 13 June 2017

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<b>CABINET</b> <b>25 JULY 2017</b>
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<b>*PART 1 – PUBLIC DOCUMENT</b>	<b>AGENDA ITEM No.</b>  <b>7</b>
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**TITLE OF REPORT: STRATEGIC PLANNING MATTERS**

REPORT OF THE STRATEGIC DIRECTOR OF PLANNING AND ENTERPRISE

EXECUTIVE MEMBER: COUNCILLOR DAVID LEVETT

COUNCIL PRIORITY: PROSPER AND PROTECT

**1. EXECUTIVE SUMMARY**

1.1 The purpose of this report is to inform Members of the current positions regarding:

- Duty to Co-operate with neighbouring authorities;
- Other Local Plans and Examinations;
- North Hertfordshire Local Plan;
- Neighbourhood Plans; and
- Government announcements.

**2. RECOMMENDATIONS**

2.1 That the report on strategic planning matters be noted.

**3. REASONS FOR RECOMMENDATIONS**

3.1 To keep Cabinet informed of recent developments on strategic planning matters and progress on the North Hertfordshire Local Plan.

**4. ALTERNATIVE OPTIONS CONSIDERED**

4.1 None.

**5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS**

5.1 The Executive Member for Planning and Enterprise has been kept informed on the matters set out above.

**6. FORWARD PLAN**

6.1 This report does not contain a recommendation on a key decision and has not been referred to in the Forward Plan.

## 7. BACKGROUND

- 7.1 Members will be aware of, and familiar with, many of the issues surrounding the strategic planning matters referred to in paragraph 1.1 above. This report is intended to provide Members with the current positions on these matters.

## 8. RELEVANT CONSIDERATIONS

### 8.1 Duty to Co-operate with neighbouring authorities

- 8.1.1 A list of existing and emerging agreements with relevant bodies was included in the Strategic Planning Matters Report to Cabinet on 13 June 2017. Since June Memoranda of Understanding are in the process of being agreed and signed with Aylesbury Vale District Council and the Greater Cambridge and Peterborough LEP under delegated responsibility to the Head of Planning and Building Control, in consultation with the executive member for Planning and Enterprise<sup>1</sup>. These will be posted on the Council's website once agreed. The other agreements as previously listed in the June Report are in progress and under discussion. MoUs or equivalent that continue to be agreed will be submitted to the inspector as part of the examination submission documents. (See paragraph 8.3).

- 8.1.2 The Council along with Central Beds, Luton and Aylesbury Vale have formally signed off the Luton Housing Growth Study. The outputs from this study will continue to inform on-going discussions between the four commissioning authorities on the possible distribution of the Objectively Assessed Housing Need within the Luton Housing Market Area (HMA). A copy of the study forms part of the evidence base for the NHDC Local Plan and can be viewed on our website under the Local Plan Examination Library, (document referenced as HOU7).

<https://www.north-herts.gov.uk/planning/planning-policy/local-plan/local-plan-examination/examination-library>

- 8.1.3 Any further updates under the duty to co-operate will be reported to Cabinet at the meeting and on an on-going basis through these reports.

### 8.2 Other Plans and Examinations

- 8.2.1 **East Hertfordshire** and **Welwyn Hatfield** Councils are progressing their plans to broadly similar timetables to North Hertfordshire and have both submitted their plans to the Secretary of State for examination. They are yet to be advised by PINS of their examination hearings.

- 8.2.3 As previously reported, **Luton** have consulted on their 'proposed main modifications' to their Local Plan. The responses to the proposed main modifications have been forwarded to the Inspector for his consideration prior to issuing his final report to the Borough Council.

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<sup>1</sup> The Cabinet at its meeting in March 2016, agreed to delegate responsibility to the Head of Planning and Building Control, in consultation with the Executive Member for Planning and Enterprise to enter into formal Memoranda of Understanding (MoU) or Statement of Common Ground (SoCG) between North Hertfordshire District Council and other prescribed bodies under the Duty to Co-operate.

- 8.2.4 **Stevenage** Borough Council is consulting on 'proposed main modifications' to their pre-submission Local Plan from 12 June to 24 July. Officers are in the process of reviewing the modifications to determine any implications for the District or for North Hertfordshire's own Local Plan. If required, a response will be prepared under the Executive Member's delegated powers and reported to Cabinet at the meeting, given that the closing date for the response is after the submission of the Cabinet papers. The consultation on the main modifications can be viewed on Stevenage's website at: <http://www.stevenage.gov.uk/149690/planning-policy/183422/>
- 8.2.5 Members will be aware of the application to the High Court by **St. Albans** to judicially review the Inspector's conclusion that their strategic local plan failed to meet the legal requirements under the duty to co-operate on their Strategic Local Plan. The hearing took place on 22 June and St Albans were granted permission to apply for Judicial Review, which followed immediately and the judge has reserved his final judgment for a later date.
- 8.2.6 At its meeting on 20 June **Central Bedfordshire** Executive Committee agreed to publish the Central Beds Draft Local Plan for public consultation for 8 weeks commencing on 4 July. This document is not their final plan, but represents their initial approach to planning for growth. The consultation is seeking views on the growth location options and policies in the document. There are no specific sites identified in the Plan. Their draft Plan covers the period 2015 to 2035 and seeks to:
- Build on Central Beds existing and emerging economic strengths in key sectors and deliver a minimum of 24,000-30,000 new jobs.
  - Deliver between 20,000 and 30,000 homes through new villages, moderate extensions to existing towns and villages and a new market town in line with the provision of new infrastructure and to meet identified housing need close to key transport corridors (East-west, A1/East Coast Mainline and M1/Thameslink).
  - Balance the delivery of significant sustainable infrastructure and growth with the enhancement and protection of existing communities, landscape, heritage and countryside and actively prevent the coalescence of settlements across the area. This will include investigating options for the creation of new Green Belt where appropriate.
  - Maximise opportunities for the intensification and redevelopment of land e.g. at Tempsford Airfield and RAF Henlow and the regeneration of urban areas at Biggleswade, Dunstable, Houghton Regis, Flitwick, Leighton Linlade and Sandy through town centre frameworks or masterplans.
  - Identify and deliver spatial options and strategic opportunities that could provide for longer term economic and housing growth at Tempsford, Biggleswade and in the Marston Vale. It is documented that such growth will support and must be supported by new strategic infrastructure particularly the Oxford – Cambridge Expressway, A1 improvements and new rail stations/transport interchanges along the East West Rail route at Ridgmont, Wixams and north of Sandy.
  - Deliver housing need identified for the Luton HMA and some unmet need from Luton close to where it arises but crucially, where there is capacity to do so sustainably. This will be either through strategic extensions close to Luton's urban edge or through moderate extensions to existing villages and towns with good connectivity and access to services. This will mean releasing some Green Belt land where exceptional circumstances can be demonstrated.
- 8.2.7 Officers will review the draft plan to determine any implications for the District or for North Hertfordshire's own Local Plan. A response from the Council on the Central Beds draft Plan will be prepared and agreed under the Executive Member's delegated

powers. A copy of the response will be appended to the September Cabinet report. The consultation can be viewed on:

<http://www.centralbedfordshire.gov.uk/planning/policy/local-plan/local-plan.aspx>

8.2.8 Any further verbal updates to the above will be provided at the meeting of the Cabinet.

### **8.3 North Hertfordshire Local Plan**

8.3.1 Full Council agreed the submission of the Local Plan to the Secretary of State (SoS) for independent examination at their meeting on 11 April 2017. The Plan together with the submission documents were submitted to the SoS' Planning Inspectorate on 9 June 2017.

8.3.2 The submission documents, which include the Plan and along with the supporting evidence base, is available to view on the Council's website at:  
<https://www.north-herts.gov.uk/home/planning/planning-policy/local-plan/local-plan-examination>

8.3.3 The Planning Inspectorate has appointed Simon Berkeley BA MA MRTPI to carry out an independent examination of our Local Plan. The inspector's task is to consider the soundness of our submitted Plan, based on the criteria set out in paragraph 182 of the National Planning Policy Framework.

Our plan should be:

- Positively prepared: it should be based on a strategy that looks at meeting objectively assessed development and infrastructure requirements. This includes; where reasonable to do so; those unmet by our neighbours. It should also be consistent with achieving sustainable development
- Justified: it should be the most appropriate strategy, when considered against reasonable alternatives, based on proportionate evidence
- Effective: it should be deliverable and based on effective joint working with partners and neighbours; and
- Consistent with national policy: it should enable the delivery of sustainable development set out by national policy.

8.3.4 Dates and a venue for the examination will be announced in due course once the Inspector has completed an initial appraisal of the Plan.

8.3.5 As previously advised, the Council has appointed a Programme Officer, Louise St. John Howe, for the duration of the examination. The Programme Officer has written to all Members and all respondents to the consultation on the Proposed Submission Plan outlining her role and contact details. Her contact details are also provided on the Council's website.

### **8.4 Neighbourhood Plans**

8.4.1 The Council, in consultation with Pirton Parish Council, is in the process of appointing an examiner into their Neighbourhood Plan. The appointment of an examiner is imminent and any further update will be provided at the meeting.

8.4.2 An application by Bygrave Parish Council to designate Bygrave Parish, Clothall Parish and the unparished area of Baldock as a neighbourhood planning area took place from



9 June until 7 July 2017. Outcomes from the consultation are the subject of a separate report to Cabinet (see Agenda Item 11).

- 8.4.3 Consultation on the Wymondley Neighbourhood Plan began on 23 June 2017 and will close on 4 August 2017. Comments from the Council on the plan will be prepared and agreed under the Executive Member's delegated powers. The consultation documents can be viewed on the Council's website at:

<https://www.north-herts.gov.uk/home/planning/planning-policy/neighbourhood-planning/neighbourhood-plans-current-consultations>

- 8.4.4 Following the close of the consultation, any representations received will be collated and then be considered by an independent examiner before a referendum on the neighbourhood plan can be held.

## **8.5 Government Announcements**

- 8.5.1 As previously reported, The Housing White Paper 'Fixing our Broken Housing Market' was published in February 2017 and sets out a number of proposed changes to the plan-making process and planning system more generally. One such proposal included introducing a standardised approach to assessing housing requirements for Local Plans and five-year supply. DCLG has announced that a consultation to set out options for introducing a standardised approach is expected to take place later this month. The final outcomes will not be introduced into relevant policy or legislation until after the close of the consultation and it would be for the Inspector at the examination to our Local Plan to determine if any changes to the plan would be required to take these issues into account. Any further details on the abovementioned consultation will be reported at the meeting.
- 8.5.2 No further announcements have been made on the publication of the Regulation to the Neighbourhood Planning Act.

## **9. LEGAL IMPLICATIONS**

- 9.1 Under the Terms of Reference for Cabinet Paragraph 5.6.18 of the Constitution states that the Cabinet should exercise the Council's functions as Local Planning Authority except where functions are reserved by law to the responsibility of the Council or delegated to the Strategic Director of Planning, Housing and Enterprise.
- 9.2 The preparation of plans, up to and including the approval of the proposed submission documents, are Cabinet matters. Submission of the draft Local Plan to the Secretary of State for Examination and final adoption of Local Plan documents shall be a matter for Full Council.
- 9.3 Section 110 of the Localism Act 2011 sets out (by amendment to the Planning & Compulsory Purchase Act 2004) the duty to co-operate between local planning authorities and other prescribed bodies, to maximise the effectiveness in the preparation of development plan and other local development plan documents, so far as they relate to a strategic nature. These bodies should consider if they are able to work together jointly on such matters and must have due regard to any guidance given by the Secretary of State.
- 9.4 The Localism Act 2011 provided a new statutory regime for neighbourhood planning. The Neighbourhood Planning (General) Regulations 2012 (as amended) make provisions in relation to that new regime. It does amongst other things set out the Council's responsibility (as the Local Planning Authority) in assisting communities in

the preparation of neighbourhood development areas, plans and order and to take plans through a process of examination and referendum.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 The costs of preparing the Local Plan and running the examination are covered in existing approved revenue budgets for and 2017/18.
- 10.2 Local authorities are under a duty to provide advice and assistance to qualifying bodies preparing neighbourhood plans and in organising the neighbourhood plan examination and any subsequent referendum. Previously, the Council was able to claim £5,000 for each neighbourhood planning area designated in recognition of officer time supporting and advising a community in taking neighbourhood planning forward. This support has now been withdrawn, meaning there will be no immediate additional funding for the Bygrave Parish Council application should this proceed and will need to be funded from within approved revenue budgets.
- 10.3 Further financial support of £20,000 is available from the Department of Communities and Local Government (DCLG) once the local authority has set a date for the a referendum following the successful examination of a neighbourhood plan. This financial support is in place for 2017/18 and is to cover some of the costs incurred by the Council in getting to this stage. DCLG have advised that this funding will continue for 2017/2018 but any further announcement on funding for neighbourhood planning after the end of March 2018 is unlikely before February 2018. As a result of this uncertainty a financial risk has been established for Neighbourhood Planning.

## **11. RISK IMPLICATIONS**

- 11.1 No direct risk implications from this report but Sustainable Development of the District and the Local Plan are both Cabinet Top Risks. The Sustainable Development of the District has a sub-risk that covers the risks arising from the duty to co-operate with neighbouring authorities. The risks and opportunities arising from the Neighbourhood Planning Act will be formally identified and assessed.

## **12. EQUALITIES IMPLICATIONS**

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 There are not considered to be any direct equality issues arising from this report. Future individual schemes or considerations may well be subject to appropriate review to ensure they comply with latest equality legislative need. Any risks and opportunities identified will also be subject to assessment for impact on those that share a protected characteristic.

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1 As the recommendations made in this report do not constitute a public service contract, the measurement of 'social value' as required by the Public Services (Social Value) Act 2012 need not be applied, although equalities implications and opportunities are identified in the relevant section at Paragraph 12.

## **14. HUMAN RESOURCE IMPLICATIONS**

- 14.1 There are no new human resource implications arising from the contents of this report, although the planning service is carrying a number of vacancies.
- 14.2 Permanent recruitment to a vacant graduate-entry post within the planning policy team is complete and the successful candidate is in post. The planning policy team is also currently out to recruitment to cover the vacant senior planning officer (transport) post, the recent resignation of the senior planning officer (economic development) and maternity cover for a further senior planning officer.
- 14.3 The development management team is also looking to recruit to the vacant strategic sites planning officer post following submission of the Local Plan and to cover the recent resignation of a senior planning officer.

## **15. APPENDICES**

- 15.1 None.

## **16. CONTACT OFFICERS**

- 16.1 Louise Symes, Strategic Planning & Projects Manager  
01462 474359 [louise.symes@north-herts.gov.uk](mailto:louise.symes@north-herts.gov.uk)
- 16.2 Nigel Smith, Principal Strategic Planning Officer  
01462 474847 [nigel.smith@north-herts.gov.uk](mailto:nigel.smith@north-herts.gov.uk)

### ***Contributors***

- 16.3 Ian Fullstone, Head of Development and Building Control  
01462 474480 [ian.fullstone@north-herts.gov.uk](mailto:ian.fullstone@north-herts.gov.uk)
- 16.4 Clare Skeels, Senior Planning Officer  
01462 474424 [clare.skeels@north-herts.gov.uk](mailto:clare.skeels@north-herts.gov.uk)
- 16.5 Nurainatta Katevu, Property & Planning Lawyer  
01462 474364 [nurainatta.katevu@north-herts.gov.uk](mailto:nurainatta.katevu@north-herts.gov.uk)
- 16.6 Ian Couper, Head of Financial Services and Risk Management  
01462 474243 [ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk)
- 16.7 Kerry Shorrocks, Corporate Human Resources Manager  
01462 474224 [kerry.shorrocks@north-herts.gov.uk](mailto:kerry.shorrocks@north-herts.gov.uk)
- 16.8 Reuben Ayavoo, Policy Officer  
01462 474212 [reuben.ayavoo@north-herts.gov.uk](mailto:reuben.ayavoo@north-herts.gov.uk)

## **17. BACKGROUND PAPERS**

- 17.1 Strategic Planning Matters Reports to Cabinet on 26 July 2016, 27 September 2016, 22 November 2016, 20 December 2016, 24 January 2017, 28 March 2017 and 13 June 2017.
- 17.2 Full Council Report 11 April 2017 – North Hertfordshire Local Plan 2011-2031.

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21 July 2017

Planning Policy  
Stevenage Borough Council

By Email

Contact Officer: Nigel Smith  
Direct Line: 01462 474847  
E-mail: [nigel.smith@north-herts.gov.uk](mailto:nigel.smith@north-herts.gov.uk)

Dear Sir / Madam,

**Stevenage Borough Local Plan: Proposed Main Modifications Consultation**

Thank-you for consulting North Hertfordshire District Council on the Proposed Main Modifications to your local plan following the examination hearing sessions earlier this year.

Having reviewed the proposed changes, the District Council does not have comments to make on the significant majority of the proposed Modifications.

We note that, having conducted this part of the Examination, the appointed Inspector is not proposing substantive alterations in relation to many of the key principles of your Plan. A number of these rely on shared evidence or contain a common approach to that set out in our own recently submitted Plan. This includes, but is not necessarily limited to, a number of areas of broad support as set out in our response to the Proposed Submission consultation last year:

- The geographic definition of functional housing and economic market areas through studies jointly commissioned with North Hertfordshire District Council and others;
- The calculation of Stevenage's objectively assessed needs through a jointly conducted Strategic Housing Market Assessment (SHMA) and the subsequently identified housing target in the plan;
- The identification of residential-led new neighbourhoods to the north and west of the existing urban area potentially allowing for complementary development to occur within North Hertfordshire;
- The need to properly masterplan these developments to ensure any additional development beyond the administrative boundary can be properly integrated;
- The associated identification of safeguarded corridors to provide access to land within North Hertfordshire if required;
- The demonstration of *exceptional circumstances* necessary to justify a 'roll back' of the inner Green Belt boundary in order to release land for development;
- The broad approach to Green Infrastructure including the recognition of the potential ability for open spaces within the Borough to contribute towards requirements arising from any future development beyond the boundary in North Hertfordshire; and
- Providing support for relevant schemes beyond the Borough's administrative boundary whilst recognising that other authorities, including North Hertfordshire, will determine the most appropriate outcomes in these locations.



Notwithstanding this, we do have a small number of comments on the proposed changes. We do not consider these to be fundamental to the tests of soundness, but suggest that further clarity on these points would be helpful.

#### Housing Mix (MM11, MM12, MM66)

The above modifications would result in several references to smaller units and flats being omitted and references to larger homes introduced or emphasised. It is understood that these changes are influenced by the findings of Volume II of our joint SHMA (ED117), published after your plan was submitted. In interpreting these results we would highlight that:

When considering future need for different types of housing, the model assumes that the housing mix needed by households of each household type and age will reflect current patterns. For example, a growth in single person households aged 65-74 will lead to an increase in the need for the type of housing currently occupied by single person households of this age. On this basis, where such households continue to live in family housing despite no longer having a family living with them, this need for family housing will still be counted. (ED117, paragraph 3.17)

Our own further analysis showed that, in North Hertfordshire, a significant number of smaller households currently occupy larger homes. Boosting the supply of smaller units beyond that suggested by a straight reading of the evidence could provide greater choice, including the opportunity for some existing households the chance to downsize if they so wished thereby freeing up existing larger stock. A similar caveat or reference in the Stevenage plan would be welcomed to ensure a consistent approach.

Furthermore, we would expect the three proposed housing allocations on the edge of Stevenage in our own plan to display a bias towards the delivery of larger units due to their edge-of-town location.

The Borough Council should satisfy itself that the proposed changes will deliver an appropriate mix of new homes, housing choices and opportunities across both the Borough and the wider urban area.

#### Employment / capacity of GSK site (MM17)

The District Council welcomes MM4 which reflects the position in the Memorandum of Understanding recently agreed in relation to our own plan. However, MM17 now makes reference to the potential for significant additional capacity on the GlaxoSmithKline (GSK) site in Gunnels Wood over and above that identified in the plan.

The ongoing development of the GSK campus is seen as a specialist scheme of (inter)national importance. Your technical evidence suggests that this sits outside of the requirements generated by trend-based forecasts for which you have requested the assistance of North Hertfordshire.

The District Council supports the development of the GSK campus recognising the benefits it brings to the wider area in terms of employment opportunities and investment. However, we would welcome clarification of the position set out in MM17 against our recent agreement.



Transport issues and mobility (MM41, MM48, MM49, MM87)

As you will be aware, the District Council is broadly supportive of the mobility strategy being pursued in Stevenage and we are committed to further joint working to complete and realise our respective transport strategies. We recognise there is scope within the town to increase the proportion of shorter journeys undertaken by more sustainable modes thereby relieving potential future pressures on the highway network.

In that context, we welcome the direction of travel established by the above modifications. However we would like to make the following observations:

- Any transport strategies for the area need to be cognisant of, and realistic about, the complex patterns of movement between the towns and villages of northern Hertfordshire, the levels of provision for mobility that are and can be made and that sustainable solutions may not always be possible;
- MM87, in particular, makes reference to the improved connectivity of Stevenage with London that will arise from the Thameslink expansion and Crossrail driving a shift in travel onto rail. The Borough Council should reassure itself that such an approach will result in the plan continuing to meet identified local housing needs and not simply facilitating additional outward migration from London;
- The references promoting sustainable journeys to school are strongly supported. It will be essential to ensure that secondary schools, in particular, and the neighbourhoods they are to serve are or can be well connected to the cycle network to encourage independent journeys by these modes;
- The proposed car parking strategy appears to be directed primarily at commercial and workplace parking as opposed to residential parking. However, this distinction is not necessarily as clear as it might be. Our own experiences at Great Ashby demonstrate that reduced levels of residential parking provision (as were required by Government policies of the time) do not necessarily deter car ownership. The Main Modifications propose removing residential parking standards from the plan to be established through a Supplementary Planning Document. The District Council would wish to be consulted upon this document at the appropriate time given the interrelationship between our authorities in terms of existing and proposed development.

We trust these comments are of assistance as you finalise the new Local Plan for the Borough. If you would like to discuss any of these comments further, please contact the relevant officers using the details provided at the top of this letter.

Yours sincerely,

David Levett  
Portfolio Holder for Planning and Enterprise

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**CABINET**  
25 JULY 2017

**\*PART 1 – PUBLIC DOCUMENT**

**AGENDA ITEM No.**

**8**

**TITLE OF REPORT: CORPORATE PLAN 2018 TO 2023**

REPORT OF: STRATEGIC DIRECTOR FOR FINANCE, POLICY & GOVERNANCE  
EXECUTIVE MEMBER: COUNCILLOR RAY SHAKESPEARE-SMITH  
COUNCIL PRIORITY: ATTRACTIVE AND THRIVING / PROSPER AND PROTECT / RESPONSIVE AND EFFICIENT

**1. EXECUTIVE SUMMARY**

- 1.1 This report recommends the Corporate Plan for 2018/23 to guide and inform the 2018/19 Corporate Business Planning Process. The updated version of the Plan acknowledges the continuing financial constraints faced by the Authority and the inherent need to review on-going provision of services at their current levels to ensure they remain relevant to the community. It also reflects the aspirations to find new ways of generating revenue income to support service delivery.

**2. RECOMMENDATIONS**

- 2.1 That Cabinet recommends to Full Council the adoption of the Corporate Plan 2018 to 2023 as attached at Appendix A.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1 The Council is required to have a suitable, high level strategic policy document to inform its corporate business planning process, and Council is required to approve the final Corporate Plan document as the formal, overarching policy framework for the authority.

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 None.

**5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS**

- 5.1 No external consultation has been undertaken in the preparation of this report. The Overview and Scrutiny Committee will consider the draft Corporate Plan at the meeting on 18<sup>th</sup> July 2017. Members will be aware that consultation is an integral part of the Corporate Business Planning process, and consultation on the individual actions and projects planned to support the Objectives will be carried out in accordance with the Corporate Business Planning Timetable and the Council's Consultation Strategy. Wherever it is available, use will be made of valid opinion research data and, where applicable, outcomes of the Districtwide Survey.

- 5.2 As in previous years, Member workshops will be held in regard to corporate business planning proposals, in addition to seeking the views of the Finance Audit and Risk Committee, the North Hertfordshire Partnership (LSP), parish, town and community councils, panel of residents, statutory partners and business ratepayers views as appropriate

## **6. FORWARD PLAN**

- 6.1 This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 3rd March 2017.

## **7. BACKGROUND**

- 7.1 Before considering the detailed budget position for the authority, the Corporate Business Planning Process requires that the Council's high level objectives are determined. At its meeting on 13<sup>th</sup> June 2017, Cabinet agreed that there should be no change to the Corporate Objectives.
- 7.2 The Council's budget and its objectives are inextricably linked. There is no point in having a service or key project that cannot be funded and no point in spending limited resources (including staff resources) if they are not achieving the objectives that have been set. This aligns the agreed Policy of the Council with the finances which will deliver it.
- 7.3 The Medium Term Financial Strategy (MTFS), proposed for adoption in this same committee cycle, informs the Council's budgetary position and ensures that policy and budget, especially at times of increasing financial constraint, are aligned.

## **8. RELEVANT CONSIDERATIONS**

- 8.1 The Corporate Plan attached as Appendix A narrates the opportunities and risks facing the district, and also identifies the things the Council will do to ensure the Corporate Plan is being delivered. Budgets must then be allocated to ensure their achievement; this is known as 'policy led' budgeting and enables the authority to best reflect not only services it must deliver by statute, but those over which it has a degree of discretion.
- 8.2 The ongoing financial constraints make it increasingly likely that the emphasis for Council spend will be on the day to day service delivery, firstly of those services that the Council has a statutory duty to provide and secondly of those which the Council has determined are a priority to be funded.
- 8.3 The Corporate Plan therefore needs to reflect any recent changes in:
- Legislation, which may require changes to existing services, or delivery of new services
  - Capacity, since the authority has reduced headcount over recent years whilst statutory requirements placed on the authority have continued to rise
  - Financial constraints – work on future funding of local Authority Services through 100% retention of Business rates has been halted and it is unclear when and if it will restart. The anticipated Finance Bill was excluded from the Queen's speech and this has added greater uncertainty into financial forecasting.
  - Population – the need to plan for an ageing population which requires health, social care and Council service providers to consider how necessary support can be provided together.

- Patterns and location of deprivation have changed in the past five years (evidenced by the Indices of Multiple Deprivation) so we should ensure that our services, and how they may be delivered, respond accordingly to these; in times of increased financial constraint it is all the more important that limited resources, both those of the Council and its partner agencies working in the local community, are directed to areas of greater need.

8.4 Having considered the relevant factors, the three objectives proposed to inform the Council's Corporate Budget Setting 2018/23 remain;

- 1. To work with our partners to provide an attractive and safe environment for our residents, where diversity is welcomed and the disadvantaged are supported**
- 2. To promote sustainable growth within our district to ensure economic and social opportunities exist for our communities, whilst remaining mindful of our cultural and physical heritage**
- 3. To ensure that the Council delivers cost effective and necessary services to our residents that are responsive to developing need and financial constraints.**

8.5 Subject to Cabinet's consideration, the Corporate Plan at appendix A will be referred to Council for adoption on 31<sup>st</sup> August 2017. All projects included in the Corporate Plan will be subject to sound business cases being provided, and specific targets established as they are introduced and the Council's performance against these will be monitored and reported.

## **9. LEGAL IMPLICATIONS**

- 9.1 Cabinet's terms of reference include at 5.6.35 the power, by recommendation "to advise the Council in the formulation of those policies within the Council's terms of reference".
- 9.2 Full Council's terms of reference provide "approving or adopting the policy framework which at 4.2.1 (f) include "Priorities/ Objectives for the District." The Corporate Plan 2018/23 at Appendix A represents the objectives and priority areas of work
- 9.3 The corporate objectives agreed for 2018/23 onward will provide high level reference points that will assist the Council making clear and effective decisions.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 There are no specific revenue implications from adoption of the objectives and the Corporate Plan although there will be both revenue and capital implications from the provision of services to support the objectives and these will be agreed as part of the corporate business planning process which will culminate in February 2018 with the setting of the budget for 2018/19.
- 10.2 It is clear that the Council will continue to face difficult spending decisions in view of the current economic climate and the continuing reduction in government support in future years and that the availability of funding will impact on the services that can be delivered. Individual projects will be costed to ensure that the overall programme of

activity across the Council can be achieved within the agreed budget assigned and that there is capacity to deliver within the proposed timeframe.

- 10.3 The Council received significant capital funding from the housing stock transfer to North Herts Homes (set-aside receipts). It has supplemented this with the receipts from the sale of surplus land and buildings (capital receipts). The strategy adopted by the Council has been to concentrate capital funding on those schemes that reduce revenue costs or generate income. Over the next five years it is forecast that the set-aside receipts will all be used, and therefore capital funding will have to come from capital receipts or borrowing. The availability of assets that can be sold to generate capital receipts is also reducing. It is therefore important that any agreed capital projects reflect corporate priorities, to ensure effective use of diminishing capital resources particularly in view of the fact that capital spend is also required to maintain existing service provision.

## **11. RISK IMPLICATIONS**

- 11.1 Adoption of the Corporate Plan and within it the Council's objectives for 2018/23 commences the Council's Business Planning processes for the next financial year. A robust Corporate Business Planning process is key to managing the Council's top risk of "Managing the Council's Finances".

## **12. EQUALITIES IMPLICATIONS**

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 In setting its Corporate Objectives, the council is seeking to address equality implications in the services it provides and through the remainder of the Corporate Business Planning Process will carry out Equalities Impact Assessments for those Efficiency or Investment options that are taken forward.

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1 The Social Value Act and "go local" policy do not apply to this report.

## **14. HUMAN RESOURCE IMPLICATIONS**

- 14.1 There are no additional human resource requirements arising from this report other than the matter of capacity raised at paragraph 8.3. The resources needed to deliver services are considered and addressed through the Corporate Business Planning process and staff are reminded of the objectives once agreed.

## **15. APPENDICES**

Appendix A – Corporate Plan 2018-2023.

## **16. CONTACT OFFICERS**

- 16.1 Norma Atlay, Strategic Director, Finance Policy & Governance  
[norma.atlay@north-herts.gov.uk](mailto:norma.atlay@north-herts.gov.uk); ext 4297

Rachel Cooper, Payment and Reconciliations Manager  
[rachel.cooper@north-herts.gov.uk](mailto:rachel.cooper@north-herts.gov.uk); ext 4606

Anthony Roche, Corporate Legal Manager  
[anthony.roche@north-herts.gov.uk](mailto:anthony.roche@north-herts.gov.uk) ; ext 4588

Ian Couper, Head of Finance, Performance & Asset Management  
[ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk) ; ext 4243

Reuben Ayavoo, Policy Officer  
[reuben.ayavoo@north-herts.gov.uk](mailto:reuben.ayavoo@north-herts.gov.uk) ; ext 4212

Kerry Shorrocks, Corporate Human Resources Manager  
[kerry.shorrocks@north-herts.gov.uk](mailto:kerry.shorrocks@north-herts.gov.uk) ; ext 4224

## **17. BACKGROUND PAPERS**

### **17.1 Corporate Objectives 2018-23 (Cabinet June 2017).**

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# **Corporate Plan 2018/2023.**

## NORTH HERTFORDSHIRE – THE DISTRICT AND ITS OBJECTIVES

**OUR VISION: Making North Hertfordshire a vibrant place to live, work and prosper.**

The Council is committed to working with its local communities to continue delivering good quality services that reflect the local priorities and resources which we and our partners have available to us. We use a range of information to identify priorities and planning for the future such as consultation with our residents, local businesses, population and other data as shown in the Appendix “Our Community”.

This Corporate plan considers the nature of North Hertfordshire District, its residents, potential changes in the future, challenges and policies and principles designed to meet the needs of our community now and in the future.

There are three objectives for the Council for 2018/2023 which are:

- **To work with our partners to provide an attractive and safe environment for our residents, where diversity is welcomed and the disadvantaged are supported.**
- **To promote sustainable growth within our district to ensure economic and social opportunities exist for our communities, whilst remaining mindful of our cultural and physical heritage.**
- **To ensure that the Council delivers cost effective and necessary services to our residents that are responsive to developing need and financial constraints.**

We continue to deliver a wide range of services both ‘statutory’ and ‘non-statutory’ on a day to day basis.

Among the numerous ‘statutory’ duties, some of which are provided at levels beyond the statutory minimum are:

- Waste collection from over 50,000 households
- Recycling almost 60% of waste collected
- Street cleansing over 400<sup>1</sup> miles of roads
- Food inspection of around 1,000 premises<sup>2</sup>
- Collecting council tax and Business rates from almost 57,250 homes and 4,400 businesses
- Planning for the second largest district in Hertfordshire at 145 square miles.
- Issuing of approximately 2,150 licences to premises and licenced individuals, around 550 licences to taxi and private hire vehicles and drivers and in the region of 850 temporary licenses to premises/individuals
- Homelessness provision
- Housing Benefit to around 6,800 claimants
- Regulation e.g. Parking, Fly-tipping

Among the numerous ‘non statutory’ services we provide are:

- Leisure centres in Hitchin, Letchworth and Royston
- Five swimming pools including 2 outdoor pools
- Maintenance of 100 hectares of parks and gardens
- ‘Splash’ parks in the four towns.
- Museum provision in the new North Hertfordshire Museum in Hitchin
- Local information and signposting to other services and providers
- Active Communities events
- Collection of garden waste

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<sup>1</sup> North Hertfordshire Infrastructure Delivery Plan to support the North Hertfordshire Local Plan 2011 - 2031

<sup>2</sup> <http://ratings.food.gov.uk/authority-search-landing/en-GB/159>



Underpinning the provision of these services are the following considerations:

- Providing value for money to residents.
- Actively engaging in partnerships, shared services or alternative delivery models.
- Seeking new service provision which can generate income for re-investment by the Council to protect long term delivery of non statutory and other Council services.
- Prioritising consideration of the impact of any service changes or introductions on service users.

**None of these objectives can be addressed in isolation as each impacts upon the other, as described below.**

## **OBJECTIVE 1. Attractive and Thriving**

**To work with our partners to provide an attractive and safe environment for our residents where diversity is welcomed and the disadvantaged are supported.**

### **An Attractive Environment.**

The Council has a large public realm in both the rural and urban areas of the district. Considerable resources are used to maintain and improve these areas and we are committed to working with organisations such as Groundwork, the Countryside Management Service and community groups such as Friends of Walsworth Common to ensure that North Hertfordshire remains an attractive and thriving place to live.

Illustrative of this policy are:

- Ensuring that our renewed waste and street cleansing contracts continue to provide as efficient and effective a service as possible whilst continuing to maintain recycling rates
- Providing joint delivery of waste, street cleansing and recycling service including the most efficient means of transportation and disposal
- Delivering identified improvements to green spaces to include
  - Construction of pathway and roadway, Wilbury Hills Cemetery, Letchworth.
  - Renovation of play area, District Park, Great Ashby
  - Improvements to car parking and bridge access at Walsworth Common Hitchin
  - Wheeled sport provision at Newmarket Road, Royston
  - Replacement of items of play equipment at Chiltern Road Baldock
  - Review of investment in green space across the district to ensure it is properly aligned to usage
- Investigating a range of options to improve the use of Council assets
- Designating air quality management areas in Hitchin to address the improvement of the air quality of the area – Stevenage Road and Payne's Park.
- Grant funding organisations sharing in the delivery of our objectives

### **A Safe Environment**

In the Council's most recent Citizens Panel survey [2014] respondents identified 'low levels of crime as the most important. The Council helps build a safe environment through our Community Safety Partnership. North Hertfordshire has the fourth lowest crime figures compared to the rest of the county with 41.9 crimes per 1,000 of the population compared to 47.3 per 1,000 of the population for Hertfordshire.

Whilst the general trend in North Herts is for crime to fall, the reporting of domestic abuse is on the rise. This may represent an increase in real terms or a reflection of a greater confidence to report incidents knowing their concerns will be taken seriously.

- We will continue to work closely with our Community Safety Partnership and support providers. Regular consultations with Hertfordshire Police via our Scrutiny Committee aid in this process.
- Support for community groups such as 'Street Angels, Hitchin' (who patrol Hitchin Town Centre at weekends assisting late-night revellers) and others concerned with community safety also assists in creating and maintaining a safe environment.

## **Welcoming Diversity**

North Hertfordshire has good community relations and works closely with and provides financial support to the North Herts Minority Ethnic Forum to ensure that our various ethnic groups integrate into the area.

As part of the Council's zero-tolerance approach to hate crime, North Hertfordshire District Council has recently become a third party reporting centre by

- Designating Hate Crime Champions who are on hand to assist any member of the public wishing to make a report of hate crime through the Council.
- Maintaining the framework instituted for dealing with issues relating to vulnerability, radicalisation and exposure to extreme views. The Tackling Extremism and Radicalisation guidance acknowledges that we are well placed to be able to identify safeguarding issues and this guidance clearly sets out how the council will deal with such incidents and identifies how our vision underpins our actions.
- Conducting an annual review of all relevant council decisions which have equality implications and ensure the annual cumulative equality assessment is publicly available.

The substantial increase in the number of residents over the age of 70 requires consideration of future services supporting older people to live independently. The Council developed 'Careline' which provides assistive technology for North Hertfordshire residents and works in partnership with a number of other organisations in the region to support independent living services. We are working with our partners to consider how best to support carers and those living with dementia. The new multi-agency Dementia Alliance and Hertswise collaboration with Age UK [Herts] is in the early stages of development and aims to maintain and develop support for those affected by dementia over the medium and longer term. We are active members of this development and will -

- Continue the expansion of independent living services
- Continue the work with Dementia Alliance and Hertswise

The combination of the Better Care Fund and the Disabled Facilities Grant by central government is intended to provide better conditions and services for the elderly and disabled. We support

- Our Careline scheme which has continued to expand across and outside Hertfordshire and enables older residents to live at home longer independently. Satisfaction with this service at over 99% is exceptionally high.

## **Supporting the disadvantaged.**

North Hertfordshire is a prosperous area, however, it does contain five areas classified as 'most deprived'. North Hertfordshire is also an expensive place to live. The Council is committed to tackling housing need through the provision of affordable housing through the planning process. We are also committed to working with our health and other partners to identify and address homelessness, recognising the link between poor living conditions, rough sleeping and mental and physical health conditions. Partners in this include North Hertfordshire Homes and the Sanctuary, a homeless hostel in Hitchin. The Council seeks to minimise the use of bed and breakfast and works with its housing partners, such as North Herts Homes, to secure high quality temporary accommodation.

We will

- Provide access to debt and budget management advice including through the Citizens Advice service which we continue to fund and through support to the Black Squirrel Credit Union, a local volunteer credit union who provide low cost loans.
- Continue to offer apprenticeship and work experience in a range of services to provide a step on the career ladder.
- Use the Planning process to deliver affordable housing
- Continue work with partners to address homelessness.
- Improve on-line benefit claims and payments to better serve those most in need.

## **OBJECTIVE 2: Prosper and Protect**

**To promote sustainable growth within our district to ensure economic and social opportunities exist for our communities whilst remaining mindful of our cultural and physical heritage.**

### **Sustainable Growth**

In order to ensure there was sufficient land available to meet future housing targets the Strategic Housing Land Availability Assessment [SHLAA] was undertaken. This informed the Local Plan which is currently [June 2017] with the inspector. A wide ranging consultation process took place on potential sites eliciting thousands of responses from residents which were incorporated in the plan.

We recognise that tensions exist in creating opportunities for growth to sustain the local population, the impact on rail and road networks and the green and open spaces so important to our residents.

- We will review both existing and future green space provision.
- The Local Plan provides an increase in designated green belt land from 38% to around 47%
- Conclude the review of the Council's Car Parking Strategy to ensure it supports our corporate objectives.

We will continue to promote schemes with our partners to increase energy efficiency of residents' homes and reduce use of water, generated power and increase our sustainability for the longer term.

- We will maintain the six electric charging points for vehicles and install more where funding permits

The refurbishment of the District Council Offices will substantially reduce its carbon footprint. i.e by the incorporation of renewed Curtain walling to improve thermal performance and new low energy cooling & ventilation to significantly reduce energy consumption in the building

- We will seek to use more energy efficient LED lighting in our buildings where feasible.

### **Economic and Social Opportunities**

The district has a considerable daily outflow of commuters to both London and increasingly to Cambridge. Johnson Matthey, NHDC, Altro and the retail and hospitality sectors constitute our largest employers. We work with the Local Enterprise Partnerships [LEP], the business sector, three Business Improvement Districts [BID] companies to identify opportunities for inward investment to increase our employment base and encourage new enterprise.

We will

- Continue to implement our Economic Development Strategy for the district including the provision of an Economic Development Officer to work closely in partnership, increasing inward investment and business development opportunities.
- Exploit the opportunities offered by new enterprise zones
- Continue to support local business through our Go Local Policy – for 2016/17 16% of our total spend on goods and services was spent with suppliers with an NHDC postcode.

Three of our four towns have BID companies. These companies use the additional business rate levy and individual memberships to contribute to various activities including:

- Community cinema in Royston
- Tourist information
- Street wardens
- Trade recycling
- Food fairs
- Street entertainment
- Festivals

We will continue to work with these companies.

### **Cultural and Physical Heritage**

We aim to ensure North Hertfordshire is a place where people can prosper and we protect our heritage.

This aim is delivered through:

- Submission of the Local Plan to the following time scale
  - Summer 2017: Examination
- Following the redevelopment of the Council's office accommodation, explore opportunities to share that accommodation with other partners to increase financial and resource efficiency.
- Support North Herts Homes' regeneration of John Baker Place, Hitchin to provide new homes and better shops.
- Agree projects for delivery of improvements to urban and rural community facilities over four years from 2016 through the £1m Capital Enhancement Fund.
- Support Community events and local organisations through provision of relevant officer support.

### **OBJECTIVE 3: Responsive and Efficient.**

**To ensure that the Council delivers cost effective and necessary services to our residents that are responsive to developing need and financial constraints.**

#### **Cost Effective and necessary services**

Over the last five years the percentage of our overall funding that we receive from government has fallen from 39% of our total funding to 24%. This means that we are increasingly dependent on Council Tax to support the Council's activities but even this is subject to government constraints. We have a statutory requirement to balance our budget and to do this, we can either increase income from fees and charges, seek ways to reduce the cost of providing the services that we deliver as part of our general activities or cease providing some non-statutory services where they are no longer affordable. This means that we continuously review the services we provide to ensure that they remain necessary and are delivered as efficiently as possible. We also seek to

develop new income streams through our commercialisation agenda where we believe that these will be of value to our residents

## **A Responsive Council**

The Council's 'districtwide survey' shows:

- 83% of respondents believe the way the Council runs its services remains high against the latest Local Government Association benchmark of 67%
- 79% believe that the services provided by NHDC are of good quality

The Council is responsive to local and developing need currently through partnership working e.g. membership of the Local Strategic Partnership (LSP) encompassing Hertfordshire County Council, North Hertfordshire Centre for Voluntary Services, Hertfordshire Constabulary, Hertfordshire Fire and Rescue Service, North Hertfordshire Minority Ethnic Forum, Hertfordshire Local Enterprise Partnership, Chamber of Commerce, North Herts Homes, Citizens Advice and the East and North Hertfordshire Clinical Commissioning Group.

The council will seek to enhance community engagement with residents and local organisations through surveys of local residents and through the work of local elected Members.

## **Commercialisation.**

The Localism Act and the Deregulation Act provide opportunities for 'commercialisation' such as Careline. The Council believes that commercialisation is key to providing the Council with the resilience it needs in the light of planned cuts to local government funding from 2020.

Over the past 3-4 years NHDC has altered the way in which it works and undertaken new activities based on maintaining and/or improving customer service, providing efficiencies and increasing the resilience of our services.

These include:

- Leisure Centres: contracted out to Stevenage Leisure Ltd. Reversal of financing from -£500k to +£500K
- Waste: Outsourced initially in 2003/4. Shared waste service with East Herts anticipates a substantial saving to NHDC.
- Careline: Established by NHDC approximately 35 years ago this service was provided at a net cost of between £100K -£330K per annum. As part of a business transformation plan, the Council entered into a strategic partnership with Hertfordshire County Council; it now operates at no net cost to the Council and helps over 220 new clients per month.
- Building Control: a building control business has been established in conjunction with six other local authorities to deal with both local authority and private sector work. This is providing resilience and staff retention benefits.
- Legal Services: legal services have been offered to other local authorities for 18 months. This brings income to the Council and provides career development opportunities for staff hence assisting our recruitment and retention service.
- Refurbishment of the Council's offices providing the potential for lettings and room hire income.

Potential future development:

- Provision of a crematorium: Working with the private sector to provide and develop the provision.

- Creation of a Property company. 26 LAs currently have property development companies where the Local Authority can use the amounts generated to support ongoing service delivery.

The Council will explore these opportunities and others as they arise.

The Council owns a number of local assets and will continue to achieve best consideration from them in maintaining and managing them and may choose to do this through:

- Direct and indirect service provision
- Commercial Rental
- Operation by local groups
- Transfer to local, viable community organisations
- Exploring opportunities to share assets through the county-wide Hertfordshire Property Partnership which brings District and County Council, Police and Health colleagues together to look at optimal use of property,

We will work with our partners in Public Health Hertfordshire to improve the health and wellbeing of our communities by integrating health into the work of all our services, continuing to offer opportunities for physical exercise and use of outside space and monitoring food hygiene and air quality.

We aim to ensure North Hertfordshire is responsive and efficient and aim to deliver this objective by:

- Continuing to explore alternative options for effective and more efficient service delivery wherever possible, including through on-line self service opportunities, partnership, joint working or 'commercial' models where they are appropriate.
- Working with our contractors Stevenage Leisure Ltd.
- Continuing to extend Careline.
- Working with health partners to optimise opportunities for older residents to remain living independently but well supported at home including a programme to provide nutritional education for single older people in sheltered accommodation
- Working with community and voluntary sector partners to facilitate appropriate integrated services for those being cared for and their carers.
- Working through our leisure providers, schools and Sports England funded schemes to ensure that children/young people are offered the opportunity to increase activity to prevent long term ill health.
- Continuing to play a full part with Smoke Free Hertfordshire to reduce the incidents of smoking in adults and young people.
- Rolling out Building Control Services with six other Hertfordshire authorities.
- Optimising use, management and profitability of the Council's assets.
- Reviewing resources, including management structure, to ensure the Council continues to deliver key services cost effectively.
- Increasing awareness of opportunities for volunteers [formal and informal] through:
  - The Council's Outlook magazine
  - The Council's website
  - Social media
  - Working with partner agencies
- Reviewing how the Council and its partners can be better engaged with and build capacity for its communities and in doing so increase awareness of how to become more engaged with and in the democratic process.

#### **PERFORMANCE MONITORING AND REPORTING.**

- All projects will be subject to a sound business case being provided
- Specific targets will be established as projects are introduced and the Council's performance against these monitored and reported.

This will be done quarterly through the Council's Senior Management Team and the Overview and Scrutiny Committee. Any exceptions in regard to delivery of a top risk project are reported to the Council's Cabinet as necessary under their terms of reference. General project risks are reported via the Council's Risk Management Group and onward to Finance Audit and Risk Committee. Details of dates, times and agenda for meetings are available at [www.north-herts.gov.uk](http://www.north-herts.gov.uk)

## Our Community.

- Population ONS mid year 2016 132,700
- Population density 3.54 per hectare [Hertfordshire average 7.16]
- Large rural area
- Four main towns Baldock, Hitchin, Letchworth Garden City and Royston
- 24 wards
- The population projections suggest an increase of approximately 32, 600 (24.89%) in population in North Hertfordshire District over the 25 year period from 2014 to 2039. The biggest increases in population are estimated to be the age ranges for those over 70 and over all the way through to those 90+ years of age.
  - Factors influencing this are increased longevity, social patterns, and the attractiveness of district.
- The median age of both the UK and North Hertfordshire population is 40
- The life expectancy at birth for a resident in the North Hertfordshire District between 2013-2015 was 80.8 years for men and 83.1 years for women. (ONS).
- Lowest life expectancy area for males Hitchin Oughton , 76.1 years<sup>3</sup>
- Highest life expectancy for females Royston Meridian, 89.1 years
- In 2016, the smoking prevalence in Adults was recorded as 8.1% as compared to 15.5% in England<sup>4</sup>
- The percentage of overweight and Obese Children aged 10-11 in north Hertfordshire is 28.2%; this compares to 29.4% average of Hertfordshire and 34.2% for England
- 54.4% of adults are physically active. 57% of Adults are active in England.
- The mortality rate for cardiovascular disease for people aged 75 and under in North Hertfordshire (between 2013-2015) was 65.75 per 10,000 slightly above the Hertfordshire average(65.57) and below the England average of 74.65%.
- In 2011, 1,030 people in North Hertfordshire District stated that their general health was "very bad". That was 0.81% of the resident population. Also 19,182 people stated that they had a long-term health problem or disability that limited their day-to-day activities to some extent. That was 15.1% of the resident population<sup>5</sup>
- Projected population changes 2014-2039
  - 70-74 years an increase of 2,000 residents
  - 75-79 years an increase of 3,000 residents
  - 80-84 years an increase of 2,000 residents
  - 85-90 years an increase of 2,000 residents
  - 90+ years an increase of 3,000 residents<sup>6</sup>
  - In real terms each band would increase by 2,000-3,000 people by 2039
- In the 2011 Census, 10.1% of residents in North Hertfordshire District stated that they provide unpaid care. This was a total of 12,805 people. In comparison, 9.7% of residents in the Hertfordshire and 10.2% of Hertfordshire residents provided unpaid care in 2011. Furthermore, 1.8% (2,343 people) of the residents in North Hertfordshire District were providing 50 or more hours per week of unpaid care.

<sup>3</sup> Public Health England; Life expectancy, based on Office for National Statistics mortality statistics

<sup>4</sup> Public Health England. 2016. Health Profiles (Online).

<sup>5</sup>: Office for National Statistics, 2011 Census, Table KS301EW.

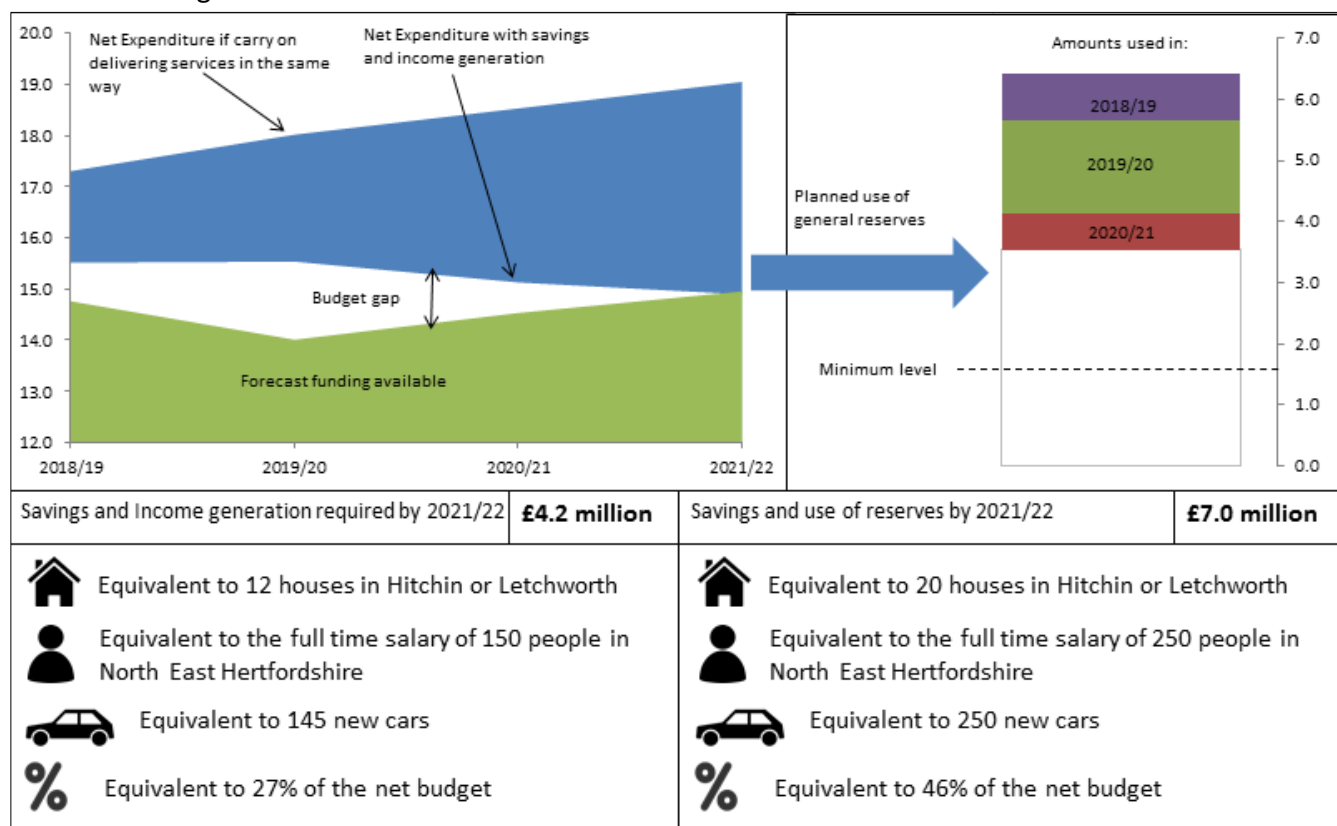
<sup>6</sup> Office for National Statistics Subnational Population projections for Local Authorities in England (mid 2014 to mid 2039)



- National record of Multiple Deprivation [IMD] rank five of our areas as being deprived using a measure of seven factors; level of income, access to adequate housing, employment, health, education, crime and deprivation factors affecting either the youngest or eldest. 32,844 neighbourhoods (also referred to as Local Super Output Areas, LSOAs) ranked nationally, the top 20% are seen as most deprived.
  - Letchworth South East 5,822 out of 32,844 LSOAs ( refers to North Hertfordshire 009c area)
  - Oughton Hitchin 6,681 out of 32,844 LSOAs
  - Letchworth South East 7,062 out of 32,844 LSOAs (refers to North Hertfordshire 009b area)
  - Letchworth Wilbury 7,262 out of 32,844 LSOAs
  - Letchworth Grange 8,368 out of 32,844 LSOAs.<sup>7</sup>
- In 2011, the proportion of the total population that were in a minority ethnic group (i.e. not White-British) was 15.12%.(compared to 19.18% in Hertfordshire, 14.72 in the East of England and 20.25 in England).

## Our Financial position

The Council has faced considerable budget pressures over a number of years as government funding has reduced throughout the years of austerity. The position with regard to proposed changes to funding support for local Government remains uncertain and the Council's Medium Term Financial strategy for the period 2018/19 to 2020/21 forecasts that we will need to use a combination of efficiencies and new income generation proposals together with planned use of general reserves of around £8.1 million if we are to deliver a balanced budget.



## Conclusions and trends.

1. The Council needs to ensure that the Corporate Plan reflects changes to our District.
2. The financial constraints placed upon the Council.

3. The Council recognises the challenges in North Hertfordshire and the additional cost that will be incurred by:
  - An ageing population
  - Increasing demands on care services
  - Specific health concerns – obesity, smoking and helping the growing older population maintain their health.
  - Pressure for substantial housing growth
  - Maintaining and enhancing a cohesive community.
  - Addressing the needs of our separate towns
  - Addressing areas of deprivation
  - Encouraging employment opportunities
4. The Council recognises that the Corporate Plan is a “live” document which will develop over time.
5. The Council recognises that implicit in addressing these issues is a commitment to partnership working, shared services, economy of scale, commercialisation and seeking efficiencies where possible.

<b>CABINET</b> <b>25 JULY 2017</b>
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<b>*PART 1 – PUBLIC DOCUMENT</b>	<b>AGENDA ITEM No.</b>  <b>9</b>
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**TITLE OF REPORT: MEDIUM TERM FINANCIAL STRATEGY 2018 TO 2023**

REPORT OF: STRATEGIC DIRECTOR FOR FINANCE, POLICY & GOVERNANCE  
EXECUTIVE MEMBER: COUNCILLOR JULIAN CUNNINGHAM  
COUNCIL PRIORITY: ATTRACTIVE AND THRIVING / PROSPER AND PROTECT /  
RESPONSIVE AND EFFICIENT

**1. EXECUTIVE SUMMARY**

- 1.1 This report recommends the Medium Term Financial Strategy (MTFS) for 2018/23 to guide and inform the 2018/19 Corporate Business Planning Process. The updated version of the Strategy reflects the impact of expected changes in funding alongside decisions taken by the Council during 2016/17. This is used to model the budget for the next five years and therefore highlight additional decisions that will need to be taken. The focus is on finding new ways of generating income and determining which non-statutory services the Council can afford to continue delivering.

**2. RECOMMENDATIONS**

- 2.1 That Cabinet recommends to Full Council the adoption of the Medium Term Financial Strategy 2018-23 as attached at Appendix A.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1 Adoption of a MTFS and communication of its contents will assist in the process of forward planning the use of Council resources and in budget setting for 2018/2019 to 2022/2023, culminating in the setting of the Council Tax precept for 2018/19 in February 2018.

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 None.

**5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS**

- 5.1 No external consultation has been undertaken in the preparation of this report. The Finance, Audit and Risk Committee considered a report (at meeting on 12<sup>th</sup> June 2017) that set out the key issues that would need to be addressed in determining a MTFS. They commented on:

- The need to undertake modelling work on the impact of pay inflation in excess of the 1% increase currently assumed, particularly in the light of the impact of the national pay review and the salaries paid by neighbouring authorities.
- The need to undertake modelling work on the best use of Capital resources and the tolerance of risks associated with potential significant Capital Investment on schemes aimed at generating revenue income.

5.2 Members will be aware that consultation is an integral part of the Corporate Business Planning process, and consultation on the individual actions and projects planned to support the Objectives will be carried out in accordance with the Corporate Business Planning Timetable and the Council's Consultation Strategy. Wherever it is available, use will be made of valid opinion research data and, where applicable, outcomes of the Districtwide Survey.

5.3 As in previous years, Member workshops will be held in regard to corporate business planning proposals, in addition to seeking the views of the Finance Audit and Risk Committee, the North Hertfordshire Partnership (LSP), parish, town and community councils, panel of residents, statutory partners and business ratepayers views as appropriate

## **6. FORWARD PLAN**

6.1 This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 3rd March 2017.

## **7. BACKGROUND**

7.1 Before considering the detailed budget position for the authority, the Corporate Business Planning Process requires that the Council's high level objectives are determined. At its meeting on 13<sup>th</sup> June 2017, Cabinet agreed that there should be no change to the Corporate Objectives.

7.2 The Council's budget and its objectives are inextricably linked. There is no point in having a service or key project that cannot be funded and no point in spending limited resources (including staff resources) if they are not achieving the objectives that have been set. This aligns the agreed Policy of the Council with the finances which will deliver it.

7.3 The Corporate Plan, proposed for adoption in this same committee cycle, informs the opportunities and risks facing the district, and also identifies the things the Council will do to ensure that it is being delivered.

## **8. RELEVANT CONSIDERATIONS**

8.1 The Medium Term Financial Strategy attached as Appendix A details the forecast impact of reducing resources, and quantifies what the Council will need to do to balance its budget in the medium term (including a managed use of reserves in the short term). It is forecast that the Council will need to reduce its expenditure or generate additional income of £4.2 million per year by 2021/22. Given the scale of the budget savings that need to be found, it is imperative that spend is aligned to Council priorities, which is known as 'policy led' budgeting.

8.2 The MTFS highlights the following:

- The significant uncertainty over future forecasts and that the Council should aim to balance funding and expenditure by 2020/21

- The impact of the Department for Communities and Local Government (DCLG) refusing the Council's request to make a capitalised lump sum pension payment
- Provides a budget for pay increases above 1% to reflect the potential impact of the National Joint Council (NJC) pay review
- The estimated growth in the Council Tax base (the number of households paying Council Tax) is assumed to be 1%
- New Homes Bonus funding will be affected by any changes that are made to the baseline percentage, and is likely to be significantly reduced if the Local Plan is not adopted
- The Council's capital reserves will be significantly diminished over the life of the MTFS
- All spend (revenue and capital) should be reviewed to ensure that it is providing statutory services or has been prioritised in relation to meeting Council objectives
- There should be a continued focus on generating income from commercial activities

8.3 Subject to Cabinet's consideration, the MTFS at appendix A will be referred to Council for adoption on 31<sup>st</sup> August 2017.

## **9. LEGAL IMPLICATIONS**

- 9.1 Cabinet's terms of reference include at 5.6.35 the power, by recommendation "to advise the Council in the formulation of those policies within the Council's terms of reference". Council's terms of reference include at 4.4.1(b) "approving or adopting the budget". The MTFS is part of the budget setting process.
- 9.2 The purpose of the report is to outline a medium term financial management strategy for 2018 to 2023. The attached MTFS will assist the Council in making sustainable decisions by providing a framework within which those decisions may be taken.
- 9.3 Councillors are reminded of the requirement, under section 30 of the Local Government Finance Act 1992, to set a balanced budget prior to the commencement of the financial year in question; and also that the Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of estimates and the adequacy of reserves allowed for in the budget.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 Both revenue and capital financial implications are covered in section 8 and Appendix A.

## **11. RISK IMPLICATIONS**

- 11.1 The key risks within the budget assumptions are referred to in section 8 and Appendix A. Section 2.13 of Appendix A highlights some of the impacts of changes in the assumptions made. It is highly likely to be necessary to revisit the forecasts made, especially in relation to New Homes Bonus funding.
- 11.2 There are financial and reputational risks involved in arriving at a balanced budget against the uncertainty surrounding levels of government funding. We seek to mitigate the risks by scenario planning, use of the established corporate business planning process and early involvement of members and key stakeholders. The Council has a

Top Risk of “Managing the Council’s Finances”. This is monitored by the Finance Audit and Risk Committee. Having an MTFS is a key mitigation to this risk.

## **12. EQUALITIES IMPLICATIONS**

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 In setting its Corporate Objectives, the council is seeking to address equality implications in the services it provides and through the remainder of the Corporate Business Planning Process will carry out Equalities Impact Assessments for those Efficiency or Investment options that are taken forward.

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1 The Social Value Act and “go local” policy do not apply to this report.

## **14. HUMAN RESOURCE IMPLICATIONS**

- 14.1 Paragraph 8.2 references the forecast impact of the NJC pay review, and there is more detail in section 2.6 of Appendix A. The ability of the Council to employ the people it needs to deliver services will be significantly impacted by not providing a competitive remuneration package.

## **15. APPENDICES**

Appendix A – Medium Term Financial Strategy 2018-2023.

## **16. CONTACT OFFICERS**

Ian Couper, Head of Finance, Performance & Asset Management  
[ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk) ; ext 4243

Norma Atlay, Strategic Director, Finance Policy & Governance  
[norma.atlay@north-herts.gov.uk](mailto:norma.atlay@north-herts.gov.uk); ext 4297

Antonio Ciampa, Accountancy Manager  
[antonio.ciampa@north-herts.gov.uk](mailto:antonio.ciampa@north-herts.gov.uk); ext 4566

Anthony Roche, Corporate Legal Manager  
[anthony.roche@north-herts.gov.uk](mailto:anthony.roche@north-herts.gov.uk) ; ext 4588

Reuben Ayavoo, Policy Officer  
[reuben.ayavoo@north-herts.gov.uk](mailto:reuben.ayavoo@north-herts.gov.uk) ; ext 4212

Kerry Shorrocks, Corporate Human Resources Manager  
[kerry.shorrocks@north-herts.gov.uk](mailto:kerry.shorrocks@north-herts.gov.uk) ; ext 4224

NORTH HERTFORDSHIRE DISTRICT COUNCIL

**MEDIUM TERM FINANCIAL STRATEGY**

**2018-2023**

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Annex 2	Roles and Responsibilities



## 1.0 Introduction

- 1.1 The Medium Term Financial Strategy (MTFS), the Council's key financial planning document, is an integral part of the Council's Corporate Business Planning process. The Council operates a system of priority led budgeting, with those district priorities set out in the "Corporate Plan" policy document. The MTFS then sets out how the financial management process will contribute to delivering those priorities and sets out a clear framework for our financial decision making. The strategy is updated annually. We fully expect that it will change over time as new opportunities, or policy decisions, affect the bottom line.
- 1.2 The MTFS includes a forward look over the next five years to assess the spending pressures the Council is likely to face and the level of savings that will need to be made to allow us to achieve our legal duty to set a balanced budget each year. The Council has intentionally increased the level of its general reserves over the last few years, and is planning to use them to soften the impact of funding reductions. There will still be a need for the Council to review what services it delivers and how, but this approach does give more time to plan the impact of these changes.
- 1.3 The Council is required to retain a certain level of reserves. This is to provide protection against both known and unknown risks. This includes being able to react to changes in demand and any emergencies that may arise.
- 1.4 The current national political climate means that there is significant uncertainty within the MTFS and therefore it will be kept under review until the budget for 2018/19 is agreed at Council in February. Even once the MTFS is agreed by Council, it is still just a plan, and therefore it will be monitored throughout the year and amended to reflect updated information. The budget monitoring reports (revenue and capital) that are provided to Finance, Audit and Risk Committee and Cabinet are a key component of this.

## 2.0 The current picture

- 2.1 The 2017-22 MTFS set the following budgets for four years:

£000	2017/18	2018/19	2019/20	2020/21
Net revenue expenditure	15,978	15,762	15,348	15,162
Estimated Funding	15,235	14,873	14,108	14,641
Use of reserves	743	889	1,240	520
General Fund brought forward	6,061	5,319	4,430	3,190
General Fund carried forward	5,319	4,430	3,190	2,670
<b>Assumed savings and income efficiencies to be delivered (cumulative)</b>	<b>800</b>	<b>1,500</b>	<b>2,150</b>	<b>2,750</b>

- 2.2 Whilst the MTFS is for a five year period, detailed forecasts are only provided for a four year period. This reflects the substantial uncertainty over future funding levels and that the Council should aim to balance its funding within the four year period.
- 2.3 The final position at the end of 2016/17 was a General Fund Balance that was significantly higher (£8.235 million) than estimated above. This was due to underspends against budget and higher than forecast income from Business Rates. Some of the underspends have been requested to be carried forward, which increases the forecast spend in 2017/18.
- 2.4 To refresh the MTFS for the period 2018-23 it is necessary to consider any changes that need to be made to funding expectations and expenditure forecasts. Annex 1 provides further details of some of these assumptions. The following paragraphs detail the relevant changes.

- 2.5 The budget for 2017/18 includes a pressure of £558k in relation to lump sum pension payments. The Council's revenue contributions to the pension fund consist of two elements. The first is an annual contribution as a percentage of payroll, which is the employer's contribution to cover for the future benefits of the current employees. The second is the annual lump sum payment, which is the contribution towards the fund deficit and the benefits gained by previous employees in previous years. The Council had hoped to make an up-front lump sum payment into the pension scheme in 2016/17, funded from capital. This was the same as had been done in 2014, and doing the same again would have reduced the revenue impact of pension costs in future years. This use of capital resource required approval from the Department of Communities and Local Government (DCLG), but this request was turned down. The Council will try again to obtain permission but, in forecasting, a prudent assumption is that this will be unsuccessful.
- 2.6 Last year's detailed budget (agreed by Council in February) highlighted a risk in relation to a review that was due to be carried out by the National Joint Council (NJC) on Local Government pay scales. This was in relation to the impact of pay freezes, the increases for the new National Living Wage and that salaries are no longer in line with the general market. The outcome of this review has still not been finalised, but it is looking increasingly likely that the Council should make budgetary provision above previous assumptions (i.e. 1% wage inflation per year). This revised MTFS therefore assumes a 3% increase in 2018/19 and 2019/20, followed by a 2% increase each year thereafter. This would require a change to the current national 1% public sector pay cap policy for these pay increases to take place. If this cap was not lifted, then this pressure would reflect the cost pressures to maintain the staff resources to deliver services.
- 2.7 The Council submitted a 4-year sustainability (also known as efficiency) plan last year. This provided certainty over the level of Revenue Support Grant (RSG) that the Council will receive up to 2019/20. This currently includes an additional Business Rate tariff (known as Negative RSG) from 2019/20 of over £1 million. It was expected that 100% Business Rate Retention would have been implemented from 2019/20. Whilst this was not expected to provide any additional funding for Local Government, it could have resulted in a fundamental change to the distribution of resources. It would have also have given Local Authorities a greater share of any growth in Business Rates. However the required legislation was not passed prior to the General Election in June, and it did not feature in the Queen's speech. The DCLG have said they are still committed to Local Authorities taking greater control of their income and are planning to resume working on Local Government finance reform, but without an imminent Bill. Given this, and that any new system would provide some transitional protection, RSG and Business Rates are assumed to be in line with previous indications.
- 2.8 Current estimates of Business Rates are based on what Central Government determine to be the Council's baseline need, which is a prudent assumption. The Council does get to retain some growth in Business Rates and the estimates could be changed to reflect this. However any growth is quite uncertain and could be affected by collection rates, revaluations and appeals. We have, therefore continued to use the baseline need figures.
- 2.9 In February, Council agreed an increase in Council Tax of £5 for a Band D property (with other properties pro rata to this) for 2017/18. The MTFS assumes that the Council will continue to raise Council Tax by as much as it is allowed to without triggering a local referendum. At the moment this is the higher of 2% or £5 (Band D). Last year's MTFS assumed 0.5% growth in the Council Tax base (i.e. number of Band D equivalent properties paying Council Tax). Actual growth in the Council Tax base in recent years has exceeded 1% per year. It is expected that this level of growth will continue going forward and therefore the assumed growth has been changed to 1% per year.
- 2.10 There were significant changes to New Homes Bonus (NHB) funding announced in December 2016. As expected this reduced the period over which the Bonus is paid. However it also introduced a baseline percentage of 0.4%, which meant that only growth above that level in each

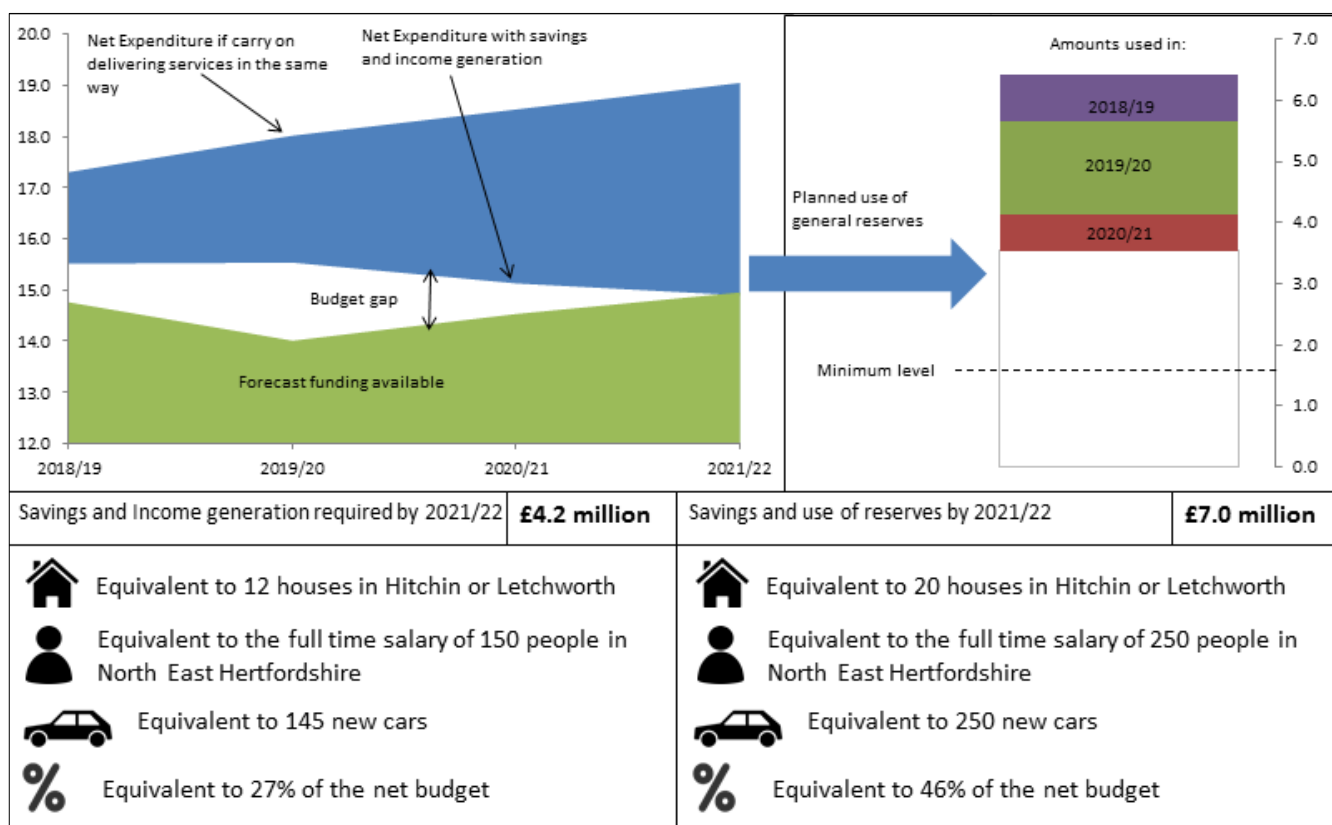
year would receive the bonus. For example, in 2017/18 the baseline was set at 0.4% of 56,942 properties = 228. So the Council did not receive a bonus for the first 228 properties, and therefore received a bonus based on 249 homes rather than 477. The bonus is funded from a fixed pot that has been top-sliced from the overall resources for funding Local Government. There is the scope for the baseline percentage to be adjusted in future years. The expectation is that it is only likely to increase e.g. to provide funding for specific services (such as social care) or to maintain the affordability within the overall fixed pot. This further reduces the funding the Council receives. Forecasts of housing growth in the District from 2020/21 show a significant increase (936 new homes in 2021/22 compared with 608 in 2019/20). As the overall pot is fixed, the Council should only expect a significant increase if the growth was exceptional. This is unlikely to be the case, so the forecast in 2021/22 is assumed to be the same as in 2020/21 (i.e. £1.25 million rather than the £1.80 million which would be received if it was based on 936 new homes). Without any further information, the 0.4% is used as a baseline in each year. The above is on the assumption that the Local Plan is adopted. If it is not adopted then housing growth is likely to be lower.

2.11 Expenditure and income over the next four years is therefore forecast to be:

£000	2018/19	2019/20	2020/21	2021/22
Gross expenditure brought forward	28,764	27,998	28,352	28,263
Ongoing base budget adjustments, including previously identified savings	-1,041	-191	-169	0
Estimated savings from Waste Vehicle purchase	-500	0	0	0
Additional savings or income generation to be identified*	-250	-500	-750	-750
Pay inflation	375	375	250	250
Contractual inflation	400	420	430	430
Pension scheme contribution increases	100	100	0	0
Investment budget	150	150	150	150
<b>Total gross expenditure (excluding Housing Benefit subsidy)</b>	<b>27,998</b>	<b>28,352</b>	<b>28,263</b>	<b>28,343</b>
Sales, Fees and Charges	-8,709	-9,048	-9,304	-9,565
Interest and commercial rental income	-1,347	-1,313	-1,313	-1,313
Specific Grants and Contributions	-2,428	-2,458	-2,520	-2,570
<b>Net Expenditure- to be funded from taxation and general grants</b>	<b>15,513</b>	<b>15,534</b>	<b>15,127</b>	<b>14,896</b>
Council Tax	-10,906	-11,263	-11,627	-11,996
Revenue Support Grant	0	1,070	1,125	1,159
Business Rates- including tariff adjustment	-2,628	-2,721	-2,803	-2,887
New Homes Bonus	-1,265	-1,119	-1,252	-1,252
Other	39	24	24	24
<b>Net funding position (use of reserves)</b>	<b>754</b>	<b>1,525</b>	<b>595</b>	<b>-56</b>
Reserve balance b/f	6,407	5,653	4,128	3,534
Reserve balance c/f	5,653	4,128	3,534	3,589

\* These amounts are not cumulative. The total additional annual savings that need to be delivered by 2021/22 are £2.25 million.

2.12 The Council's General Fund balances are being used to cushion the impact of the reduction in funding and the requirement to make efficiencies in the early years. The Council has deliberately increased its General Fund balances for this purpose. A minimum General Fund balance of around £1,600k has been calculated for the purpose of protecting the Council against known and unknown financial risks. The Council is required to consider and maintain a minimum General Fund balance, as part of prudent budget planning. The very high uncertainty for year 5 (2022/23) makes it difficult to estimate what further savings will need to be delivered. However targeting a balanced budget by 2021/22 (with reserves remaining) would put the Council in a good position. The information above is presented graphically below:



2.13 There are a number of assumptions built in to this analysis. The table below shows the sensitivities of some of these assumptions and the potential impact on budgets:

	Additional (reduced) use of reserves over 4 years (£000)
Council tax base growth at 0.5% per year (rather than 1%)	573
Council Tax increases at 2% rather than £5	287
Additional 1% pay inflation per year	500
10% reduction in previously identified savings that are delivered	98
New Homes Baseline at 0.5% (rather than 0.4%)	911
Additional 100 household growth per year for New Homes Bonus	(1,094)

- 2.14 The Council currently has capital reserves that it can use to fund its capital programme. This means that the revenue impact of capital investment is minimal as it is just the lost interest from treasury investments. Over the life of the MTFS the available capital resources will be substantially diminished. After this the cost of capital investment will be substantially higher as it will incorporate borrowing charges and Minimum Revenue Provision. The capital programme (for all projects that are not committed to start) should be reviewed on the following basis:
- Is it necessary for continued service provision?
  - If it is for investment, what return does it provide? Does it still provide a positive return if it was necessary to borrow money to fund the project?

### **3.0 Next Steps- Bridging the Gap**

- 3.1 Corporate Business planning will need to be undertaken to identify how the required savings and income efficiencies will be delivered.
- 3.2 The roles and responsibilities of Councillors, Officers and Corporate Board are detailed in Annex 2. In summary the actions that will be required are:
- Officers (including Corporate Board) will continue to review current models of service delivery, and put forward proposals as to potential changes and the savings that could be achieved. Options may include:
    - Up-front (capital) investment to enable change
    - Working with others e.g. joint provision, joint procurement
    - Challenging the extent to which they deliver Corporate Priorities
    - Determine what non-statutory services are being provided (including services that exceed the statutory level of provision) and ensure that there is a case for continued delivery
    - Review of the capital programme
  - There will be a continued focus on Commercialisation. Work will be on options for generating revenue income from capital investment and/ or trading. These options are likely to involve a lag between investment and savings generation.
  - Councillors will be required decide on whether to take forward the options presented.
  - The Head of Finance, Performance and Asset Management will monitor the assumptions made in funding and expenditure levels. When there is information that these will change, the MTFS will be updated and the implications presented back to Cabinet.

## ANNEX 1 Budget Assumptions and Policies

### Key Budget Assumptions

Inflation indices are reviewed on an annual basis and the forward budget projections amended accordingly. At this stage in the budget planning process, it is prudent to take a cautious approach and, in identifying the likely Council Tax requirement, the strategy focuses on the pressures on expenditure and assumes that income will rise in accordance with the determined policy. The figures presented in the MTFS financial projections appendices include the following assumptions in line with the current financial strategy

- Investment income is based on cashflow projections and a 1% return. This is significantly affected by the timing of expenditure in the capital programme.
- New Homes Bonus (NHB) will be awarded for 5 years from 2017/18 and 4 years from 2018/19. A 0.4% baseline (dead-weight) has been assumed. The split between District and County is assumed to remain at 80:20. It is assumed that the Council will have a Local Plan which will allow it to continue to receive NHB. The number of new homes per year is based on prudent estimates and could be higher.
- The majority of the New Homes Bonus is used to continue the delivery of services in the face of other government funding reductions and is built into the base budget
- Contract inflation in accordance with the individual contract terms.
- Pay inflation at 3% in 2018/19 and 2019/20, and 2 % each year thereafter.
- Pension fund contributions do not include the assumption of making a capitalised lump sum payment, as permission has been declined by Department for Communities and Local Government. Making a £2.5 million capitalised up-front payment would firstly reduce the lump sum payments in each of the next 3 years by £834k (revenue saving). Additionally the up-front payment will be invested by the pension fund on a long-term basis so it would be likely to improve our funding position (and therefore reduce our contribution rates) following future revaluations. The pension fund made investment returns of 22% over 3 years.
- No allowance is made for general inflation on remaining expenditure. Although after allowing for salary and contractual inflation, the remaining amount is insignificant.
- Discretionary fees and charges income will be increased by CPI at November, plus 2%. This will be where it is legally possible (i.e. would not lead to a profit) and subject to market impact assessment.
- The overall Council tax base figure will rise by 1% per annum.
- Council tax precept will be increased by £5 (band D equivalent), or 2% where this is higher.
- An assumed 99% collection rate for the purposes of calculating the Council tax base.
- An assumed 97% collection rate for Business Rates
- The minimum General Fund balance will be maintained at 5% of net expenditure plus an allowance for known financial risks.
- Any future changes to the local Council Tax Reduction Scheme will aim to have a cost neutral impact.
- The current assumption is that payments from Hertfordshire County Council as part of the Alternative Financial Model (AFM) for waste will continue. Pressures in relation to waste growth and cost of disposal may affect this in the future.
- A vacancy savings target set at approximately 2.5% of salary budget to yield in the region of £0.23 million is included in the base budget in each year.
- Any investment in Area Committee budgets to reflect additional responsibilities will be offset by reductions in Directorate budget
- The Council will not subsidise areas which are the responsibility of another precepting body other than through a one-off match-funding arrangement where this is in the interests of the local Council tax payers.
- Full Council may approve as part of the annual budgetary process that unallocated Area Committee budgets can be carried forward from one year to the next and not be subject to the normal rules for carry forward budgets.

- All assumptions are subject to further refinement as we go through the budget process and more certain information becomes available.

## Income Policy

As a minimum in recent years, where legally possible, the Council has sought to increase discretionary fees and charges annually in line with inflation, as measured by CPI plus 2% (at November).

The Council has previously taken the decision that certain discretionary services should move towards a break-even position, and some specific services must be provided at a net nil subsidy to the taxpayer wherever possible, and in these cases fees and charges may already be increased at a higher rate should it be required. Any other deviations from the strategy of increases by CPI plus 2% have to be explained and reported.

Generally speaking, charges are optimised to a level where we are reasonably confident they will not deter use of the service or impact on achievement of the policy objectives the Council is pursuing. We are conscious of the price sensitivity for some areas of our charges and that some charges can be in the upper quartile. It is therefore important that, as part of any review, we consider charges levied by competitors, and similar local authorities, to inform our own fee setting. The charging policy and particularly the level of subsidy for some charges is under constant review, as is applicability of charging for the use of our assets, as well as services.

## Reviewing service provision

As part of further developing the Medium Term Financial Strategy, we continue to investigate the appropriateness of service subsidies and also the funding of functions which are the responsibility of other bodies. We recognise that we should give careful consideration to each individual case before reaching a decision and should apply the test: "should the Council Tax payer pay for all or part of a service or should it be the service user?" Many of the services we provide are subsidised and during the budget setting process, service managers are now asked to review the extent of the subsidies and are asked the following questions:

- Does the service support the Council's high level objectives and priorities?
- Is the service statutory or discretionary and, in either case, do we have discretion over the level at which it is provided?
- What proportion or sections of the population use the service?
- What is the level of subsidy?
- What is the reason for the service subsidy?
- Is there a strategy in place which determines the level of subsidy going forward?
- Is there the opportunity to make greater use of or secure external grants to reduce the subsidy?
- What impact would a reduction in the level of subsidy have on the service?
- How much income could be generated by a removal of the subsidy?
- Should any removal be subject to a phasing in process and if so over how many years?

Changes made to service delivery are required to include an equality analysis.

The Council will seek to manage all its assets cost-effectively, including opportunities to optimise income from the use of these assets, offering concessions (as appropriate and affordable) to encourage use by all members of our community in pursuit of our priorities. We will also continue to explore opportunities in regard to our assets, including long term leases which effectively constitute a transfer, whereby community groups take on responsibility for the operation and overall facility management.

The Local Government Act 2003 permits local authorities to trade with both public and private sector bodies. In broad terms authorities may not trade for profit unless that activity is performed through a company. The Localism Act 2012, while vesting a general power of competence, retains this requirement. Section 4 of the Localism Act restricts the ability of a local authority to carry out activities for a commercial purpose using the general power. Section 4 (2) provides that if a local authority undertakes a commercial activity in exercise of its general power it must only do so through a company (for this purpose this covers limited or “registered society” i.e. formerly co-operative, community benefit society or industrial provident society). Consequently, these provisions will be considered when exploring alternative service delivery models.

### Risks and General Fund Level

Best Practice guidance issued by CIPFA states that the general fund balance may be between 5% and 100% of net expenditure. With an original estimate of net revenue expenditure of around £16 million and a Bellwin Threshold of £32k, the minimum 5% balance is in the region of £800k.

When setting the budget each year, the Council considers the potential impact of the risks in the assumptions made and adjusts the minimum 5% figure accordingly. Where there is the potential for increased volatility in funding levels, it is prudent to **either** consider increasing the minimum level of General Fund balance to around 10% to cope with any sudden change in income **or** to review the allowance made for a specific risk

Specific risks are identified and classified as high, medium or low risk and allowance is made for a proportion of the risk value. For high risk items, 50% of the risk value, for medium risk, 25% of the risk value and for low risk items, 0%. This is regarded as an appropriate risk management approach to risk likelihood and value.

In addition to the General fund balance, the Authority maintains a number of earmarked reserves and provisions, one of which is the special reserve.

### Use of Capital

The Council still has fairly significant capital balances, but over the life of this MTFS they are expected to be substantially diminished. The latest forecast (as per the Capital Programme Outturn for 2016/17) is that the Council will only have £1.7 million of capital reserves by the end of 2019/20, and this is assumes that £4 million of incoming receipts from land and property disposals can be generated. The supply of surplus land with development potential is reducing and therefore the opportunity for future capital receipts is limited.

When the Council has used all its capital reserves, future capital spending can be funded from borrowing as long as it is affordable, prudent and sustainable (Prudential Code for Capital Finance in Local Authorities, 2004). The affordable criteria relates to the revenue impact of borrowing, which is made up of interest charges and a Minimum Revenue Provision (MRP). These costs can be significant.

Local Authority capital spending improves services, protects the value of the Council’s portfolio of assets and replaces existing assets as they reach the end of their useful lives. Capital investment is not a luxury since without it, local authorities would become unable to deliver even their existing services let alone respond to new demands. For all capital schemes there needs to be a consideration of the benefits that are generated, which will include:

- Is it necessary for continued service provision? What would the impact on the service be? Is the service statutory or does it deliver the Council’s vision or high level objectives?



- If it is for investment, what return does it provide? Does it still provide a positive return if it was necessary to borrow money to fund the project (including MRP)? What is the level of risk in the expected returns?

These reviews should be carried out on an annual basis, and before any scheme commences. Inclusion on the capital programme is for the purposes of future planning, and does not guarantee that a scheme will go ahead.

## ANNEX 2 Roles and Responsibilities

The role of Councillors in this process is to:

- set vision and strategic direction
- agree the Council's high level objectives and priorities
- agree the specific projects to achieve the priorities
- agree the rolling MTFS including decisions on the time-frame to be covered, external influences to be considered and included, strategy for use of balances, assumptions regarding government support and the implications of doing so, income policy, capital strategy and setting indicative council tax levels for future years
- scrutinise proposals for funding prioritisation and de-prioritisation as set out by managers
- decide between options presented
- decide on options for increasing fees & charges where a proposed approach varies from that outlined in the income policy
- give due consideration to both the risks and opportunities of options as the council necessarily explores new avenues
- discuss savings suggestions and income generation proposals with relevant Officers.
- take a corporate overview of the budget position once decisions on individual prioritisation have been taken.
- set the level of Council Tax each year
- scrutinise and monitor the budget throughout the year

The role of all Officers is to:

- put forward suggestions for actions to deliver the objectives and new opportunities
- ensure that existing spend and new projects link to and deliver one (or more) of the Council's objectives
- manage services to deliver the actions in the plan within budget allocations
- explore alternative ways of delivering services, including assessment of risks and opportunities
- propose income generation and service transformation opportunities
- report on value for money and continuous improvement
- monitor the budget throughout the year and ensure spending is in line with policy requirements

The Corporate Board of officers is led by the Chief Executive. The group:

- facilitates a critical review of existing expenditure. This involves reviewing the base position, challenging existing budget allocations and creating the ability to reallocate money to strategic priorities.
- reviews service areas in comparison to other authorities to determine opportunities for improvements and cost reductions, or to explain reasons for any differences.
- reviews bids for additional resources/ investments. All bids will be subject to detailed scrutiny and scoring process before inclusion in the draft budget. The strategic priorities fund can be allocated by the Board for short-term investments.

## **CABINET** **25 JULY 2017**

**\*PART 1 – PUBLIC DOCUMENT**

**AGENDA ITEM No.**

# **10**

### **TITLE OF REPORT: REVIEW OF EXISTING NORTH HERTFORDSHIRE PLANNING GUIDANCE**

REPORT OF THE STRATEGIC DIRECTOR OF PLANNING AND ENTERPRISE  
EXECUTIVE MEMBER: COUNCILLOR DAVID LEVETT  
COUNCIL PRIORITY: PROSPER AND PROTECT

#### **1. EXECUTIVE SUMMARY**

- 1.1 The Council is currently preparing a new Local Plan containing planning policies and site allocations, which will shape development in the District to 2031.
- 1.2 To provide additional detail on planning policies and sites, the Council can produce separate planning guidance documents to provide clarity to applicants and case officers when determining planning applications.
- 1.3 To support the current Saved Policies of the District Plan No.2 with Alterations, the Council already has a series of adopted planning guidance documents.
- 1.4 A review of these existing documents has been undertaken to identify whether they remain relevant in light of the Council's emerging Local Plan that was submitted for Examination on 9 June 2017, or require updating, consolidating or revoking.
- 1.5 This report contains recommendations for these existing planning guidance documents. The production of any new planning documents, as required, would be covered in future reports.

#### **2. RECOMMENDATIONS**

- 2.1 That Cabinet approve the revocation of the planning guidance set out in Table A at paragraph 8.8.
- 2.2 That Cabinet approve the review, and where appropriate the consolidation, of existing or new planning guidance documents set out in Table B at paragraph 8.11.

#### **3. REASONS FOR RECOMMENDATIONS**

- 3.1 The Council submitted its Local Plan to the Secretary of State on 9 June 2017 for Examination and an Inspector has been appointed. The review of the Council's existing planning guidance documents and the actions contained in this report will demonstrate to the Planning Inspector that the Council has a clear and up to date approach to the authority's planning guidance.

- 3.2 In relation to supplementary planning documents (SPDs), paragraph 153 of the National Planning Policy Framework (NPPF) sets out that SPDs should be used where they can help applicants make successful applications or aid infrastructure delivery, and should not be used to add unnecessarily to the financial burdens on development.
- 3.3 Planning Practice Guidance to the NPPF outlines that supplementary planning documents should build upon and provide more detailed advice or guidance on the policies in the Local Plan.
- 3.4 The Council currently has a large number of existing planning guidance documents, some of which are out of date, or require updating or consolidating with other planning documents.

#### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 The alternative option is to continue with the Council's existing series of planning guidance documents. This has not been deemed a suitable approach given that many documents are now out of date, no longer necessary, or are superseded by emerging Local Plan or Neighbourhood Plan policies/ national policy and guidance, or by Building Regulations.

#### **5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS**

- 5.1 The Executive Member for Planning and Enterprise has been kept informed on the matters set out above.
- 5.2 Revisions to any retained or consolidated planning guidance will be subject to Cabinet approval and consultation, in accordance with the Town and Country Planning (Local Planning) (England) Regulations 2012.

#### **6. FORWARD PLAN**

- 6.1 This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 5<sup>th</sup> May 2017.

#### **7. BACKGROUND**

- 7.1 To provide additional detail on planning policies and sites contained in the Local Plan, the Council is able to produce separate planning guidance documents.
- 7.2 The Council has a series of existing planning guidance documents, which include Supplementary Planning Guidance (SPGs), Supplementary Planning Documents (SPDs), Town Centre Strategies and Planning/ Development Briefs. These documents are available on the Planning Policy pages of the Council's website and provide guidance to the public, applicants and case officers when considering planning applications.
- 7.3 SPDs replaced SPGs in the new planning system introduced under the Planning and Compulsory Purchase Act 2004 and perform the same function. The Council has a number of SPGs, which remain material considerations when determining planning applications.

- 7.4 In the case of SPDs, these documents elaborate upon planning policies and provide more detailed information than can be contained in the policies themselves.
- 7.5 SPDs do not have the same status as the policies within the Development Plan (in North Hertfordshire's case, the Local Plan) and are not subject to an independent Examination. However, SPDs have to undergo public consultation (the requirements of which are stipulated in the Town and Country Planning (Local Planning) (England) Regulations 2012), and are taken into account as material considerations when determining planning applications.
- 7.6 The Council has Town Centre Strategies for the District's four main towns Hitchin, Letchworth Garden City, Baldock and Royston.
- 7.7 There are additionally three existing Planning/Development Briefs that set out in more detail about how sites should be developed. These include the Paynes Park Planning Brief, the Churchgate Planning Brief and the Royston Cross Development Brief.
- 7.8 It is worth noting that two of the Town Centre Strategies, for Letchworth Garden City and Royston, are additionally adopted as SPDs. The other two Town Centre Strategies for Hitchin and Baldock, as well as the Council's Planning/ Development Briefs, are not adopted as SPGs or SPDs and are adopted as the Council Statement of Policy and provide necessary guidance when considering planning applications.

## **8. RELEVANT CONSIDERATIONS**

- 8.1 The Council submitted its Local Plan to the Secretary of State on 9 June 2017 for Examination and an Inspector has been appointed.
- 8.2 To demonstrate to the Local Plan Inspector that a holistic approach is being taken in relation to all of the Council's policies and supporting guidance, the planning policy team has undertaken a review of existing guidance. The review involved the input of the development management team.
- 8.3 The findings of the review indicated that whilst many of the documents were still valid and used frequently by development management officers, there were a number that had become obsolete and could be revoked, reviewed and/or consolidated with other policies or guidance.
- 8.4 It is worth noting that in all cases where officers have deemed a document to remain valid, a review will still be necessary to ensure the guidance is up-to-date and continues to meet the aims of both national policy and guidance and the emerging Local Plan.
- 8.5 Consolidating planning guidance where possible is also deemed beneficial to provide clarity to both case officers and applicants, which should therefore improve the efficiency of the planning application process and lead to higher quality developments across the District.
- 8.6 The following sections identify the proposed way forward for the Council's existing planning guidance.

## Existing guidance to be revoked

- 8.7 The following documents have been identified to be revoked without direct replacement. These have been identified as they are now out of date, no longer required, or are superseded by emerging Local Plan or Neighbourhood Plan policies/national policy and guidance or by Building Regulations.
- 8.8 As shown below, some documents that were adopted as SPGs were produced by an external organisation. NHDC therefore has no particular remit to amend, update, consult upon or approve these documents. Responsibility for their review lies with other bodies. It is proposed that these documents are instead cross-referenced in the relevant NHDC planning document. This would allow these documents to be revoked as NHDC adopted supplementary guidance.

**TABLE A**

<b>Title</b>	<b>Reason for revocation</b>	<b>Timescale</b>
SPG1: Land North of Royston	Sites identified are largely developed out or are allocations in the emerging Local Plan.	Revoke with immediate effect
SPG4: Golf Courses and Facilities	No longer required. The guidance was produced in response to a large number of planning applications for golf courses in the early 1990s. This is no longer a significant issue for the Council warranting supplementary guidance.	Revoke with immediate effect
SPG6: Designing for Accessibility	Out of date. Covered by the Building Regulations and emerging Local Plan Policy HS5 Accessible and adaptable housing.	Revoke with immediate effect
SPG8: Urban Regeneration	Out of date. Conflicts with more recent national planning policy and guidance.	Revoke with immediate effect
SPG10: Nightingale Road, Hitchin (Site HS2)	Out of date. Refers to previous national planning policy PPG24 that no longer exists.	Revoke with immediate effect
SPG15: Shopping areas in town centres	Out of date. Refers to previous national planning policy PPG6 that no longer exists.	Revoke with immediate effect
SPG16: Environmental guidelines for the management of roads in the Chilterns AONB.	This document is an external document jointly published by the Chilterns Conservation Board, Bedfordshire County Council, Buckinghamshire County Council, Hertfordshire County Council and Oxfordshire County Council.	Revoke upon inclusion within, and adoption of, the updated Transport and Parking SPD.

	To ensure this guidance is referred to by applicants, a cross-reference to the latest guidance and any future updates will be included in the update of the Design SPD.	
SPG17:Chilterns buildings design guide	<p>This document is an external document produced by the Chilterns Conservation Board.</p> <p>To ensure this guidance is referred to by applicants, a cross-reference to the latest guidance and any future updates will be included in the update of the Design SPD.</p> <p>Emerging Local Plan Policy NE3 part e) additionally requires applicants to comply with the Chilterns Building Design Guide.</p>	Revoke upon inclusion within, and adoption of, the updated Design SPD, or the emerging Local Plan, depending on which document is adopted first.
SPG18: Ashwell village design statement	Anticipated this will be covered by proposed Neighbourhood Plan	Revoke upon adoption of any relevant Neighbourhood Plan should it contain an equal statement.
SPG20:Letchworth Design Guide	<p>This document is an external document produced by the Letchworth Garden City Heritage Foundation.</p> <p>To ensure this guidance is referred to by applicants, a cross-reference to the latest guidance and any future updates will be included in the update of the Design SPD.</p>	Revoke upon inclusion within, and adoption of, the updated Design SPD.
SPG21: Pirton Village Design Statement	Covered by emerging Neighbourhood Plan	Revoke upon adoption of the relevant Neighbourhood Plan should it contain an equal statement
SPG:Energy conservation requirements	Out of date. Covered by the Building Regulations.	Revoke with immediate effect
Paynes Park Planning Brief	Covered by emerging Local Plan policy HT12 which sets site specific criteria taken from the brief.	Revoke upon inclusion within, and adoption of, the updated Town Centre Strategies for Hitchin or the emerging Local Plan, depending on which document is adopted first.

Churchgate Planning Brief	Covered by emerging Local Plan policy HT11 which sets site specific criteria taken from the brief.	Revoke upon inclusion within, and adoption of, the updated Town Centre Strategies for Hitchin or the emerging Local Plan, depending on which document is adopted first.
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### Existing guidance to be retained

- 8.9 The following existing guidance has been identified to be retained, although possibly in a different format. The proposed way forward represents current officer thinking. The exact nature of the format and number of guidance documents going forward will be developed as the Local Plan and relevant strategies progress,
- 8.10 As set out below, the guidance to be retained will be reviewed to ensure it is up to date and is consistent with the emerging Local Plan as well as national policy and guidance.
- 8.11 Where the Council has identified planning guidance documents that would be beneficial to retain, the documents are proposed for consolidation where possible. This will ensure a more streamlined approach and will improve clarity for the public, case officers and applicants.

**TABLE B**

Title	Proposed way forward
SPG3: Access to Hitchin Industrial Areas This guidance refers to the upgrade of the Cadwell Lane junction.	Review and include in the Transport Strategy
SPD: Vehicle Parking at New Developments	Review upon adoption of the Local Plan and include in a Transport and Parking SPD to reflect coverage of wider transport issues.
SPG19: North Herts Towns Cycle Routes Network(part 1: introduction and Royston)	Review and consolidate where possible into a single document on sustainable transport
SPG19: North Herts Towns Cycle Routes Network (part 2: Baldock)	
SPG19: North Herts Towns Cycle Routes Network (part 3: Letchworth)	
SPG19: North Herts Towns Cycle Routes Network (part 4: Hitchin)	



SPD: Design Supplementary Planning Document	Review and consolidate into single revised Design SPD
SPG11: Design guide for a shopfront in Baldock	
SPG12: Design guide for a shopfront in Hitchin	
SPG13: Design guide for a shopfront in Letchworth	
SPG14: Design guide for a shopfront in Royston	Review and consolidate into an overarching Town Centre Strategies SPD with sections for each town that can be individually reviewable. The guidance would be produced to provide a balance between high level principles and specific detail for each town.
Baldock Town Centre Strategy	
Hitchin Town Centre Strategy	
Letchworth Garden City Town Centre Strategy	
Royston Town Centre Strategy	
Royston Cross Development Brief	
SPG: River Hiz Development Guidelines	Review document and title to be confirmed pending the Government's response to the CIL Review (please refer to paragraph 8.16 below)
SPD: Guidance for Planning Obligations Supplementary Planning Document	

### Programme and next steps

- 8.12 Whilst the planning policy team's resources will be focused on the Local Plan Examination in the coming months, it is expected that reviews of the relevant guidance documents as set out above will commence in late 2017/early 2018. The reviews will be progressed as required, however, at this stage it is anticipated that the review of the following planning guidance documents will be prioritised:
- SPD: Vehicle Parking at New Developments to be revised and renamed 'Transport and Parking SPD'.
  - SPD: Design Supplementary Planning Document
  - SPD: Guidance for Planning Obligations Supplementary Planning Document (title to be confirmed pending the Government's response to the CIL Review (please refer to paragraph 8.16 below).
- 8.13 It should additionally be acknowledged that the Examination process for the Local Plan and ongoing planning applications could identify other issues that would benefit from the creation of new planning guidance, or the inclusion within existing guidance.
- 8.14 Any new or revisions to existing guidance would be undertaken in accordance with the Town and Country Planning (Local Planning) (England) Regulations 2012, including the aspects relating to consultation procedures.
- 8.15 As referred to in paragraph 9.4, Supplementary Planning Guidance is not caught by the Town and Country Planning (Local Planning) (England) Regulations 2012, however it was considered by the planning policy team that a holistic approach be taken with regards to both saved policies and guidance.

- 8.16 It is worth noting that Government's approach following the Housing White Paper (February, 2017)<sup>1</sup> and the Community Infrastructure Levy (CIL) Review (February, 2017),<sup>2</sup> (as reported in the 22 November 2016, 19 December 2016 and 24 January 2017 Strategic Planning Matters reports), will also have a significant bearing on the future direction and content of planning guidance. Government has identified a number of proposed amendments in the White Paper, some of which require further consultation. The CIL Review proposes the introduction of a nationally determined tariff which could obviate the need for NHDC to formulate its own Levy.
- 8.17 Whilst the CIL Review findings were published at the same time as the Housing White Paper, a decision has yet to be made on the future operation of CIL and its interaction with Section 106. Government will respond to the independent review at Autumn Budget 2017.
- 8.18 The requirement scope of any planning obligations guidance will be determined once these outcomes are known.

## **9. LEGAL IMPLICATIONS**

- 9.1 In terms of revocation, the Town and Country Planning (Local Planning) (England) Regulations 2012, Section 15(2) states that a local planning authority may revoke any supplementary planning document.
- 9.2 The preparation, adoption revocation or withdrawal of planning guidance, including SPDs are not reserved to Full Council.
- 9.3 Under the Terms of Reference for Cabinet paragraph 5.6.18 of the Constitution states that the Cabinet should exercise the Council's functions as Local Planning Authority except where functions are reserved by law to the responsibility of the Council or delegated to the Strategic Director of Planning, Housing and Enterprise.
- 9.4 SPGs are Local Development Documents (LDDs) for the purposes of plan-making, however, they are not Development Plan Documents (DPDs) and therefore are not subject to the same processes of consultation and adoption as set out in the Town and Country Planning (Local Planning) (England) Regulations 2012.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 An allowance has been made within the Local Plan budget for the preparation and review of planning guidance.
- 10.2 Longer term, streamlining the available planning guidance and providing enhanced clarity to both case officers and applicants has the potential to improve efficiency in the planning application process, thus reducing costs associated with officer time.

## **11. RISK IMPLICATIONS**

- 11.1 Although the Local Plan itself is a top risk for the Council, as planning guidance clarifies policy, it is not deemed a high risk.

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<sup>1</sup> Housing White Paper, Fixing our broken housing market, February 2017

<sup>2</sup> CIL Review, A new approach to developer contributions: a report by the CIL Review team, February 2017

- 11.2 Nonetheless, the risks associated with not undertaking the actions set out in this report include: lack of clarity and uncertainty to case officers and applicants when determining planning applications, potential to impede the Local Plan Examination process, and lack of consistency with the emerging Local Plan as well as national planning policy and guidance.

## **12. EQUALITIES IMPLICATIONS**

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 An Equality Impact Assessment has been produced for the Council's Local Plan. This has been submitted as an evidence base document as part of the Local Plan Examination. The assessment has identified no negative impacts arising from the Local Plan. As planning guidance directly stems from the Local Plan policies, it can be inferred that there are no negative impacts arising from the proposed actions outlined in this report.

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1 As the recommendations made in this report do not constitute a public service contract, the measurement of 'social value' as required by the Public Services (Social Value) Act 2012 need not be applied, although equalities implications and opportunities are identified in the relevant section at Section 12.

## **14. HUMAN RESOURCE IMPLICATIONS**

- 14.1 The Strategic Planning team is a small team with one vacancy, a further recent resignation and in the future an officer going on maternity leave. These three posts have been advertised and a verbal update on resources will be given at the meeting.
- 14.2 As set out in Section 10 Financial Implications above, longer term, streamlining the available planning guidance and providing enhanced clarity to both case officers and applicants has the potential to improve efficiency in the planning application process, therefore minimising staff resources.

## **15. CONTACT OFFICERS**

### ***Report author***

- 15.1 Laura Allen, Senior Planning Officer  
01462 474826 [laura.allen@north-herts.gov.uk](mailto:laura.allen@north-herts.gov.uk)

### ***Contributors***

- 15.2 Ian Fullstone, Head of Planning and Building Control  
01462 474480 [ian.fullstone@north-herts.gov.uk](mailto:ian.fullstone@north-herts.gov.uk)
- 15.3 Louise Symes, Strategic Planning & Projects Manager  
01462 474359 [louise.symes@north-herts.gov.uk](mailto:louise.symes@north-herts.gov.uk)

- 15.4 Nigel Smith, Principal Strategic Planning Officer  
01462 474847 [nigel.smith@north-herts.gov.uk](mailto:nigel.smith@north-herts.gov.uk)
- 15.5 Simon Ellis, Planning Control & Conservation Manager  
01462 474264 [simon.ellis@north-herts.gov.uk](mailto:simon.ellis@north-herts.gov.uk)
- 15.6 Reuben Ayavoo, Policy Officer  
01462 474212 [reuben.ayavoo@north-herts.gov.uk](mailto:reuben.ayavoo@north-herts.gov.uk)
- 15.7 Nurainatta Katevu, Property & Planning Lawyer  
01462 474364 [nurainatta.katevu@north-herts.gov.uk](mailto:nurainatta.katevu@north-herts.gov.uk)
- 15.8 Ian Couper, Head of Financial Services and Risk Management  
01462 474243 [ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk)
- 15.9 Kerry Shorrocks, Corporate Human Resources Manager  
01462 474224 [kerry.shorrocks@north-herts.gov.uk](mailto:kerry.shorrocks@north-herts.gov.uk)

**16. BACKGROUND PAPERS**

- 16.1 The Council's current supplementary guidance can be found on the Council's Planning Policy webpage at:  
<https://www.north-herts.gov.uk/home/planning/planning-policy/local-plan/local-plan-current-policy>

<b>CABINET</b> <b>25 JULY 2017</b>
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<b>*PART 1 – PUBLIC DOCUMENT</b>	<b>AGENDA ITEM No.</b>  <b>11</b>
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**TITLE OF REPORT: DESIGNATION OF A NEIGHBOURHOOD PLANNING AREA FOR BALDOCK, BYGRAVE AND CLOTHALL**

REPORT OF: STRATEGIC DIRECTOR OF PLANNING AND ENTERPRISE

EXECUTIVE MEMBER: COUNCILLOR DAVID LEVETT

COUNCIL PRIORITY: ATTRACTIVE AND THRIVING / PROSPER AND PROTECT

**1. EXECUTIVE SUMMARY**

- 1.1 This report details the application to designate a single neighbourhood planning area for the unparished area of Baldock and the parished areas of Bygrave and Clothall, consultation on the proposal and recommends designating a neighbourhood planning area. Designation of a neighbourhood planning area will allow a neighbourhood plan to be prepared for the area.

**2. RECOMMENDATIONS**

- 2.1 That Cabinet approves the designation of the neighbourhood planning area as detailed in paragraphs 8.1 to 8.17 and shown in Appendix C having regard to the representations made.

**3. REASONS FOR RECOMMENDATIONS**

To allow a neighbourhood plan to be prepared for Baldock, Bygrave and Clothall.

**4. ALTERNATIVE OPTIONS CONSIDERED**

None.

**5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS**

- 5.1 Members were informed that the application for the proposed neighbourhood planning area had been made by Bygrave Parish Council through the Members Information Service on 9 June 2017.
- 5.2 Consultation took place with key stakeholders, including Parish Councils, statutory consultees, local community and voluntary organisations, local developers and landowners on the application between 9 June and 7 July 2017.

## **6. FORWARD PLAN**

- 6.1 This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 5<sup>th</sup> May 2017.

## **7. BACKGROUND**

- 7.1 Neighbourhood planning was introduced into the planning system by the Localism Act 2011, allowing local communities to shape development in their area. If a neighbourhood plan is prepared, examined and receives a majority vote in a referendum it becomes part of the statutory development plan for that neighbourhood and is used when determining planning applications, alongside the district's local plan.
- 7.2 The Neighbourhood Planning Regulations 2012 set out the statutory process an organisation must follow when preparing a neighbourhood plan. The first stage in the process requires the relevant body to formally request that the local planning authority designate their proposed neighbourhood area.
- 7.3 The Neighbourhood Planning (General)(Amendment) Regulations 2015 have amended the way in which the local planning authority must determine an application for the designation of a neighbourhood planning area. Once a local planning authority has received an application, it must publicise it for not less than four weeks after the application is publicised on its website and invite comments. If appropriate, the local planning authority is also required to bring it to the attention of people who live, work or carry on business in the area. Once the application has been publicised, the local planning authority must determine the application within eight weeks.

## **8. RELEVANT CONSIDERATIONS**

- 8.1 Bygrave Parish Council submitted the application for the designation of a neighbourhood planning area for the parishes of Bygrave and Clothall and the unparished area of Baldock in February 2017. Bygrave Parish Council has requested that the areas within these current boundaries should be designated as one neighbourhood planning area. The application letter, supporting documentation and plans of the proposed area for designation as a neighbourhood planning area are attached as Appendices A, B, and C. This application brings the total number of applications for neighbourhood planning areas in the District to twelve.
- 8.2 The application letter from Bygrave Parish Council states that the area proposed to be designated covers the whole parishes of Bygrave and Clothall and the unparished administrative area of Baldock.
- 8.3 Most applications to designate a neighbourhood planning area are by a Parish Council for the parished area. In areas where there is no Parish Council, the Regulations allow for the creation of a neighbourhood forum to act as the Qualifying Body. This is the first application where the proposed neighbourhood planning area comprises both parished and unparished areas.
- 8.4 The legislation precludes a neighbourhood forum being set up for the combined area as it includes parished areas but Bygrave Parish Council can act as the Qualifying Body for the combined area. The Baldock, Bygrave and Clothall Planning Group has been set up to ensure that representative governance of the neighbourhood planning process is in place. A copy of the constitution is attached as Appendix D.

- 8.5 The constitution ensures the Steering Committee will contain one representative each from the Baldock Society, Bygrave Parish Council and Clothall with Luffenhall Parish Meeting. The remaining membership will reflect the character and diversity of the local population and business community as far as possible. The Council is satisfied that the requirements of the Regulations have been met.
- 8.6 The application for the designation of neighbourhood planning areas must be assessed to ensure that the area is coherent, consistent and appropriate in planning terms. Any representations received in respect of the proposed neighbourhood planning area must also be considered. Consultation on the proposed neighbourhood planning area took place between 9 June and 7 July 2017.
- 8.7 In respect of this application, 10 representations were received and are attached as Appendix E to this report. Five representations were made in support of the application but of the remaining representations, none have raised substantive issues in respect of the designation of the neighbourhood planning area.
- 8.8 In considering the appropriateness of the application for designation, it is considered relevant to have regard to two further factors:
- The distribution of proposed future development allocations around Baldock in relation to the administrative parish boundaries and the application area; and
  - The alternate neighbourhood planning arrangements that could be implemented.
- 8.9 Any future neighbourhood plan, once adopted, forms part of the statutory Development Plan. Its policies are used in the determination of planning applications within that area.
- 8.10 Members will be aware that the new Local Plan for North Hertfordshire has been submitted to the Secretary of State for examination. The proposed strategy in the plan contains a number of new development allocations in and around Baldock. Some site allocations lie within the adjoining parishes and / or cross administrative boundaries. These are shown below:

Site		No. of homes	Parish / area
BA1	Land north of Baldock	2,800	Bygrave (98%) Baldock (2%)
BA2	Land west of Clothall Road	200	Clothall
BA3	Land south of Clothall Common	200	Clothall
BA4	Land east of Clothall Common	95	Clothall (59%) Baldock (41%)
BA5	Land off Yeomanry Drive	25	Baldock
BA6	Land at Icknield Way	26	Baldock
BA7	Land rear of Clare Crescent	20	Baldock
BA11	Deans Yard, South Road	20	Baldock
BA10	Royston Road (Employment)	n/a	Bygrave (99%) Baldock (1%)

- 8.11 From the table, it is noted that:
- The significant majority of future development in and around Baldock will take place outside of the unparished area of Baldock town;

- A neighbourhood planning area covering (at least parts of) the parishes of Bygrave and Clothall is required if any future neighbourhood plan is to consider development in and around Baldock in a holistic manner;
  - An alternate neighbourhood planning arrangement based on parish boundaries or the unparished limits of Baldock could result in:
    - policies applying only to parts of sites; and / or
    - different policy requirements (and development costs) applying to sites that are, functionally, planned to be part of the same town.
- 8.12 No organisations or groups other than the respective parish Councils could act as the Qualifying Bodies for any alternate neighbourhood planning areas covering the whole or any parts of Bygrave or Clothall parishes.
- 8.13 At the time of writing, no other forum or organisation has expressed an interest in establishing an alternate neighbourhood planning forum for the unparished area of Baldock town.
- 8.14 In light of these factors, the application is considered coherent, consistent and appropriate in planning terms.
- 8.15 The Council must also consider whether a proposed neighbourhood area should be considered as a business area as well. Only if an area is wholly or predominantly used for business is it likely to be designated as a business neighbourhood planning area. Given that the proposed neighbourhood planning area for Baldock, Bygrave and Clothall includes significant residential and rural areas in addition to Baldock town centre and employment areas it is not considered that a business area designation would be appropriate.
- 8.16 Neighbourhood plans are required to be in general conformity with the strategic policies of the Local Plan. The National Planning Policy Framework encourages local planning authorities to put up-to-date Local Plans in place as quickly as possible. However, the absence of an up-to-date Local Plan does not stop neighbourhood plans from proceeding. When examined the tests for a neighbourhood plan include whether it “has regard” to national policy and whether it is in “general conformity” with the strategic policies of the existing development plan<sup>1</sup>. Officers will continue to advise Bygrave Parish Council about progress on the preparation of the Local Plan.
- 8.17 It is considered that the neighbourhood plan area for Baldock, Bygrave and Clothall as proposed by Bygrave Parish Council is appropriate to be designated as neighbourhood planning areas for the purposes of preparing a neighbourhood plan.

## **9. LEGAL IMPLICATIONS**

- 9.1 The terms of reference for Cabinet confirm that they should exercise the Authority’s functions as Local Planning Authority and to receive reports on: strategic planning matters, applications for, approval/designation, revocation (or recommend revocation of) neighbourhood plans and orders (except where functions are reserved by law to the responsibility of the Council or delegated to the Strategic Director of Planning, Housing and Enterprise).”

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<sup>1</sup> The statutory tests for the examination of the neighbourhood plan are set out in paragraph 8 of schedule 4B to the Town and Country Planning Act 1990, as inserted by schedule 10 of the Localism Act 2011 and referred to by regulation 15 of the Neighbourhood Planning (General) Regulations 2012.



- 9.2 The legal issues arise as a result of the application and process of designation under the Localism Act 2011, The Neighbourhood Planning (General) Regulations 2012<sup>2</sup>, as described in 7.1-7.3 above. There are legal requirements following a decision to designate, further described under 10.1 below in relation to publicity.<sup>3</sup>

## **10. FINANCIAL IMPLICATIONS**

- 10.1 Local authorities are under a duty to provide advice and assistance to qualifying bodies preparing neighbourhood plans and in organising the neighbourhood plan examination and any subsequent referendum. Previously, the Council was able to claim £5,000 for each neighbourhood planning area designated in recognition of officer time supporting and advising a community in taking neighbourhood planning forward. This support has now been withdrawn. Further financial support of £20,000 is available from the Department of Communities and Local Government (DCLG) once the local authority has set a date for the a referendum following the successful examination of a neighbourhood plan. This financial support is in place for 2017/18 and is to cover some of the costs incurred by the Council in getting to this stage. DCLG have advised that this funding will continue for 2017/2018 but any further announcement on funding for neighbourhood planning after the end of March 2018 is unlikely before February 2018. Given the stage at which this neighbourhood plan is at, it is unlikely that the Council will be able to claim the £20,000 grant for work undertaken within this financial year.

## **11. RISK IMPLICATIONS**

- 11.1 No direct risk implications from this report, but “Sustainable Development of the District” is a Cabinet Top Risk.
- 11.2 As a result of the withdrawn grant at designation stage and the uncertainty about financial support from DCLG going forward as outlined in paragraph 10.1 a financial risk has been established for Neighbourhood Planning as the Council is responsible for costs incurred until a grant can be applied for.

## **12. EQUALITIES IMPLICATIONS**

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 There are not considered to be any direct equality issues arising from this report. However, individual proposals as adopted in the published Neighbourhood Plan for Baldock, Bygrave and Clothall will need to be assessed as to their positive or negative impact on the community. Whilst the onus will be on the Parish to develop an inclusive neighbourhood plan, the relationship of that plan to the District Local Plan and subsequent planning considerations also requires NHDC to show due regard to the requirements of the Public Sector Equality Duty.

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1 The Social Value Act and “go local” policy do not apply to this report.

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<sup>2</sup> As now amended from 9 February 2015 by the Neighbourhood Planning (General) (Amendment) Regulations 2015 No. 20

<sup>3</sup> Under Regulation 7.  
**CABINET (25.7.17)**

## **14. HUMAN RESOURCE IMPLICATIONS**

- 14.1 There are currently no new human resource implications arising from the contents of this report.
- 14.2 Until such time as a neighbourhood plan successfully passes examination, the District Council supports all neighbourhood planning activities using existing staff resources and from within approved revenue budgets. However it is noted that The Strategic Planning team is a small team with one vacancy, a further recent resignation and in the future an officer going on maternity leave. These three posts have been advertised.

## **15. APPENDICES**

- 15.1 Appendix A – Application letter from Bygrave Parish Council.
- 15.2 Appendix B – Letter of support from Clothall and Luffenhall Parish Meeting.
- 15.3 Appendix C – Map of the proposed neighbourhood planning area for Baldock, Bygrave and Clothall.
- 15.4 Appendix D – Constitution of the Bygrave, Baldock and Clothall Planning Group.
- 15.5 Appendix E – Summary of Comments.

## **16. CONTACT OFFICERS**

- 16.1 Clare Skeels, Senior Planning Officer  
01462 474424 [clare.skeels@north-herts.gov.uk](mailto:clare.skeels@north-herts.gov.uk)
- 16.2 Louise Symes, Strategic Planning & Projects Manager  
01462 474359 [louise.symes@north-herts.gov.uk](mailto:louise.symes@north-herts.gov.uk)

### ***Contributors***

- 16.3 Ian Fullstone, Head of Development and Building Control  
01462 474480 [ian.fullstone@north-herts.gov.uk](mailto:ian.fullstone@north-herts.gov.uk)
- 16.4 Nigel Smith, Principal Strategic Planning Officer  
01462 474847 [nigel.smith@north-herts.gov.uk](mailto:nigel.smith@north-herts.gov.uk)
- 16.5 Nurainatta Katevu, Property & Planning Lawyer  
01462 474364 [nurainatta.katevu@north-herts.gov.uk](mailto:nurainatta.katevu@north-herts.gov.uk)
- 16.6 Ian Couper, Head of Financial Services and Risk Management  
01462 474243 [ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk)
- 16.7 Kerry Shorrocks, Corporate Human Resources Manager  
01462 474224 [kerry.shorrocks@north-herts.gov.uk](mailto:kerry.shorrocks@north-herts.gov.uk)
- 16.8 Reuben Ayavoo, Policy Officer  
01462 474212 [reuben.ayavoo@north-herts.gov.uk](mailto:reuben.ayavoo@north-herts.gov.uk)

## **17. BACKGROUND PAPERS**

None.

# *BYGRAVE PARISH COUNCIL*

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Clerk to the Council:

Mrs K Clark  
73 Brookfield Way  
Lower Cambourne  
Cambridgeshire  
CB23 5EB

Tel: 07956465101  
E-mail: [clerk@bygraveparishcouncil.org.uk](mailto:clerk@bygraveparishcouncil.org.uk)  
Web: [www.bygraveparishcouncil.org.uk](http://www.bygraveparishcouncil.org.uk)

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Ms Clare Skeels  
Senior Planning Officer  
North Hertfordshire District Council  
Town Lodge  
Gernon Road  
Letchworth Garden City  
SG6 3HN  
15<sup>th</sup> February 2017

Dear Ms Skeels

## **Application for designation of a neighbourhood area: Baldock, Bygrave and Clothall**

Bygrave Parish Council would like to apply to North Hertfordshire District Council for the designation of a neighbourhood area, covering the whole of the parishes of Bygrave and Clothall and the administrative area of Baldock.

The application is made on behalf of the Baldock, Bygrave and Clothall Planning Group, for the purpose of preparing a neighbourhood plan for this area.

Baldock, Bygrave and Cothall are considered to form a suitable neighbourhood area in view of the emerging local plan proposals. These, if adopted, would see significant growth on the edge of Baldock extending into both Bygrave and Clothall parishes. A neighbourhood plan for this combined area will allow residents, businesses and community groups to have a positive influence on future development, taking into account the implications for the area as a whole. A map showing the proposed neighbourhood area is attached.

Bygrave Parish Council is a relevant body for making this application in accordance with section 61G of the Town and Country Planning Act 1990. The application is supported by Clothall Parish Meeting, as confirmed by the letter attached.

Because the proposed neighbourhood area comprises both parished and unparished areas, the legislation precludes a neighbourhood forum from being established to cover the combined area. The Baldock, Bygrave and Clothall Planning Group has, however, been set up to ensure that representative governance is in place. Membership is open to those living or working in the combined area, to local businesses and to local organisations. Its existence and purpose have been publicised widely in the local area, and at the time of writing the group has over

200 members representing different sections of the three communities. Activity is coordinated by an elected steering group, which includes representatives from Bygrave Parish Council and Clothall with Luffenhall Parish Meeting. A copy of the group's constitution is attached, along with a summary of its current membership.

We kindly request that you process this application for the designation of a neighbourhood area covering Baldock, Bygrave and Clothall. Please get in touch should you need any further information.

Yours sincerely,



Karen Clark  
Clerk to Bygrave Parish Council

#### **Attachments**

Map of proposed neighbourhood area

Letter of support from Clothall with Luffenhall Parish Meeting

Constitution of the Baldock, Bygrave and Clothall Planning Group

Membership summary for Baldock, Bygrave and Clothall Planning Group (below)

#### **Membership summary for Baldock, Bygrave and Clothall Planning Group – February 2017**

	Members
Baldock District Councillors	3
Bygrave Parish Councillors	3
Clothall Parish / District Councillors	2
Baldock Residents	152
Bygrave Residents	35
Clothall Residents	3
Schools	4
Churches	2
Businesses	7
Total	211

Monday, 30 January 2017  
5 Hickman's Hill  
Clothall  
SG7 6RH

Ms Clare Skeels  
Senior Planning Officer  
North Hertfordshire District Council  
Town Lodge  
Gernon Road  
Letchworth Garden City  
SG6 3HN

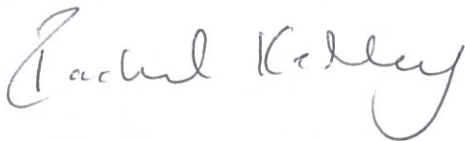
Dear Ms Skeels,

Clothall and Luffenhall Parish Meeting gives its consent for Bygrave Parish Council to act on its behalf in relation to establishing a neighbourhood area, and as the formal body for taking forward a neighbourhood plan for the area of Baldock, Bygrave and Clothall.

The Parish Meeting is represented on the Steering Committee of the Baldock, Bygrave and Clothall Planning Group, and supports the aims and objectives of that organisation in undertaking the practical work to prepare a neighbourhood plan.

Many thanks,

Kind Regards,



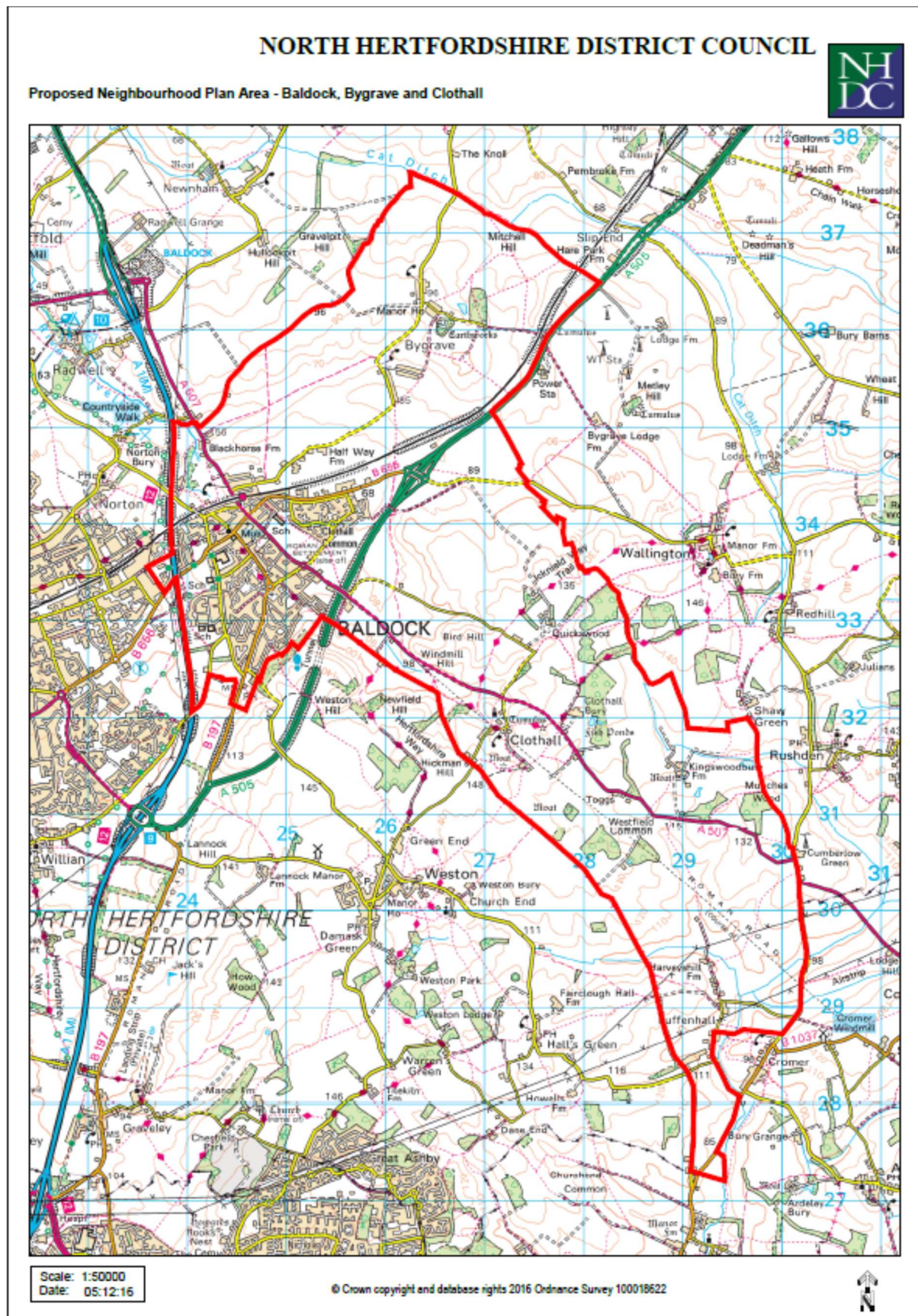
Rachel Kelley  
Chair Clothall with Luffenhall Parish Meeting

07831 673 267

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## Baldock, Bygrave and Clothall: map of proposed Neighbourhood Area



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# Constitution of The Baldock, Bygrave and Clothall Planning Group

## Name and Area

The name of the group shall be “Baldock, Bygrave and Clothall Planning Group”, henceforth referred to as “The Planning Group” in this document.

2. The Neighbourhood Plan will cover the area shown on the map in Appendix 1. Henceforth referred to as “The Planning Area”.

## Purpose

3. The Planning Group shall produce a Neighbourhood Plan for The Planning Area.

4. The Neighbourhood Plan will be produced with due consideration for the needs of all residents and businesses in the area, now and in the future.

5. The Neighbourhood Plan will seek to improve the social, economic and environmental wellbeing of the area and those living and working within it.

6. The Planning Group shall achieve the following goals in partnership with North Hertfordshire District Council, Bygrave Parish Council, Clothall with Luffenhall Parish Meeting and The Baldock Society:

- i. Manage and co-ordinate the production of a Neighbourhood Plan that is representative of local views.
- ii. Co-ordinate effective engagement with members of the community, including open meetings and an interactive website
- iii. Effectively communicate findings, ideas and approaches for the Neighbourhood Plan to the Baldock, Bygrave and Clothall (and Luffenhall) communities through as many local organisations as possible and the website
- iv. Identify and manage all support, resources and funding needed for stages of the process.
- v. Manage the process in an open, transparent and accessible way.
- vi. Ensure all planning aspects that are identified as important to the community are considered through the plan
- vii. Plan appropriately for all parts of the area as well as maintaining an overall balanced plan.
- viii. Produce appropriate timescales and delivery mechanisms for the Neighbourhood Plan.
- ix. Work with the North Hertfordshire District Council throughout the process to ensure successful delivery of the Neighbourhood plan alongside the Local plan.

## Planning Group Membership

7. Membership of the Planning Group is open to all individuals who live, work or have an interest in the Planning Area.

8. Registration is by email to [info@bbplan.co.uk](mailto:info@bbplan.co.uk) or if that is not possible by letter to the Chairman of the Planning Group.

9. It is the member's responsibility to ensure that the Planning Group is kept informed of any changes to email or postal addresses as this will be the primary way that information and voting opportunities will be relayed.
10. Notifications and minutes of all meetings including those of the Steering Committee, will be posted on the website [www.bbplan.co.uk](http://www.bbplan.co.uk). Members meetings and Public meetings will be notified by email to all members.
11. Members will have the opportunity to nominate and vote in elections for Steering Committee posts.
12. Names and Addresses of Planning Group members may need to be passed on to relevant parties such as NHDC from time to time. This will only be done if the Steering Committee deems it necessary to achieve the aims of the Planning Group.

### Steering Committee

13. The Steering committee shall consist of no less than 5 and no more than 20 individuals who live, work or have an interest in the planning area, to include one individual representing each of the Baldock Society, Bygrave Parish Council and Clothall with Luffenhall Parish Meeting. The remaining membership will reflect the character and diversity of the local population and business community, as far as possible. This includes age, ethnic group, residents of different economic means and small business owners. Profiles of the members of the Steering Group shall be made publicly available.
14. The Steering Committee shall be elected by members of the Planning Group, on the basis of one member one vote.
15. Elections took place in October 2016 and will be annual hereafter. There will be an Annual General Meeting of the Group in October to facilitate the elections.
16. The Steering Committee may appoint Sub Groups to operate on its behalf. Involvement in the Sub Groups shall be open to all people that live, operate a business, or hold a specific interest in the area, and will be expected to exercise balanced consideration for the needs of all aspects of the local community. The chair of each sub-group shall be drawn from members of the Steering Committee.
17. Should a member of the Steering Committee not attend two consecutive Steering Committee meetings without acceptable apologies, the Steering Committee has the right to seek to replace that member by a majority vote.
18. Should a member of the Steering Committee resign or be subject to exclusion the Steering Committee must within one month, ensure a suitable replacement is appointed if this is necessary to comply with the number of representatives required in this Constitution. All Planning Group members will be notified of the vacancy and invited to make nominations. All members will then be able to vote for the replacement.
19. The Steering Committee may invite any person to attend meetings and contribute to the business being transacted but that person will have NO voting rights. These may include officers of the District Council, Interest Groups, other statutory organisations, agencies or any individual who has information or skills that will contribute to achieving the aims and objectives of the Steering Committee.
20. Voting will be by a simple majority of the Steering Committee with the Chairperson of the Steering Committee having a casting vote.

## Exclusion from Steering Committee

21. Members may be excluded from the Steering Committee for conduct and behaviour that is disruptive and does not promote the aims and objectives of the Steering committee. Exclusion of members will be by a majority vote of the Steering Committee.

## Affiliations, Interests and Contributions

22. The Planning Group shall not be affiliated to any political party, but will welcome the involvement of district and county councillors as community representatives.

23. All members of the Planning Group must declare any personal interest that may be perceived as being relevant to a decision of the group. This may include membership of an organisation, ownership of land or a business, or any other matter that may be considered to be relevant. Such declarations shall be recorded and be publicly available

24. Organisations and businesses may assist in the production of the Neighbourhood Plan and may contribute to the cost of producing it. Details of any donations or assistance must be made publicly available and must not influence the content of the plan.

## Meetings

25. The Steering Committee shall aim to meet once per calendar month, or as may be required, with a minimum of five clear working days' notice given prior to a meeting taking place. Agenda items should be agreed with the chairperson(s) at least five clear working days and will be circulated at least three clear working days prior to the meeting.

26. A nominated individual shall maintain minutes of each meeting to be made reasonably available to the members of the Steering Committee within seven days of the meeting and to Planning Group members and the public (via the website) within fourteen days of the meeting.

27. Any matters of disagreement at a meeting may be decided upon by majority of votes. A minimum of four voting members or two-thirds of the Steering Committee whichever is the greater, will represent a quorum enabling the aims and objectives of the Group to be considered. Voting will be by way of a simple majority. Votes are only available for members of The Steering Committee.

28. The Sub Groups shall meet as and when necessary for their topic area. At least 5 clear working days' notice shall be provided for each Sub Group meeting and discussion topics circulated with notice.

29. Discussion topics and agendas for any meetings that the public can attend should be made publicly available at least 5 clear days prior to the meeting.

## Constitutional Amendments

30. Should any amendments be required to the constitution, this shall require a majority vote within the Steering Committee.

## Formal submission of Plan

31. The production of the neighbourhood plan is a joint endeavour between the communities of Baldock, Bygrave and Clothall. Both Bygrave Parish Council and Clothall with Luffenhall Parish Meeting, independently, have the right to include specific proposals for their respective parishes provided this would not compromise other aspects of the plan or make it liable to failure at its examination or referendum. These proposals should be clearly identifiable in the plan.

32. Bygrave Parish Council undertake to submit the agreed plan to NHDC on behalf of the Planning Group.

### Freedom of Information

33. The Steering Committee will make available to the public, minutes of meetings, policies and procedures, its organisational structure and information on budget, expenditure and allowances.

### Data Protection

34. In accordance with the Data Protection Act (1988), the Steering Committee will assess whether the release of any personal information about individuals would be fair, or whether it is exempt from the requirements of the Freedom of Information requirements.

### Editorial Control

35. Retraction by Steering Committee – All editorial material from any part of the Planning Group is to be approved by Chairperson/Deputy Chairperson prior to release in the public domain.

### Financial Control

36. A Bank Account will be maintained on behalf of the Planning Group at a bank agreed by the Steering Committee. Three cheque signatories will be nominated by the Steering Committee (one to be the Treasurer). Any two of these must sign every cheque. The signatories must not be related nor members of the same household.

37. Records of income and expenditure will be maintained by the Treasurer and a financial statement given quarterly.

38. All money raised by or on behalf of the Planning Group is only to be used to further the aims of

### Dissolution

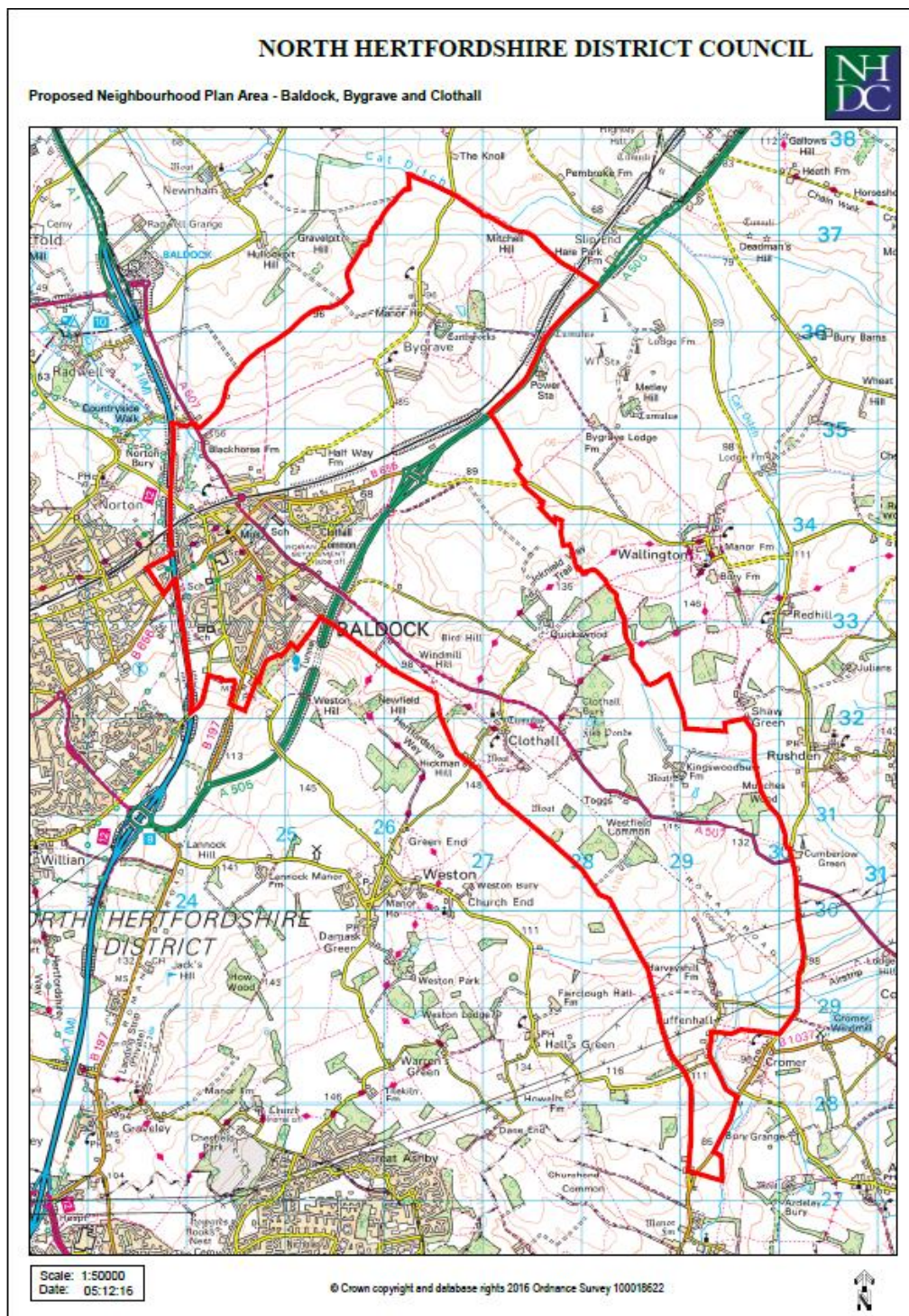
39. If a meeting of the Steering Committee, by simple majority, decides that it is necessary to close down the Forum it may call a Special General Meeting to do so. The sole business of this meeting will be to dissolve the group.

40. If it is agreed to dissolve the group, all remaining money and other assets, once outstanding debts have been paid, will be donated to a community group or local charitable organisation, in order to benefit the Planning Area. The group/organisation to receive the donation will be agreed at the meeting held to agree the dissolution.

February 2017



## Appendix 1 – Map of the Neighbourhood Planning Area



## Appendix 2 - Roles and Responsibilities of Committee Members

### Chairperson

- Manage monthly meeting of the steering group,
- Hold casting vote
- Network with official bodies, council and local organisations to represent the group

### Project Manager / Deputy Chairperson

- Set out stages of work with timetable, dependencies and costs
- Assist in running of meetings and other chairperson's responsibilities
- Assist in website content and design

### Secretary

- Arrange and document meetings (Agenda, Minutes etc.)
- Work with Technical Communication Manager to design and maintain website
- Help Community Liaison coordinator to prepare briefing notes and updates for publication (local newspapers, website etc.)

### Treasurer

- Maintain group accounts and report to appropriate bodies
- Assess likely costs of running the group, provide information to the project manager
- Assist Funding manager with raising funds if needed

### Funding Manager

- Liaise with council and other funding bodies to secure funding
- Prepare any documentation required for submission
- Work with the treasurer to plan financial aspects of the group
- Work with community co-ordinator to raise funding from local businesses and organisations

### Technical Communication Manager

- Work with project manager and secretary to design website
- Set-up and maintain website
- Assist on the development of links with local businesses and organisations

### Community Liaison Coordinator

- Responsibility for engagement with all aspects of the local community
- Organising public meetings, visits to community groups and businesses to explain the purpose of the group
- Facilitate the collation of public opinion throughout the development of the plan and help to publicise the final plan prior to submission to the council for the referendum
- Work with communication co-ordinator and secretary to brief local media about progress

### Technical advisor

- Be responsible for advising on all aspects of the plan production
- Ensure policies reflect community views and are technically sound
- Guide the group to ensure adequate recording of community interactions and public opinion
- Ensure sufficient evidence is available/referenced to support policies

# Baldock, Bygrave and Clothall Neighbourhood Plan

Report Date:

11/07/2017

CHAPTER: Baldock, Bygrave and Clothall Baldock, Bygrave and Clothall Application Letter  
Application Letter

## 6431 Support

**Respondent:** Mr Neil Brown [1079]

**Agent:** N/A

**Summary:** I wish to register my firm approval and support for the application made by on 15th February 2017 by Bygrave Parish Council on behalf of the Baldock, Bygrave and Clothall Planning Group for the designation of a Neighbourhood Planning Area covering the parishes of Bygrave and Clothall and the administrative area of Baldock. I trust that NHDC will make a favourable and prompt determination of this application.

**Change To Plan:**

**Legally Compliant?:** Not Specified

**Full Reference:** S - 6431 - 1079 - Baldock, Bygrave and Clothall Application Letter - None

## 6432 Support

**Respondent:** Mrs Carole Ann Brown [1078]

**Agent:** N/A

**Summary:** Support Bygrave Pariah Council in its application for a Neighbourhood Planning Area Designation. The area covers the whole of Baldock which will be affected by the proposed new housing and the two areas which immediately adjoin it which will also be impacted by the developments. It is important that there is a group which looks into the impact of the proposed developments on the whole designated area.

**Change To Plan:**

**Legally Compliant?:** Not Specified

**Full Reference:** S - 6432 - 1078 - Baldock, Bygrave and Clothall Application Letter - None

## 6435 Support

**Respondent:** North Herts & Stevenage Green Party (Karen Harmel) [12701]

**Agent:** N/A

**Summary:** Support the application but recommend that at least one Green Party member joins the group in an advisory role, and that there is an agreement to work together on this plan for the future.

**Change To Plan:**

**Legally Compliant?:** Not Specified

**Full Reference:** S - 6435 - 12701 - Baldock, Bygrave and Clothall Application Letter - None

## 6436 Support

**Respondent:** Hertfordshire Gardens Trust (Mrs Kate Harwood) [6204]

**Agent:** N/A

**Summary:** We support the application for such a plan. We would suggest that as part of the environmental considerations, attention is paid to the heritage assets of the area and their settings. This is in accordance with bullet point 3, Point 7 on Achieving Sustainable Development (Introduction to the NPPF), Chapter 12 of the NPPF Conserving and Enhancing the historic environment, and Guidance Notes from Historic England.

HGT is aware of historic gardens or remains thereof at Clothall and Quickwood and would be happy to assist with this aspect if desired.

**Change To Plan:**

**Legally Compliant?:** Not Specified

**Full Reference:** S - 6436 - 6204 - Baldock, Bygrave and Clothall Application Letter - None

**6440 Support****Respondent: The Baldock Society (Mr Chris Gomm) [2034]****Agent: N/A**

Summary: The Baldock Society gives their full support to the establishment of the neighbourhood area and the development of a neighbourhood plan for the areas of Baldock, Bygrave and Clothall.

At a recent members evening a vote was taken and it received unanimous support from the members attending to support the aims and objectives of the organisation undertaking the practical work to prepare a neighbourhood plan.

Change To Plan:

Legally Compliant?: Not Specified

Full Reference: S - 6440 - 2034 - Baldock, Bygrave and Clothall Application Letter - None

**6433 Comment****Respondent: Hertfordshire County Council (Ms Andrea Gilmour) [14046]****Agent: N/A**

Summary: Hertfordshire County Council Property (Development Services) have no comment to make on the application for a Neighbourhood Planning Area Designation - Baldock, Bygrave and Clothall.

Change To Plan:

Legally Compliant?: Not Specified

Full Reference: C - 6433 - 14046 - Baldock, Bygrave and Clothall Application Letter - None

**6434 Comment****Respondent: Hertfordshire County Council - Spatial Planning and Economy Unit Minerals and Waste Team (Emma Chapman) [16462]****Agent: N/A**

Summary: No comment on the proposed neighbourhood planning area.

Other comments are made which need to be considered as part of the neighbourhood planning process.

Change To Plan:

Legally Compliant?: Not Specified

Full Reference: C - 6434 - 16462 - Baldock, Bygrave and Clothall Application Letter - None

**6437 Comment****Respondent: Health and Safety Executive (HSE) (Mr John Moran) [811]****Agent: N/A**

Summary: No comment on the application for the designation of a neighbourhood planning area for Baldock, Bygrave and Clothall.

Other comments are made which need to be considered as part of the neighbourhood planning process.

Change To Plan:

Legally Compliant?: Not Specified

Full Reference: C - 6437 - 811 - Baldock, Bygrave and Clothall Application Letter - None

**6438 Comment****Respondent: Anglian Water Services Ltd (Mr Stewart Patience) [861]****Agent: N/A**

Summary: We have no comments to make at this time, however if the Neighbourhood Plan progresses we would welcome the opportunity to make representations on draft stages on any aspects relevant to Anglian Water.

Change To Plan:

Legally Compliant?: Not Specified

Full Reference: C - 6438 - 861 - Baldock, Bygrave and Clothall Application Letter - None



6439

Comment

Respondent:

Natural England - East of England Region (Ms Jacqui Salt) [16503]

Agent:

N/A

Summary:

No comments on the suitability of the proposed plan area or the proposed neighbourhood planning body.

Other comments are made which need to be considered as part of the neighbourhood planning process.

Change To Plan:

Legally Compliant?:

Not Specified

Full Reference:

C - 6439 - 16503 - Baldock, Bygrave and Clothall Application Letter - None

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## CABINET 25 JULY 2017

**\*PART 1 – PUBLIC DOCUMENT**

**AGENDA ITEM No.**

# 12

**TITLE OF REPORT: CAPITAL PROPOSAL TO PURCHASE CARDIO AND RESISTANCE FITNESS EQUIPMENT FOR THE COUNCIL'S HITCHIN AND ROYSTON LEISURE FACILITIES**

REPORT OF THE HEAD OF LEISURE AND ENVIRONMENTAL SERVICES  
EXECUTIVE MEMBER: COUNCILLOR JANE GRAY  
COUNCIL PRIORITY: ATTRACTIVE AND THRIVING

### **1. EXECUTIVE SUMMARY**

- 1.1. This report details and explains an investment proposal for the Council to purchase new cardio and resistance equipment for the Hitchin and Royston leisure facilities at an estimated cost of £520,000. The Council's Leisure Contractor (Stevenage Leisure Limited) would then pay back the Council in full over 5.5 years at an agreed interest rate of 3.5%. The repayment would be made through an increase in the annual management contract sum.

### **2. RECOMMENDATIONS**

- 2.1 That Cabinet endorses the proposal and recommends to Council that the project, as detailed in this report, be added to the Council's Capital Programme for 2017/18 onwards.

### **3. REASONS FOR RECOMMENDATIONS**

- 3.1 This project would help in achieving the Council's Attractive & Thriving corporate objective, through increasing health & wellbeing, and ensure customer satisfaction is maintained within the Council's Leisure Facilities.

### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 SLL has considered alternative providers of fitness equipment, however, the current system, known as Wellness, forms part of an integrated suite of fitness equipment all linked into a computer system that monitors user work outs and records user progress. This system is unique to Technogym.
- 4.2 SLL could purchase the equipment using their own money or borrow money from other means, however, the current arrangements have worked well in the past for both parties and are willing to continue.

- 4.3 The 'do nothing' option of leaving the current equipment in place and continuing to carry out necessary repairs as and when required could impact on customer satisfaction and increase the risk of members cancelling memberships.
- 5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS**
- 5.1 Initial discussions around this proposal have been held with the Head of Leisure & Environment and Stevenage Leisure Limited (SLL).
- 6. FORWARD PLAN**
- 6.1 This report does not contain a recommendation on a key decision and has not been referred to in the Forward Plan.
- 7. BACKGROUND**
- 7.1 Under previous leisure contracts, the leisure contractor purchased new fitness equipment for the gymnasiums at Royston Leisure Centre and Hitchin Swimming Centre. Title of the equipment passed to the Council on expiry of those contracts.
- 7.2 SLL was awarded the contract for Royston and Hitchin on 1 April 2010. As part of the agreed contract terms, SLL were required to replace and purchase new fitness equipment during the early stages of the contract period. In 2010 SLL approached the Council with a proposal requesting that the Council instead purchase the fitness equipment and the annual management contract price be adjusted to reflect this. This was agreed and the Council purchased the equipment directly from the manufacturer. SLL's management fee was amended in order that the cost of the equipment was repaid with interest over a five year period. The purchase of the equipment was approved by Full Council in February 2011 as part of the 2011/12 Capital Programme and the equipment was purchased later that year.
- 8. RELEVANT CONSIDERATIONS**
- 8.1 SLL has notified the Council that the cardio and resistance fitness equipment needs to be replaced to ensure customer satisfaction is maintained. Officers of the Council have inspected the equipment and support SLL's recommendation.
- 8.2 SLL has negotiated the purchase of the new fitness equipment and has approached the Council proposing the same arrangement as 2011 be followed again.
- 8.3 The fitness equipment to be purchased will cost a total of £520,000 and has an anticipated useful life of 5 years.
- 8.4 The replacement of some of the fitness equipment restricts the Council to purchasing the equipment from the original manufacturer because it forms part of an integrated suite of fitness equipment all linked into a computer system, known as Wellness, which monitors user workouts and records user progress, hence there is interoperability with existing and new equipment. As such, approval for a single tender would be required prior to purchasing the equipment from the manufacturer.
- 8.5 As SLL purchase a lot of equipment from Technogym they receive a larger discount than the Council would if it were to purchase the same equipment directly. SLL have agreed with Technogym that the quote they have obtained will be the cost that the Council pays.

- 8.6 As part of the Leisure Management contracts SLL are responsible for the repair and maintenance of equipment. The Council would therefore not have to meet any costs for the ongoing repairs and servicing of this equipment.

## **9. LEGAL IMPLICATIONS**

- 9.1 A variation of contract will be undertaken for the Hitchin and Royston Leisure Management contracts to give effect to the proposal in this report.
- 9.2 The OJEU threshold for the purchase of goods is currently €209,000. Although the purchase price is above the OJEU threshold, section 72 (b) of the Public Contracts Regulations 2015 ("**Regulations**") confirms a contract can be modified to incur spend above the OJEU threshold provided the following criteria are met.

*"for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor—*

- (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, or*
- (ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority,*

*provided that any increase in price does not exceed 50% of the value of the original contract"*

The proposal in this report in is connection with necessary additional supplies for equipment that must be purchased from Technogym in order to ensure interchangeability and interoperability with existing equipment. Furthermore, the purchase price does not exceed 50% of the value of the original contract. Therefore officers consider that the proposal in this report satisfies the requirements of section 72 (b) of the Regulations. Officers are also of the view that a procurement exercise would cause significant inconvenience.

- 9.3 The Council must publish details of this spend in accordance with section 51 of the Regulations and officers will liaise with legal and procurement in this respect.
- 9.4 Officers are satisfied that the rate of interest is comparable to rates obtainable on the open market and therefore Stevenage Leisure Limited is not receiving any advantage through public funds that would amount to state aid.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 The Hitchin and Royston Leisure Management contracts commenced from 1<sup>st</sup> April 2010 with a contract value at that time of £2.2m over the maximum length of the contract. The contract was recently extended to the full term of the contract and is due to expire in 2024. The Council currently receives annually £47,400 in income from the management contract.
- 10.2 The estimated total cost of purchasing the new fitness equipment is £520,000. SLL have indicated that if they were to seek to obtain this level of capital from the private sector they would expect to be offered an interest rate of 4%.

- 10.3 The loan to SLL would be at a fixed rate. The 4% that SLL can borrow at from the private sector is a fixed rate, and so the 3.5% loan from the Council is comparable to that. Both rates already price in expectations of increases in the Bank of England base rate (and interest rates in general) over the period of the loan. If a variable loan rate were to be agreed then it would need to be at a lower starting rate, which would then fluctuate with changes in a published interest rate. With a fixed rate, the Council will be better off if interest rate rises are lower than expected, but worse off if they are higher. As the loan is repaid over the 5 1/2 years, the impact of rate rises towards the end of the period is less significant. A fixed rate also reduces the administration involved in calculating the repayments to be made by SLL.
- 10.4 The proposal is therefore for SLL to repay this amount at a fixed interest rate of 3.5%. This has been calculated to generate a total of £52,410 in additional interest income to NHDC over the 5 year and 6 month period. The full repayment schedule is attached as appendix A. An up-front administration fee of £1,500 is also proposed to be charged to SLL. Including this admin fee, the total amount repayable by SLL would therefore be £573,910.
- 10.5 The Council would purchase the new fitness equipment and the annual management contract fee would be amended accordingly. The interest amounts detailed in appendix A and the administration fee would be charged as additional income to the General Fund. The loan principal repayment element of the proposed monthly payments, as shown in Appendix A, would be charged against the capital debtor created at the point of recognising the £520k capital contribution from SLL in the accounts.

## **11. RISK IMPLICATIONS**

- 11.1 At present, the Public Contracts Regulations 2015 are too recent to benefit from sufficient case law to fully understand how the Courts will apply section 72 in practice. Although officers are confident that the application of section 72 is appropriate and justified, a voluntary transparency notice will be published in the Official Journal of the European Union. The effect of publishing this notice will materially reduce risk of challenge.
- 11.2 The fitness equipment will be the property of the Council. As the property will be under the ownership of the Council, events which impact on the operation of SLL will not affect the ownership of the equipment.

## **12. EQUALITIES IMPLICATIONS**

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 As this report outlines a key decision- i.e. over £50,000.00 as impact assessment has been completed. SLL are committed to delivery of a wide range of leisure and cultural activities and opportunities for all the community, improve physical and mental health and wellbeing and the provision of new fitness equipment will assist this aim.

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1 The Social Value Act and “go local” policy do not apply to this report.

**14. HUMAN RESOURCE IMPLICATIONS**

14.1 None have been identified.

**15. APPENDICES**

Appendix A – Proposed repayment schedule.

**16. CONTACT OFFICERS**

16.1 Vaughan Watson, Head of Leisure and Environmental Services  
[vaughan.watson@north-herts.gov.uk](mailto:vaughan.watson@north-herts.gov.uk); ext 4641

16.2 Louise Randall, Projects and Contracts Officer  
[louise.randall@north-herts.gov.uk](mailto:louise.randall@north-herts.gov.uk); ext 4387

16.3 Steven Crowley, Contracts and Projects Manager  
[steve.crowley@north-herts.gov.uk](mailto:steve.crowley@north-herts.gov.uk); ext 4211

16.4 Shah Mohammed, Group Accountant  
[shah.mohammed@north-herts.gov.uk](mailto:shah.mohammed@north-herts.gov.uk); ext 4240

16.5 Gavin Ramtohal, Contracts and Procurement Solicitor  
[gavin.ramtohal@north-herts.gov.uk](mailto:gavin.ramtohal@north-herts.gov.uk); ext 4578

16.6 Antonio Ciampa, Accountancy Manager  
[antonio.ciampa@north-herts.gov.uk](mailto:antonio.ciampa@north-herts.gov.uk); ext 4240

16.7 Rachel Cooper, Payment and Reconciliations Manager  
[rachel.cooper@north-herts.gov.uk](mailto:rachel.cooper@north-herts.gov.uk); ext 4606

16.8 Reuben Ayavoo, Policy Officer  
[reuben.ayavoo@north-herts.gov.uk](mailto:reuben.ayavoo@north-herts.gov.uk); ext 4212

**17. BACKGROUND PAPERS**

17.1 None.

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Appendix A - Repayment Schedule for Gym Equipment						
Monthly Payment	Month	Loan amount	Interest Rate (annual)	Total Monthly repayment	Monthly Interest	Principal repaid
1	01/10/17	£ 520,000.00	3.5%	£ 8,672.89	£ 1,516.67	£ 7,156.22
2	01/11/17	£ 512,843.78	3.5%	£ 8,672.89	£ 1,495.79	£ 7,177.09
3	01/12/17	£ 505,666.69	3.5%	£ 8,672.89	£ 1,474.86	£ 7,198.02
4	01/01/18	£ 498,468.67	3.5%	£ 8,672.89	£ 1,453.87	£ 7,219.02
5	01/02/18	£ 491,249.65	3.5%	£ 8,672.89	£ 1,432.81	£ 7,240.07
6	01/03/18	£ 484,009.58	3.5%	£ 8,672.89	£ 1,411.69	£ 7,261.19
7	01/04/18	£ 476,748.39	3.5%	£ 8,672.89	£ 1,390.52	£ 7,282.37
8	01/05/18	£ 469,466.02	3.5%	£ 8,672.89	£ 1,369.28	£ 7,303.61
9	01/06/18	£ 462,162.41	3.5%	£ 8,672.89	£ 1,347.97	£ 7,324.91
10	01/07/18	£ 454,837.50	3.5%	£ 8,672.89	£ 1,326.61	£ 7,346.28
11	01/08/18	£ 447,491.22	3.5%	£ 8,672.89	£ 1,305.18	£ 7,367.70
12	01/09/18	£ 440,123.52	3.5%	£ 8,672.89	£ 1,283.69	£ 7,389.19
13	01/10/18	£ 432,734.33	3.5%	£ 8,672.89	£ 1,262.14	£ 7,410.74
14	01/11/18	£ 425,323.58	3.5%	£ 8,672.89	£ 1,240.53	£ 7,432.36
15	01/12/18	£ 417,891.23	3.5%	£ 8,672.89	£ 1,218.85	£ 7,454.04
16	01/01/19	£ 410,437.19	3.5%	£ 8,672.89	£ 1,197.11	£ 7,475.78
17	01/02/19	£ 402,961.41	3.5%	£ 8,672.89	£ 1,175.30	£ 7,497.58
18	01/03/19	£ 395,463.83	3.5%	£ 8,672.89	£ 1,153.44	£ 7,519.45
19	01/04/19	£ 387,944.38	3.5%	£ 8,672.89	£ 1,131.50	£ 7,541.38
20	01/05/19	£ 380,403.00	3.5%	£ 8,672.89	£ 1,109.51	£ 7,563.38
21	01/06/19	£ 372,839.63	3.5%	£ 8,672.89	£ 1,087.45	£ 7,585.44
22	01/07/19	£ 365,254.19	3.5%	£ 8,672.89	£ 1,065.32	£ 7,607.56
23	01/08/19	£ 357,646.63	3.5%	£ 8,672.89	£ 1,043.14	£ 7,629.75
24	01/09/19	£ 350,016.88	3.5%	£ 8,672.89	£ 1,020.88	£ 7,652.00
25	01/10/19	£ 342,364.88	3.5%	£ 8,672.89	£ 998.56	£ 7,674.32
26	01/11/19	£ 334,690.56	3.5%	£ 8,672.89	£ 976.18	£ 7,696.70
27	01/12/19	£ 326,993.85	3.5%	£ 8,672.89	£ 953.73	£ 7,719.15
28	01/01/20	£ 319,274.70	3.5%	£ 8,672.89	£ 931.22	£ 7,741.67
29	01/02/20	£ 311,533.03	3.5%	£ 8,672.89	£ 908.64	£ 7,764.25
30	01/03/20	£ 303,768.79	3.5%	£ 8,672.89	£ 885.99	£ 7,786.89
31	01/04/20	£ 295,981.89	3.5%	£ 8,672.89	£ 863.28	£ 7,809.60
32	01/05/20	£ 288,172.29	3.5%	£ 8,672.89	£ 840.50	£ 7,832.38
33	01/06/20	£ 280,339.91	3.5%	£ 8,672.89	£ 817.66	£ 7,855.23
34	01/07/20	£ 272,484.68	3.5%	£ 8,672.89	£ 794.75	£ 7,878.14
35	01/08/20	£ 264,606.54	3.5%	£ 8,672.89	£ 771.77	£ 7,901.12
36	01/09/20	£ 256,705.43	3.5%	£ 8,672.89	£ 748.72	£ 7,924.16
37	01/10/20	£ 248,781.26	3.5%	£ 8,672.89	£ 725.61	£ 7,947.27
38	01/11/20	£ 240,833.99	3.5%	£ 8,672.89	£ 702.43	£ 7,970.45
39	01/12/20	£ 232,863.54	3.5%	£ 8,672.89	£ 679.19	£ 7,993.70
40	01/01/21	£ 224,869.84	3.5%	£ 8,672.89	£ 655.87	£ 8,017.01
41	01/02/21	£ 216,852.82	3.5%	£ 8,672.89	£ 632.49	£ 8,040.40
42	01/03/21	£ 208,812.43	3.5%	£ 8,672.89	£ 609.04	£ 8,063.85
43	01/04/21	£ 200,748.58	3.5%	£ 8,672.89	£ 585.52	£ 8,087.37
44	01/05/21	£ 192,661.21	3.5%	£ 8,672.89	£ 561.93	£ 8,110.96
45	01/06/21	£ 184,550.25	3.5%	£ 8,672.89	£ 538.27	£ 8,134.61
46	01/07/21	£ 176,415.64	3.5%	£ 8,672.89	£ 514.55	£ 8,158.34
47	01/08/21	£ 168,257.30	3.5%	£ 8,672.89	£ 490.75	£ 8,182.13
48	01/09/21	£ 160,075.17	3.5%	£ 8,672.89	£ 466.89	£ 8,206.00
49	01/10/21	£ 151,869.17	3.5%	£ 8,672.89	£ 442.95	£ 8,229.93
50	01/11/21	£ 143,639.23	3.5%	£ 8,672.89	£ 418.95	£ 8,253.94
51	01/12/21	£ 135,385.30	3.5%	£ 8,672.89	£ 394.87	£ 8,278.01
52	01/01/22	£ 127,107.28	3.5%	£ 8,672.89	£ 370.73	£ 8,302.16
53	01/02/22	£ 118,805.13	3.5%	£ 8,672.89	£ 346.51	£ 8,326.37
54	01/03/22	£ 110,478.76	3.5%	£ 8,672.89	£ 322.23	£ 8,350.66
55	01/04/22	£ 102,128.10	3.5%	£ 8,672.89	£ 297.87	£ 8,375.01
56	01/05/22	£ 93,753.09	3.5%	£ 8,672.89	£ 273.45	£ 8,399.44
57	01/06/22	£ 85,353.65	3.5%	£ 8,672.89	£ 248.95	£ 8,423.94
58	01/07/22	£ 76,929.72	3.5%	£ 8,672.89	£ 224.38	£ 8,448.51
59	01/08/22	£ 68,481.21	3.5%	£ 8,672.89	£ 199.74	£ 8,473.15
60	01/09/22	£ 60,008.06	3.5%	£ 8,672.89	£ 175.02	£ 8,497.86
61	01/10/22	£ 51,510.20	3.5%	£ 8,672.89	£ 150.24	£ 8,522.65
62	01/11/22	£ 42,987.55	3.5%	£ 8,672.89	£ 125.38	£ 8,547.50
63	01/12/22	£ 34,440.05	3.5%	£ 8,672.89	£ 100.45	£ 8,572.43
64	01/01/23	£ 25,867.61	3.5%	£ 8,672.89	£ 75.45	£ 8,597.44
65	01/02/23	£ 17,270.18	3.5%	£ 8,672.89	£ 50.37	£ 8,622.51
66	01/03/23	£ 8,647.66	3.5%	£ 8,672.89	£ 25.22	£ 8,647.66
		-£ 0.00				
TOTAL				£ 572,410.41	£ 52,410.41	£ 520,000.00

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## **CABINET** **25 JULY 2017**

**PART 1 – PUBLIC DOCUMENT**

**AGENDA ITEM No.**

# 13

**TITLE OF REPORT: NATIONAL NON-DOMESTIC RATES LOCAL DISCRETIONARY FUND**

REPORT OF: HEAD OF REVENUES, BENEFITS & INFORMATION TECHNOLOGY  
EXECUTIVE MEMBER: COUNCILLOR JULIAN CUNNINGHAM  
COUNCIL PRIORITY: PROSPER AND PROTECT

**1. EXECUTIVE SUMMARY**

- 1.1 To seek authority to implement a Business Rate Local Discretionary Fund as announced in the 2017 Spring Budget

**2. RECOMMENDATIONS**

- 2.1 That the high level implications of the proposed scheme be noted.
- 2.2 That Cabinet be recommended to delegate the final detail of the scheme to the Strategic Director of Finance, Policy & Governance in consultation with the Executive Member for Finance & IT

**3. REASONS FOR RECOMMENDATIONS**

- 3.1 To comply with the proposals announced by the Chancellor of the Exchequer in the 2017 Spring Budget.
- 3.2 To provide additional financial assistance to businesses hardest hit by the 2017 revaluation of Non-Domestic property.
- 3.3 To ensure that the available funds can be distributed to those businesses entitled as soon as possible.

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 Work so far on developing the scheme has been in accordance with the criteria laid down by the Government

**5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS**

- 5.1 Consultation has been held with all other Hertfordshire Authorities to try and gain, as far as possible a consensus on schemes across the County.

- 5.2 There is a requirement to consult with the Hertfordshire County Council. Implementation of the schemes for all Hertfordshire Authorities is being reviewed by the Hertfordshire Chief Financial Officers (HCFO's), which includes representation from the County Council.
- 5.3 It would also be the Council's intention to consult with local business organisations.

## **6. FORWARD PLAN**

- 6.1 This report contains a recommendation on a key decision, which has not been notified to the public in the Forward Plan. It is not possible to defer consideration of this decision because the Department for Communities and Local Government (DCLG) has recently made it clear that they expect these schemes to be implemented as soon as possible and there is not another Cabinet meeting until 26 September 2017, which would entail a further delay in implementation. The Chairman of the Overview and Scrutiny Committee has been informed and notice of the recommendation has been available at the Council Offices in Gernon Road, Letchworth for three clear working days prior to the date of this meeting.

## **7. BACKGROUND**

- 7.1 A general revaluation of all Non-Domestic property came into force on 1 April 2017. In line with all previous revaluations, there are some gainers and some losers and as on previous occasions, a transitional scheme has been designed to cushion the impact on those experiencing large increases in Business Rates payments paid for by phasing in the decreases in payments for those whose rateable values have been reduced. These transitional schemes are designed to be self funding.
- 7.2 In the 2017 Spring Budget, the Chancellor of the Exchequer announced three further initiatives designed to assist businesses, which have been the most adversely affected by the revaluation. These are:
- A limit of an increase in payments of £600 per annum for those businesses that have lost their entitlement to Small Business Rate Relief or Rural Rate Relief because their rateable values have increased beyond the limit to qualify. This means that by the end of the current list in five years time, these businesses will be paying a maximum of £3,000 in Rates. This scheme is known as "Supporting Small Businesses"
  - A one-off payment of £1,000 to public houses with a rateable value of less than £100,000. The payment is applied after all other reliefs have been taken into consideration. This scheme is known as "Support for Pubs"
  - The establishment of a £300M discretionary fund over four years to support businesses most affected by the revaluation. This money is distributed to Local Authorities on a formula basis based on the number of properties with a rateable value below £200,000, which have seen an increase in Rates payable greater than 12.5%. Each Local Authority is required to design its own scheme for the distribution of this money. This scheme is known as the "Local Discretionary Fund"
- 7.3 All schemes are subject to State Aid Rules
- 7.4 The current status of each of these schemes is:
- Supporting Small Businesses – This has required detailed software changes to implement the scheme for a very small number of qualifying properties. The

software suppliers have been working hard to deliver the software and no definite date has yet been provided

- Support for Pubs – The Council has already awarded this grant to sole traders and written to pub chains seeking applications if they are able to confirm that they meet the State Aid Rules
- Local Discretionary Fund – This is the subject of this report

## **8. RELEVANT CONSIDERATIONS**

- 8.1 The intention to implement this scheme was announced in the 2017 Spring Budget without any detail being available. The fundamental intention of the scheme is to assist those businesses that have been affected the most in the amount of Rates they need to pay in 2017/2018 compared with 2016/2017 due to the revaluation. The Government consulted on the scheme between 9 March 2017 and 7 April 2017 and no formal response to the consultation has been announced other than an update letter from DCLG dated 15 May 2017 and a sentence in a Business Rates Information Letter dated 20 June 2017 stating *“For avoidance of doubt, the design and administration of schemes is for authorities to decide and does not necessarily need to follow the distribution methodology used in the consultation to determine allocations”*.
- 8.2 This would seem to indicate that Local Authorities are free to design these schemes in any way they see fit. In the same Business Rates Information Letter, the Government has made it clear that it now expects Local Authorities to press on and implement these schemes as soon as possible.
- 8.3 In Hertfordshire, there was a view expressed by the HCFO's that schemes in Hertfordshire should, as far as possible be consistent with each other and they asked Revenues Managers to try and devise a scheme that would be acceptable to all ten Districts and the County Council.
- 8.4 This work has been carried out and a recommended scheme is being considered by the HCFO's on 20 July 2017.
- 8.5 The relevant proposed criteria for the scheme together with justifications can be found at Appendix A.
- 8.6 The Government has announced the following funding for the scheme for North Hertfordshire:

<b>Year</b>	<b>Amount of Funding</b>
2017/2018	£320,000
2018/2019	£155,000
2019/2020	£64,000
2020/2021	£9,000
<b>Total</b>	<b>£548,000</b>

- 8.7 It is a little surprising that the Government has front loaded the support as those businesses affected are more likely to need more help in later years as the amount of transitional relief is gradually reduced.

- 8.8 One key question that has been asked of the Government is whether the funding can be flexed across the four years, i.e. for North Hertfordshire £548,000 to be spent in total over four years rather than in accordance with the allocations in 8.6.
- 8.9 DCLG's letter of 15 May 2017 acknowledged that there had been a number of representations regarding flexing of the funding and stated that further advice would be given as soon as possible. To date there has been no further advice on this matter, which is crucial to how Councils can design their final schemes.
- 8.10 Although there has been no formal follow up to the DCLG letter of 15 May 2017, The Head of Revenues, Benefits & Information Technology has been advised by a senior official at DCLG that there are no plans to allow Councils to flex the funding over the four year period and it must be spent in accordance with the amounts detailed at 8.6.
- 8.11 Officers have carried out an exercise to identify, as far as possible, those accounts which would receive help from the proposed scheme, should it be implemented as detailed at Appendix A. The funding is awarded in proportion to the increase in Rates payable and adjusted to ensure that no business actually pays less in 2017/2018 than in 2016/2017.
- 8.12 The consultation carried out by the Government started with the premise that there would be qualifying criteria of properties with Rateable Values below £200,000 and increases in Rates payable of more than 12.5% comparing 2017/2018 with 2016/2017. These are criteria used by the Government to determine the level of funding for each Authority.
- 8.13 In their letter of 15 May 2017, DCLG have back-tracked on this and stated "*The methodology set out in the consultation simply provides a proxy for need, and determines the allocation for each billing authority. It is for each authority to design its scheme as it sees fit.*"
- 8.14 Although this leaves the door open to use different qualifying criteria, it would seem reasonable to retain these for two reasons:
- As the funding is based on these criteria, so should the awards
  - Any significant further extension of the criteria would lead to a dilution of the awards, making many of them insignificant
- 8.15 Subject to any changes because of failure to meet the State Aid Rules or total Rateable Values exceeding the £200,000 limit, around 130 accounts have been identified with additional support in year one ranging from just over £300.00 to nearly £7,000.00 based on the criteria in Appendix A.
- 8.16 In year four, when the amount of funding is only £9,000, the awards range from £30.00 to £650.00 with the vast majority being below £100.00.
- 8.17 In the first year because some awards have to be capped to ensure that they do not exceed the amount of Rates payable in 2016/2017, there would be an approximate shortfall in the spend of around £71K, i.e. the awards would total £249K from a pot of £320K. This amount could be held in reserve to be distributed later in the year for hardship cases on an individual basis.

- 8.18 At this point in time, the matter is being considered by the HCFO's and further financial modelling may be necessary depending on whether there are any changes to the scheme as it stands at the moment..
- 8.19 In view of the urgency now being afforded to implementation of these schemes by DCLG, and the fact that there is still some work to be done before the scheme for North Hertfordshire can be finalised, Cabinet is being asked to consider the high level implications of the scheme and delegate the final detail to the Strategic Director for Finance, Policy & Governance in consultation with the Executive Members for Finance & IT as there is not another Cabinet meeting scheduled until 26 September 2017.

## **9. LEGAL IMPLICATIONS**

- 9.1 Paragraph 5.6.1 of the Council's Constitution authorises Cabinet to exercise the following function: *"To prepare and agree to implement policies and strategies other than those reserved to Council"*.
- 9.2 The Government is not proposing to bring in any new legislation to implement Local Discretionary Fund Schemes and instead is depending on the powers already invested in Local Authorities under Section 47 of the Local Government Finance Act 1988 relating to the provision of Discretionary Rate Relief Schemes.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 The Government has announced that it will reimburse Councils through a Section 31 Grant for 50% of expenditure up to the amounts detailed in 8.6 above. This represents this Council's 40% share of NNDR income and 10% for the County Council. 50% is retained by the Government in any case and there are therefore no direct costs to the Council, other than Officer time in devising, implementing and managing the scheme.

## **11. RISK IMPLICATIONS**

- 11.1 At the time of writing this report, Officers are not aware of any Local Discretionary Fund Scheme being in place, however as detailed above DCLG is exerting pressure to get these schemes implemented and there would a reputational risk in unduly delaying this.

## **12. EQUALITIES IMPLICATIONS**

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 The scheme is intended to assist those most affected by the Business Rates revaluation and any equalities implications have been considered in the justifications detailed in Appendix A.

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1 The Social Value Act and "go local" policy do not apply to this report.

## **14. HUMAN RESOURCE IMPLICATIONS**

- 14.1 There are no Human Resources implications in this report.

**15. APPENDICES**

- 15.1 Appendix A – Local Discretionary Fund Criteria.

**16. CONTACT OFFICERS**

- 16.1 Howard Crompton: Head of Revenues, Benefits & Information Technology  
[howard.crompton@north-herts.gov.uk](mailto:howard.crompton@north-herts.gov.uk); ext. 4247

Anthony Roche: Corporate Legal Manager & Monitoring Officer  
[anthony.roche@north-herts.gov.uk](mailto:anthony.roche@north-herts.gov.uk); ext. 4588

Reuben Ayavoo: Policy Officer  
[reuben.ayavoo@north-herts.gov.uk](mailto:reuben.ayavoo@north-herts.gov.uk); ext. 4212

Fiona Timms: Risk & Insurance Manager  
[fiona.timms@hertfordshire.gov.uk](mailto:fiona.timms@hertfordshire.gov.uk); Tel: 01438 843565

Rachel Cooper: Payment & Reconciliations Manager  
[rachel.cooper@north-herts.gov.uk](mailto:rachel.cooper@north-herts.gov.uk); ext. 4606

**17. BACKGROUND PAPERS**

- 17.1 Grant Determination Letter dated 28 April 2017.
- 17.2 Letter from DCLG dated 15 May 2017.
- 17.3 Business Rates Information Letter dated 20 June 2017.



# Local Discretionary Fund Criteria

Criteria	Considerations	Justification
RV less than £200k at 1.4.2017	Government guideline. Is this per individual property or sum total of all RV in the district/borough/nationally?	Aggregate of RV's for all business owned – locally or nationally.  Designed to support small businesses.
Increase greater than 12.5% as a result of revaluation and nothing else	Government guideline. Before or after all reliefs?	After all reliefs.  This makes it easier to compare total value of 2016/17 net liability and 2017/18 net liability
Status of property	Occupied or empty	Occupied only.  Difficult to justify public funds supporting empty properties.  For those applicants who occupied part way through 2016/17, their part year liability will be annualised before comparing with the 2017/18 liability to ensure they comply with the 12.5% increase requirement.
Funding allocation	How much to give?        Differential schemes for different sized or type of business?	Allocate available funds in proportion to total increase in £, of all the qualifying applicants.  The % to be granted will be determined once all qualifying applicants have been approved.  Total assistance limited to funding allocated for 2017/18.  Same scheme to apply to all to keep the scheme as simple as possible. Difficult to justify differential treatment between types or sizes of property. £200,000 RV limit applies in any case.
	Maximum or minimum awards?	Keep to allocation formula – no De Minimis but capped so that businesses pay at least what they paid in 2016/2017

# Local Discretionary Fund Criteria

First past the post or application closing date process		Closing date process – NHDC will know in advance how many businesses are likely to qualify and can model the scheme accordingly. Applications needed to ensure compliance with State Aid Rules
Changes in circumstances	What happens when the RV goes down (A)	If RV reduces leading to a less than 12.5% increase on 2016/17 then all LDF removed. Can be redistributed in subsequent years subject to DCLG approval
	What happens when the RV goes down (B)	If RV reduces but retains an increase in excess of 12.5%, - recalculate entitlement based on initial allocation %. Any difference can be redistributed in subsequent years subject to DCLG approval
	What happens if RV goes up	Nothing – there are no spare funds to award after the initial allocation. – may entertain consideration in subsequent years allocation
	New occupier	LDF ends – pro rata award to original applicants occupation
	Property becomes empty	LDF ends– pro rata award to original applicants occupation
How long to award for		Award for all of 2017/18 – until there is; <ul style="list-style-type: none"> <li>• a change of owner</li> <li>• the property becomes empty</li> <li>• change in RV excludes from entitlement</li> </ul>
Occupied or Empty properties		Occupied only
State Aid rules	State Aid Rules must be applied	Must have declaration
Application process	Advertise or invite	Both – in case any qualifying properties are missed
Needs to be in writing?	Do we need a new application form to address these specific requirements	Yes. Declarations needed on State Aid Rules, occupation etc.

# Local Discretionary Fund Criteria

Hardship?	Are we asking them to prove hardship or just giving it on the RV criteria	<p>Award if they meet the basic conditions arising from Revaluation.</p> <ul style="list-style-type: none"> <li>• Total RV under £200k</li> <li>• Increase over 12.5% from Revaluation and nothing else</li> <li>• State aid rules compliant</li> </ul> <p>The scheme's intention is to assist those most adversely affected by the revaluation. Hardship is not a consideration.</p>
Appeals process	Should have a 'review' stage	Needs to be part of the process
New policy or just guidelines	Depends on your existing DRR scheme	Provide 'guidelines' for this specific pot – but refer to overall policy for authorisation, reviews etc.
Who authorises?		Systems & Technical Manager
Who considers 'Reviews'		Head of Revenues, Benefits & IT
Period of award	<ul style="list-style-type: none"> <li>• One years notice</li> </ul>	All ratepayers to be advised that relief is only awarded up to the end of the financial year in question and they will need to reapply for relief for future years. 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 is not required.
Consultation	How does HCC want to be consulted	<p>Email – with what we propose to <a href="mailto:steven.pilsworth@hertfordshire.gov.uk">steven.pilsworth@hertfordshire.gov.uk</a> and copy in <a href="mailto:Lindsey.Mcleod@hertfordshire.gov.uk">Lindsey.Mcleod@hertfordshire.gov.uk</a></p>

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