

Public Document Pack

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Your Ref.
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To: Members of the Cabinet:

Councillor Lynda Needham, Leader of the Council (Chairman)
Councillor Julian Cunningham, Executive Member for Finance and IT (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, 27TH MARCH, 2018 AT 7.30 PM

Yours sincerely,



David Miley
Democratic Services Manager

Agenda **Part I**

| Item | Page |
|--|--------------------|
| 1. APOLOGIES FOR ABSENCE | |
| 2. MINUTES - 23 JANUARY 2018 To take as read and approve as a true record the minutes of the meeting of the Cabinet held on 23 January 2018. | (Pages 1 - 12) |
| 3. NOTIFICATION OF OTHER BUSINESS 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. | |
| 4. CHAIRMAN'S ANNOUNCEMENTS 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. | |
| 5. PUBLIC PARTICIPATION To receive petitions, comments and questions from the public. | |
| 6. ITEM REFERRED FROM CABINET SUB-COMMITTEE (LOCAL AUTHORITY TRADING COMPANIES' SHAREHOLDER): 15 MARCH 2018 - OPTIONS FOR HOUSING INVESTMENT COMPANY | (Pages 13 - 26) |
| 7. ITEM REFERRED FROM OVERVIEW & SCRUTINY COMMITTEE: 20 MARCH 2018 - PERFORMANCE MANAGEMENT MEASURES FOR 2018/19 | (Pages 27 - 36) |
| 8. ITEM REFERRED FROM FINANCE, AUDIT & RISK COMMITTEE: 21 MARCH 2018 - RISK MANAGEMENT UPDATE | (Pages 37 - 46) |
| 9. ITEM REFERRED FROM FINANCE, AUDIT & RISK COMMITTEE: 21 MARCH 2018 - THIRD QUARTER REVENUE MONITORING 2017/18 | (Pages 47 - 48) |

- 10. STRATEGIC PLANNING MATTERS** (Pages
REPORT OF THE HEAD OF DEVELOPMENT AND BUILDING CONTROL 49 - 64)
- To inform Cabinet of the current positions regarding:*
- Other Local Plans and Examinations;
 - North Hertfordshire Local Plan;
 - Neighbourhood Plans;
 - Government announcements; and
 - Strategic Planning.
- 11. THIRD QUARTER REVENUE MONITORING 2017/2018** (Pages
REPORT OF THE HEAD OF FINANCE, PERFORMANCE AND ASSET 65 - 74)
MANAGEMENT
- To consider the Third Quarter Revenue Monitoring report 2017/2018.*
- 12. THIRD QUARTER CAPITAL MONITORING 2017/2018** (Pages
REPORT OF THE HEAD OF FINANCE, PERFORMANCE AND ASSET 75 - 90)
MANAGEMENT
- To consider the Third Quarter Capital Programme Monitoring report 2017/18.*
- 13. TREASURY MANAGEMENT THIRD QUARTER MONITORING 2017/2018** (Pages
REPORT OF THE HEAD OF FINANCE, PERFORMANCE AND ASSET 91 - 96)
MANAGEMENT
- To consider the Third Quarter Treasury Management Monitoring report 2017/2018.*
- 14. INFLATIONARY INCREASE IN OFF-STREET CAR PARKING TARIFFS** (Pages
FOR 2018/19 97 - 124)
REPORT OF THE HEAD OF DEVELOPMENT AND BUILDING CONTROL
- To consider proposed inflationary increases in off-street car parking tariffs for 2018/19.*
- 15. DISTRICTWIDE SURVEY 2017 - KEY FINDINGS AND ACTIONS** (Pages
REPORT OF THE CHIEF EXECUTIVE 125 -
140)
- To consider the key findings and actions of the Districtwide Survey 2017.*
- 16. GREEN SPACE MANAGEMENT STRATEGY** (Pages
REPORT OF THE HEAD OF LEISURE AND ENVIRONMENTAL SERVICES 141 -
172)
- To update the Cabinet on the future management and maintenance of facilities identified in the Green Space Management Strategy.*

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| 17. | FUTURE MANAGEMENT OF HITCHIN MARKET REPORT OF THE DEPUTY CHIEF EXECUTIVE | (Pages 173 - 180) |
| | <i>To consider a Part 1 report on the proposed future management of Hitchin Market.</i> | |
| 18. | PROPOSED CREMATORIUM AT WILBURY HILLS - PROGRESS UPDATE REPORT OF THE HEAD OF LEISURE AND ENVIRONMENTAL SERVICES | (Pages 181 - 186) |
| | <i>To consider a Part 1 progress update to lease land at Wilbury Hills for the development and operation of a crematorium and approval of heads of terms with a view to submitting an application for outline planning permission.</i> | |
| 19. | EXCLUSION OF PRESS AND PUBLIC To consider passing the following resolution: | (Pages 187 - 188) |
| | That under Section 100A of the Local Government Act 1972, the Press and Public be excluded from the meeting on the grounds that the following reports will involve the likely disclosure of exempt information as defined in Paragraphs 3 and 5 of Part 1 of Schedule 12A of the said Act | |
| 20. | FUTURE MANAGEMENT OF HITCHIN MARKET REPORT OF THE DEPUTY CHIEF EXECUTIVE | 189 - 198 |
| | <i>To consider a Part 2 report on the proposed future management of Hitchin Market.</i> | |
| 21. | PROPOSED CREMATORIUM AT WILBURY HILLS - PROGRESS UPDATE REPORT OF THE HEAD OF LEISURE AND ENVIRONMENTAL SERVICES | 199 - 204 |
| | <i>To consider a Part 2 report containing the details of the lease, financial proposal and risks in connection with the application for outline planning permission in respect of the proposed crematorium at Wilbury Hills.</i> | |
| 22. | OPTIONS FOR HOUSING INVESTMENT COMPANY | 205 - 234 |

NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

MEETING HELD IN THE FOUNDATION HOUSE, ICKNIELD WAY, LETCHWORTH
GARDEN CITY ON TUESDAY, 23RD JANUARY, 2018 AT 7.30 PM

MINUTES

Present: *Councillors Lynda Needham (Chairman), Julian Cunningham (Vice-Chairman) (until 8.50pm), Tony Hunter, David Levett, Bernard Lovewell, Ray Shakespeare-Smith and Michael Weeks.*

In Attendance:

David Scholes (Chief Executive), Anthony Roche (Deputy Chief Executive), Ian Couper (Head of Finance, Performance and Asset Management), Ian Fullstone (Head of Development and Building Control), Jeanette Thompson (Acting Corporate Legal Manager) and Ian Gourlay (Committee and Member Services Manager)

Also Present: *Councillors Terry Hone (Chairman of Finance, Audit & Risk Committee), Ian Albert, Paul Clark, Alan Millard, Martin Stears-Handscomb and Claire Strong.
10 members of the public.*

76 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor Jane Gray.

77 MINUTES - 19 DECEMBER 2017

RESOLVED: That the Minutes of the meeting of Cabinet held on 19 December 2017 be approved as a true record of the proceedings and signed by the Chairman.

78 NOTIFICATION OF OTHER BUSINESS

There was no notification of other business.

79 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;
- (4) The Chairman advised of changes to the order of business on the agenda, including that, following exclusion of the press and public, Item 15 (the Part 2 item on the North Hertfordshire Museum and Hitchin Town Hall: Acquisition of 14/15 Brand Street) will be

considered in advance of Item 13 (the Part 1 item on the same matter). The press and public will be invited back into the room for the debate on the Part 1 item; and

- (5) At the Chairman's invitation, the Chief Executive read out the following statement in respect of the Forward Plan and the items on North Hertfordshire Museum and Hitchin Town Hall: Acquisition of 14/15 Brand Street:

"A member of the public has noticed that the Council's Forward Plan, published on 22 December 2017, contained an error, in that the date of decision for this item was shown as "23 January 2017" and not "23 January 2018".

The Chairman of the Overview and Scrutiny Committee was consulted under Paragraphs 15.16 and 15.17 of the Council's Constitution regarding this matter. She accepted that there had been a typographical error, and had no objection to the matter being considered at the Cabinet meeting this evening. The typographical error was corrected in the version of the Forward Plan published on 19 January 2018.

I am content that the Council has therefore complied with its Constitutional requirements despite the typographical error on the original Forward Plan.

I have been further advised that 28 days clear notice was not provided as notification of consideration of the Part 2 report on Hitchin Town Hall and neither was a further 5 days clear notice published prior to this meeting for consideration of this report, as per Regulation 5 of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) Regulations 2012.

As these requirements have not been met, the Chairman of the Overview and Scrutiny Committee has been consulted and, in the circumstances, has agreed to the Part 2 report being considered this evening on the basis that the meeting is urgent and cannot reasonably be deferred. The Chairman of the Overview and Scrutiny Committee is satisfied that compliance with this Regulation is impracticable and that Paragraph 15.16 of the Constitution cannot be followed. The Chairman is authorised to provide this agreement under Regulation 5(6) of the Regulations and Paragraph 15.17 of the Council's Constitution."

80 PUBLIC PARTICIPATION

The meeting was addressed by Mr Colin Dunham (Hitchin resident) in respect of the North Hertfordshire Museum and Hitchin Town Hall – 14/15 Brand Street. Mr Dunham asked the following questions:

- Confusion reigns with the current situation, and now we have a vast amount of taxpayers money being talked about for a Compulsory Purchase Order (CPO). At the same time more money is being talked about for listed building consent involving the Secretary of State. Why?
- Does seeking listed building consent mean that a CPO is not cut and dried?
- Where is the projected income from this project going to come from?
- As Hitchin and Letchworth are Fair Trade Towns can assurance be given that when the Museum opens fair trade products will be offered to the public?
- Does the cost so far of the Town Hall and District Museum contain outside legal costs? Does it contain officer time?
- What happened to an offer by Bim Afolami MP to mediate?
- Why did NHDC construct a building on 14/15 Brand Street when they did not own the land?
- The Chief Executive last year said that he has spent too much of his time on a project of this size. How much more time has he spent since he made that statement?

The Chairman thanked Mr Dunham for his questions and advised that he would receive a written response to them in due course.

81 ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE: 22 JANUARY 2018 - DRAFT REVENUE BUDGET 2018/2019

The Chairman of the Finance, Audit and Risk Committee presented the following referral from that Committee, made at its meeting held on 22 January 2018, in respect of the Draft Revenue Budget 2018/2019 (Minute 66 refers):

“RECOMMENDED TO CABINET: That the following comments of the Finance, Audit and Risk Committee be taken into consideration by the Cabinet during its deliberations on the Draft Revenue Budget for 2018/2019:

- E9 – Cessation of Area Committee Grants – concern was expressed regarding the transfer of Area Committee grants budgets to a Member Panel, in advance of the discussion and decision on any replacement mechanism for Area Committees; and as part of any changes to the grants-making process, a more cost-effective way of administering the grants should be investigated.”

The Executive Member for Finance and IT stated that he was supportive of the recommendation of the Finance, Audit and Risk Committee.

RESOLVED: That the recommendation of the of the Finance, Audit and Risk Committee be supported and taken into consideration during the Cabinet’s deliberations on the Draft Revenue Budget 2018/2019 (See Minute 83 below).

82 STRATEGIC PLANNING MATTERS

The Executive Member for Planning and Enterprise presented the report of the Head of Development and Building Control 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 Executive Member for Planning and Enterprise reminded Members that, at its meeting held on 19 December 2017, the Cabinet had identified a significant future risk in relation to planning policy and the emerging strategies and plans that were likely to have a significant impact on North Hertfordshire (such as the Oxford-Cambridge Arc). It was determined that the Council should be able to respond to these and attempt to protect the interests of the District. In setting the budget for next year, the minimum General Fund balance was affected by an assessment of known risks. The relevant planning risk had been broadened in scope and value (to £250,000) and the likelihood increased to high. As at the end of November 2017, it was forecast that planning income would exceed the current budget by £137,000 (excluding the impact of the 20% increase in planning fees). It was proposed that this be put into a reserve to provide the funding (e.g. additional officer resource, consultants) to be able to respond to and influence the plans, policies, strategies and proposals that impacted upon the District.

The Executive Member for Planning and Enterprise advised that the Council had submitted a bid for £250,000 of Planning Delivery Fund monies, as a lead authority on behalf of Stevenage Borough Council, Welwyn Hatfield District Council and East Hertfordshire District Council. He commented that, should the bid be successful, then some of that money could be used to fund work on new settlements.

On other matters, the Executive Member for Planning and Enterprise updated the Cabinet as follows:

- Central Bedfordshire Local Plan – the pre-submission version was currently out for consultation, with a view to adopting the Plan before the new standard calculation for housing numbers came into force in March 2018;
- East Hertfordshire Local Plan – the Examination Inspector had issued a post-hearing note asking the Council to increase its Objectively Assessed Need housing figure by 14% to 14,600 homes;
- Welwyn Hatfield Local Plan – the draft timetable had been published for Stage 3 of this Examination;
- Stevenage Local Plan – the holding direction from the Secretary of State was still in place;
- St. Albans Local Plan – an issues and options consultation would be taking place between January and February 2018;
- North Hertfordshire Local Plan – the Examination sessions had resumed on 23 January 2018 and would be ongoing;
- Neighbourhood Plans – following a public consultation Wymondley Parish Council had requested that its Neighbourhood Plan be submitted for examination; the draft Preston Neighbourhood Plan was currently out for consultation from 8 January to 18 February 2018;
- Brownfield Register – as required by Regulations, NHDC had compiled a list of identified brownfield sites and published it on the website; NHDC currently had no optional Part 2 register, which was sites the Council considered appropriate to grant permission in principle;
- New Towns Act 1981 (Local Authority Oversight) Regulations - consultation on these Regulations was published on 4 December 2017. The consultation paper proposes that the designation of New Town Development Corporations was potentially an effective mechanism to drive forward the delivery of modern Garden Towns and Villages; and
- Planning fee increases - the new fee Regulations were made on 20 December 2017 and came into force on 17 January 2018. Primarily, the Regulations provided for an increase of approximately 20% for all existing application fees. This increase was offered by Government to all local planning authorities if they agreed that the additional money would be re-invested within their planning department. Unsurprisingly, all local planning authorities had accepted the offer.

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.

83 DRAFT REVENUE BUDGET 2018/2019

The Executive Member for Finance and IT presented the report of the Head of Finance, Performance and Asset Management in respect of the Draft Revenue Budget 2018/2019. The following appendices were submitted with the report:

Appendix A – Budget Summary 2018/19 – 2012/22;

Appendix B – Revenue Efficiencies and Investment proposals; and

Appendix C – Budget Risks for 2018/19.

The Executive Member for Finance and IT advised that this was the final opportunity for the Cabinet to make recommendations to the budget and the underlying strategy before formal recommendation to Council.

The Executive Member for Finance and IT stated that, whilst Local Authorities had to operate in an environment where they had to show their auditors that they were operating a balanced budget on a year to year basis, they also had to consider the operation of their finances on a medium term basis. Hence, NHDC had a Medium Term Financial Strategy (MTFS) that set out the Council's approach for operating its finances over a five year period, and also why when presenting the proposed budget figures it tried to estimate the potential position of its funds over a similar period.

The Executive Member for Finance and IT commented that the impact of local government finance on NHDC was a matter of considerable uncertainty. It was not his intention to detail the very significant reductions in funding that the Council had dealt with over the last seven years, but he drew attention to Table 1 in the report which clearly showed that over the next two years NHDC faced a further reduction in funding of more than 40%.

The Executive Member for Finance and IT advised that it was a sad inevitability that the Council was now at the stage where it had to seriously consider cuts to the provision of front line services or find alternative ways to finance its operations. He found the whole concept of “negative” Revenue Support Grant (RSG) a total anathema. Whilst it might be appropriate for the Government to say that NHDC did not need general financial support, it could not be appropriate to require residents of North Hertfordshire to contribute to the provision of services in other Local Authorities. In this context, whilst he welcomed the Minister’s budget announcement that the question of negative RSG would be examined, there was no certainty that there would be any significant changes.

In respect of the detail of the report, the Executive Member for Finance and IT commented as follows:

- Table 1 showed a 42% reduction in general Government funding (excluding specific grants to cover such matters as housing and Council tax benefit, which were detailed in Table 2);
- There were still many hundreds of Business Rate appeals outstanding from the 2010 revaluation, and these would ripple through into the final 2017 revaluation exercise. Most of the top 10 businesses in North Hertfordshire had outstanding appeals. This made forecasting difficult. This was compounded by the uncertainty surrounding the proposed retention of business rates by local authorities;
- In respect of the Council Tax Collection Fund, he was pleased to report that the Council expected eventually to collect over 99% of all Council Tax due, and the in-year collection rates of over 98% placed the Council amongst the top performing authorities in this field;
- The MTFS indicated that the Council would charge Council Tax at the maximum level to which the Government permitted without the need for a referendum. For 2018/19, he recommended a proposed increase of 2.99%, as detailed in Table 3;
- CIPFA guidance indicated a minimum of 5% of general expenditure as reserves, as set out in Table 5. Added to this would be the specific reserves that the Council made against certain risks, which were set out in Table 6 and in Appendix C to the report. He asked the Cabinet to note Risks FR23 and 24 in Appendix C, where the actual amounts and likelihood figures relating to planning functions had been increased, in order to allow the Council to operate effectively and protect the District and its environment;
- He therefore recommended that the General Fund minimum balance should be set at £2.15 Million;
- Table 7 detailed the variances to the current budget at the end of November 2017, together with a forecast of the year end position. In respect of the Vacancy Control Target, he clarified that it was not the Council’s intention to run 20 vacant posts, but rather that this figure mostly related to the time lag between losing staff and being able to replace them;
- Also in Table 7, he drew attention to the position on Area Committee Grants. If it was the case that the Council was receiving fewer grant applications then he was loathe to simply allow a carry over of the underspend in this area. If, however, it could be attributed to delays in actually accessing allocated amounts then this was a different matter. Following advice from the Head of Finance, performance and Asset Management, it was recommended that this matter be reviewed at the end of the current financial year;
- Table 8 detailed the savings items previously agreed by the Council and thus to recommend to Council that they be either reversed for the future or deferred for the time being. He recommended a further adjustment to this table regarding Efficiency E16 (Apprenticeship Scheme). Whilst it had previously been indicated that this Scheme was to be kept under review, he had been persuaded that that there were significant benefits

to the Council in continuing to operate the scheme, and he therefore recommended that it was deleted as a saving going forward;

- In respect of the previously discussed efficiencies set out in Appendix B to the report, he had received many representations regarding Efficiency E9 (Cessation of Area Committee Grants) and the Finance, Audit and Risk Committee had made a recommendation in this regard. He reminded Members that the proposed savings on Area Committee operations had been deferred for a further year, as had consideration of a local lottery, which might impact on Area Committee grant funding. He had come to the conclusion that it was probably most sensible to leave the existing mechanism in place, with revenue grants being dispersed through Area Committees. He therefore recommended a further amendment to the list of savings to amend E9 to show a 30% reduction in grants available to Area Committees for 2018/19;
- In respect of Efficiency E20 (Waste Contract Lot 2 Award), as it was confirmed that it was now expected that the savings attributable to this item would be zero, he recommended that the item be removed from the list; and
- The projected budget figure of £14.6Million in 2018/19 may need to be amended in the light of some of the aforementioned changes, and it was proposed that up to date figures would be available for consideration at the Council meeting on 8 February 2018.

Returning to the generality of the report, the Executive Member for Finance and IT explained that the figures in Appendix A to the report still showed a need for further budget savings to be identified by 2021/22. In the light of the relatively small amount, it could perhaps be argued that the level of proposed general reserves that the Council was carrying was not necessary. However, he had already referred to the general uncertainty surrounding Local Government finance and had alluded to the need for the Council to find new ways of financing its activities, such as commercialisation. He therefore perceived the need to be able to support such activities through their early years until they were able to deliver a regular income flow for the Council.

The Executive Member for Finance and IT felt that this further militated in favour of the proposed higher level of reserves that he was recommending. Even if he was wrong and the future was considerably more rosy than current expectations, he would much rather be in a position where the Council could revisit its funding needs because it had over-reserved, rather than be in a position where it had to take an axe to staff and services because the risks had been underestimated. The proposed level of reserves was still significantly below the maximum CIPFA recommended level.

The Cabinet supported the recommendations made by the Executive Member for Finance and IT.

RECOMMENDED TO COUNCIL:

- (1) That the expected Central Government funding levels be noted;
- (2) That the estimated position on the Collection Fund and how this will be funded be noted;
- (3) That a 2.99% increase in Council Tax for 2018/19 be approved;
- (4) That the position relating to the General Fund reserve be noted and, that due to the risks identified, a minimum balance of £2.15 million is recommended;
- (5) That the reduction in the 2017/18 working budget of £682,000 be approved, and the expected impact in 2018/19 of a £82,000 reduction in budget be noted;
- (6) That the requests for the carry-forward of budgets that total £198,000 from 2017/18 to 2018/19 be noted, subject to further review of the carry forward relating to Area Committee Budgets at the end of the 2017/18 Financial Year;

- (7) That the inclusion of the efficiencies and investment proposals, as set out at Appendix 2 to the report, in the General Fund budget estimates for 2018/19 be approved, subject to the following amendments:
- Efficiency E9 (Cessation of Area Committee Grants) – amendment to show a 30% reduction in grants available to Area Committee;
 - Efficiency E16 (Apprenticeship Scheme) – to be removed from the list of efficiency savings;
 - Efficiency E20 (Waste Contract Lot 2 Award) – removal from the list for 2018/19 as it was expected that the savings attributable to this item would be zero;
- (8) That the amendments to previously agreed efficiencies, as detailed in Paragraph 8.5.3 and Table 8 of the report, be approved;
- (9) That the proposal that any revenue savings arising from the capitalisation of waste vehicle costs are transferred to a specific reserve be noted;
- (10) That the savings targets for future years be noted; and
- (11) That the estimated 2018/19 net expenditure of £14.6Million, as detailed in Appendix 1 to the report, as amended, be approved.

REASON FOR DECISION: To ensure that all relevant factors are taken into consideration when arriving at the proposed Council Tax precept for 2018/19; and to ensure that the Cabinet recommends a balanced budget to Council on 8 February 2018.

84 CAPITAL PROGRAMME 2018/2019 ONWARDS

The Executive Member for Finance and IT presented a report of the Head of Finance, Performance and Asset Management in respect of the proposed Capital Programme 2018/19 onwards. The following appendices were submitted with the report:

Appendix A – Capital Programme Summary;
Appendix B – Capital Programme Detail; and
Appendix C – Capital Investment Proposals for 2018/19 and onwards.

The Executive Member for Finance and IT began advising that the years set out in recommendation 2.2 of the report should be amended from “2017/18 to 2020/21” to “2018/19 to 2021/22”.

The Executive Member for Finance and IT stated that, for a number of years, the Council had been investing a significant amount of capital expenditure across North Hertfordshire. Much of those capital resources had come from the transfer of Council housing to North Hertfordshire Homes some years ago; some had come from the sale of land considered surplus to Council requirements; some had come from developer contributions via Section 106 Agreements; and some had come from Government grants.

The Executive Member for Finance and IT reported that the above mentioned capital money was coming to an end. The Capital Programme as currently set out implied that, if nothing changed, then the balance in capital assets would be zero by the end of 2018/19. However, revenue reserves could be used to bolster the Capital Programme, and there was also the facility to borrow money.

The Executive Member for Finance and IT explained that another variable was the possibility of large scale capital projects overrunning, both in terms of time and budget.

The Executive Member for Finance and IT advised that the Council expected to generate capital receipts of around £8.5Million over the period 2018/19 to 2021/22. The Government's Capital Receipts Direction allowed new capital receipts to be used for one-off revenue purposes to support transformation and efficiency projects that delivered ongoing revenue savings.

The Executive Member for Finance and IT referred to the Capital Investment proposals set out in Appendix C to the report. He drew attention to Item NCP4 (Royston Leisure Centre Extension), which was a proposed expenditure of £1Million, and which if it proceeded would deliver revenue income for the Council. In respect of Item ECP12 (Hitchin Swimming Pool Car Park extension), he explained that there had been a Public Inquiry regarding the proposed extension of the car park onto the Butts Close area of Hitchin. If the result of the Public Inquiry was not favourable to the Council then it may be that the capital budget of £476,000 may need to be re-allocated.

In response to a Member's request, the Executive Member for Finance and IT undertook to ensure that, where appropriate, all future asset disposals considered the possibility of long leases, as well as the option of outright sale.

RECOMMENDED TO COUNCIL:

- (1) That the inclusion in the proposed Capital Programme of all the new Capital Investment proposals listed in Appendix C to the report, totalling £3.274Million overall (£1.931Million profiled in 2018/19) be approved; and
- (2) That the provisional Capital Programme for 2018/19 to 2021/22 of £17.075Million, as detailed in Appendices A and B to the report, be adopted.

REASON FOR DECISION: To ensure that the Capital Programme meets the Council's objectives and that officers can plan the implementation of the approved schemes.

85 TREASURY MANAGEMENT STRATEGY FOR 2018/2019

The Executive Member for Finance and IT presented a report of the Head of Finance, Performance and Asset Management in respect of the proposed Treasury Management Strategy for 2018/19. The following appendices were submitted with the report:

Appendix A – Treasury Management Policy Statement;
Appendix B – Treasury Management Practices; and
Appendix C – Treasury Strategy Statement.

The Executive Member for Finance and IT advised that the Strategy was very similar to previous strategies. However, one of the most significant changes related to the proposal that the Council extended its borrowing limits. As shown in Paragraph 3.2 of Appendix C to the report, it was proposed to increase the Council's borrowing operational boundary from £4Million to £5Million, and its authorised limit for external debt from £6Million to £15Million.

The Executive Member for Finance and IT drew members' attention to Paragraph 2.3 of Appendix C, in respect of the Minimum Revenue Provision (MRP) Policy Statement. If the Council found itself in a position where it needed to borrow, then part of that requirement was that the Council set aside revenue provision over the period of the loan for repayment. The two options to make this provision were set out in Paragraph 2.3, and the Council would look at the most appropriate method based on the reasons for the borrowing.

RECOMMENDED TO COUNCIL: That the 2018/19 Treasury Strategy Statement, as attached at Appendix C to the report, be adopted.

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.

86 PIRTON NEIGHBOURHOOD PLAN - EXAMINER'S REPORT

The Executive Member for Planning and Enterprise presented the report of the Head of Development and Building Control in respect of the Pirton Neighbourhood Plan – Examiner's Report. The following appendices were submitted with the report:

Appendix A – Pirton Neighbourhood Development Plan 2011-2031 – Independent Examiner's Report; and

Appendix B – Schedule of proposed modifications and responses.

The Executive Member for Planning and Enterprise advised that, in September 2013, Pirton Parish Council had applied for a Neighbourhood Plan for Pirton. Since then, a great deal of work had gone into the Plan. The Plan had eventually been submitted for Examination and had been examined by an Independent Examiner in November 2017.

The Executive Member for Planning and Enterprise stated that, subject to the acceptance of the Examiner's modifications set out in Appendix B to the report, it was recommended that the Pirton Neighbourhood Plan proceed to referendum stage. The referendum was required to be held within 56 days of the Council's decision. The duties of the Counting Officer for the referendum would be carried out by the NHDC Returning Officer, and it was expected that the referendum would take place in March 2018.

The Executive Member for Planning and Enterprise commented that should there be a favourable response to the referendum (ie. at least 50% + 1 of those who voted voting in favour of the Plan), then the Local Planning Authority would "make" the Pirton Neighbourhood Plan within 8 weeks of the date of the referendum. The Plan would then form part of the Statutory Development Plan, and policies contained in the Plan would be used in determining planning applications in Pirton.

RESOLVED:

- (1) That the Examiner's report for the Pirton Neighbourhood Plan, as set out at Appendix A to the report, be noted;
- (2) That following the inclusion of the Examiner's proposed modifications to the Pirton Neighbourhood Plan, as set out in Appendix B to the report, it is approved to proceed to a referendum;
- (3) That the Counting Officer be instructed to conduct a referendum on the Pirton Neighbourhood Plan; and
- (4) That the decision to "make" the Pirton Neighbourhood Plan be delegated to the Head of Development and Building Control, in consultation with the Executive Member for Planning and Enterprise.

REASON FOR DECISION: To progress the Pirton Neighbourhood Development Plan, enable a referendum to take place and following a vote of more than 50% in favour of the Pirton Neighbourhood Development Plan to make the Pirton Neighbourhood Development Plan.

87 SALE OF LAND AT LUMEN ROAD, ROYSTON

The Executive for Finance and IT presented a report of the Head of Finance, Performance and Asset Management in respect of the proposed sale of land at Lumen Road, Royston. The following appendix was submitted with the report:

Appendix 1 – Location Plan showing the original site and the land that is now proposed to be sold (edged in black).

The Executive for Finance and IT advised that this site had been earmarked for disposal for a number of years. Some time ago it was agreed that the land be sold to the Aldwyck Housing Group for the provision of affordable housing.

The Executive for Finance and IT stated that during discussions, a query had emerged with regard to the ownership of a strip of land, as shown on the plan attached as the appendix to the report, and hence this land was removed from the original proposal. However, subsequent further investigations had revealed that the Council was the owner of this strip of land.

The Executive for Finance and IT explained that the Aldwyck Housing Group had originally purchased the land on the basis that this strip of land would be included. Officers had negotiated with Aldwyck and had agreed a sale price of £25,000 for the land, subject to the Cabinet's approval.

RESOLVED: That the sale of land at Lumen Road, Royston for £25,000 to Aldwyck Housing Group be agreed.

REASON FOR DECISION: To gain a capital receipt from the sale of the site, in order to provide additional housing in the District and avoid the maintenance costs involved in owning a small parcel of land.

88 NORTH HERTFORDSHIRE MUSEUM AND HITCHIN TOWN HALL - ACQUISITION OF 14/15 BRAND STREET

[Prior to the consideration of this item and Minute 90 below, Councillors Bernard Lovewell, Ray Shakespeare-Smith and Michael Weeks declared that they would be withdrawing from the meeting, as they were Members of the Cabinet Sub-Committee (Council Charities), which was responsible for making decisions on the North Hertfordshire Museum and Community Facility on behalf of the Hitchin Town Hall: Gymnasium and Workmans Hall Trust. Accordingly, they withdrew from the meeting.]

[Note: this item was considered after Minute 90.]

The Executive Member for Community Engagement and Rural Affairs presented the Part 1 report of the Chief Executive regarding the North Hertfordshire Museum and Hitchin Town Hall – Acquisition of 14/15 Brand Street.

The Executive Member for Community Engagement and Rural Affairs clarified that, in Recommendation 2.2 of the report, the alternative options set out in Paragraph 4.1 should include listed building consent as part of the costed options appraisal.

The Executive Member for Community Engagement and Rural Affairs confirmed that the Council was not stopping negotiations with Hitchin Town Hall Limited and Hitchin Town Hall Finance Limited (indeed, a further meeting was arranged to take place on 2 February 2018), and was still hoping that a settlement could be reached for the acquisition of 14/15 Brand Street. However, the Council was now at a stage where it needed to look forward should a settlement not be reached. This would include investigation of alternative courses of action, such as use of Compulsory Purchase powers and other costed options, including listed building consent.

The Executive Member for Community Engagement and Rural Affairs commented that the Council had to carry out its duties within legal requirements, and was therefore unable to act in what could be described as a “normal business manner”. The Rules and Regulations to which

councils were required to adhere were much more stringent than businesses had to endure. Everything the Council did had to comply with the requirements of its Section 151 (Chief Financial) Officer and its External Auditors.

The Cabinet supported the recommendations to move forward, as set out in the report.

RESOLVED:

- (1) That the current position in relation to the negotiations regarding the acquisition of 14/15 Brand Street be noted;
- (2) That officers be required to progress the alternative options, as identified in Paragraph 4.1 of the report, to enable the North Hertfordshire Museum to open fully (whilst keeping open the possibility of a negotiated settlement); and
- (3) That it be noted that some elements of any settlement agreement may be required from the Cabinet Sub-Committee (Council Charities).

REASON FOR DECISION: To enable the Council to complete the development of the North Hertfordshire Museum/Hitchin Town Hall project as intended by Council and operate the facility for the benefit of the local community; and to protect the Council's interests and obtain best return from the Council's existing investment and to secure projected income from the facility to offset some of the operational and fixed costs.

89 EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 3 and 5 of Part 1 of Schedule 12A of the said Act (as amended).

90 NORTH HERTFORDSHIRE MUSEUM AND HITCHIN TOWN HALL - ACQUISITION OF 14/15 BRAND STREET

[Note: this item was considered before Minute 88.]

The Executive Member for Community Engagement and Rural Affairs presented a Part 2 report of the Chief Executive regarding the North Hertfordshire Museum and Hitchin Town Hall – Acquisition of 14/15 Brand Street.

The Chief Executive commented that the expected legal advice regarding the potential for the use of Compulsory Purchase Order powers was still awaited.

The Executive Member for Community Engagement and Rural Affairs confirmed that the Council still wished to come to an agreed negotiated settlement with Hitchin Town Hall Limited (HTHL) and Hitchin Town Hall Finance Limited (HTHFL) over the acquisition of 14/15 Brand Street. However, it was now recommended that other “back-up” options, including listed building consent and Compulsory Purchase, should be investigated.

The Cabinet noted the fundamental concerns, as set out in Section 8 of the report, that the Council still had over the settlement agreement drafted by HTHL and HTHFL.

RESOLVED: That the current position in relation to the negotiations for the acquisition of 14/15 Brand Street be noted, and the fundamental concerns about the settlement agreement as drafted by HTHL/HTHFL be agreed.

REASON FOR DECISION: To enable the Council to complete the development of the North Hertfordshire Museum/Hitchin Town Hall project as intended by Council and operate the

Tuesday, 23rd January, 2018

facility for the benefit of the local community; and to protect the Council's interests and obtain best return from the Council's existing investment and to secure projected income from the facility to offset some of the operational and fixed costs.

The meeting closed at 9.20 pm

Chairman

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| CABINET 27 MARCH 2018 |
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| *PART 1 – PUBLIC DOCUMENT | AGENDA ITEM No. 6A |
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TITLE OF REPORT: ITEM REFERRED FROM CABINET SUB-COMMITTEE (LOCAL AUTHORITY TRADING COMPANIES' SHAREHOLDER): 15 MARCH 2018 – OPTIONS FOR HOUSING INVESTMENT COMPANY

The following is an extract from the Draft Minutes of the Cabinet Sub-Committee (Local Authority Trading Companies' Shareholder) meeting held on 15 March 2018.

6. OPTIONS FOR HOUSING INVESTMENT COMPANY

[Note: this item was considered after Minute 8.]

[Prior to the consideration of this item and Minute 8 below, Councillor David Levett made a Declarable Interest in that he was a director of a property letting company which was currently dormant, but that he had applied to Companies House to wind up this company.]

The Deputy Chief Executive presented a Part 1 report setting out the investigations that had been undertaken with regard to the potential options for investing in residential property on a buy to let or development basis. The following appendix was submitted with the report:

Appendix A – Proposed Scheme of Delegation.

The Deputy Chief Executive advised that the Overview and Scrutiny Committee had requested to see this report and accompanying Part 2 report at its meeting to be held on 20 March 2018, and so the views of that Committee may be referred to Cabinet for consideration at its meeting to be held on 27 March 2018.

The Deputy Chief Executive stated that the Sub-Committee had considered the Outline Business Case (OBC) for a Housing Investment Company appended to the Part 2 report (See Minute 8 below). In summary, the OBC showed that the return on investment would be marginal and less than other potential ways in which the Council could invest its capital. There are a number of reasons for this, including:

- The cost of property in North Hertfordshire;
- A mature rental market;
- The cost of buying in the necessary expertise; and
- Small size of the likely property portfolio meaning costs were not spread/diluted.

The Sub-Committee noted that the findings of the Outline Business Case suggested that the Council should cease work on buying existing residential property on the open market for private rental and should instead focus on other housing options which could provide greater returns. Additionally, the model of buying existing residential properties would not provide the community benefits of bringing new housing stock into circulation, whereas conversion/development options could provide new housing for the area.

The Sub-Committee therefore supported the proposed recommendation that no further work be undertaken to investigate buy to let investment options.

The Deputy Chief Executive referred to the £3Million allocation in the Capital Programme for Housing Investment. Although purchasing existing residential properties for renting did not provide sufficient return to be an attractive investment option, the Council currently owned property which could potentially be rented out as residential lettings to generate income. The Council owned the bungalow adjacent to Town Lodge in Gernon Road, which was vacant and could be rented out in order to generate an income, thereby ensuring the Council was obtaining value from its asset. Alternatively, the site could be redeveloped as part of any proposals for the wider Gernon Road site. The Council also owned the current Careline offices in Harkness Court, Hitchin which would be vacated later this year when Careline relocated to the District Council Offices. Options had been explored for the conversion of the building to residential flats for letting on the private rental market.

In addition to letting existing assets, the Deputy Chief Executive explained that the Council could explore options for developing its land holdings, where appropriate, either on its own or in partnership with others. These would need to be considered on a site by site basis and would be subject to individual business cases in due course. Any housing developed could be retained for letting through the trading company, or sold to generate a capital receipt, or a mixture of both.

The Deputy Chief Executive advised that, where it carried out an activity that was primarily for a commercial purpose, the Council was required to do this through a trading company. In order to facilitate any future letting opportunities it was proposed that the Council established the relevant company structures now. Under the terms of the Council's Constitution, the setting up of a company required a decision from Cabinet. It was proposed that a typical structure be adopted of a parent holding company with the potential for a number of separate trading companies operating in different markets. The proposed breakdown of responsibilities (between the Cabinet, Cabinet Sub-Committee, Officers and Board of Directors) was attached at Appendix A to the report. Going forward, the Sub-Committee would act as the Council's shareholder in the company, with the Directors taking day to day decisions. It was proposed that Cabinet be recommended to delegate authority to the Chief Finance Officer and Executive Member for Finance and IT to determine the detail of the company structure.

Members noted that initially the Council would set up the holding company and one trading company for letting residential property at market rent. Further work would need to be undertaken on the best mechanisms for the company to acquire the property and providing a return to the Council. This would be subject of a further report in due course.

In response to a Member's questions, the Chief Executive and Deputy Chief Executive confirmed that investigation of the potential development of commercial property would be a task for the new post of Commercialisation Service Director, as would the formulation of a Commercialisation Strategy.

The Sub-Committee supported the recommendations in the report, and felt that it was appropriate to set up both the proposed parent company, and two subsidiary trading companies. The Sub-Committee therefore amended the recommendation to Cabinet to incorporate reference to "trading companies" and "development; and letting", as set out below.

RESOLVED:

- (1) That it be agreed that no further work be undertaken to investigate buy to let investment options; and
- (2) That further work be undertaken to investigate potential conversion/development opportunities, subject to future consideration of the business plan for specific proposals.

RECOMMENDED TO CABINET: That the principle of setting up a wholly owned holding company and trading companies for the purposes of development; and letting existing and future assets as residential dwellings be approved, and the Chief Finance Officer and Executive Member for Finance and IT be given delegated authority to determine the detail of the structure.

REASON FOR DECISION: To explore the options for making best use of existing assets.

[Note: Item 19 – the Part 2 report considered by the Sub-Committee – should be read in conjunction with this referral.]

The following is the report considered by the Cabinet Sub-Committee (Local Authority Trading Companies' Shareholder) at its meeting held on 15 March 2018.

TITLE OF REPORT: OPTIONS FOR HOUSING INVESTMENT COMPANY

REPORT OF THE DEPUTY CHIEF EXECUTIVE

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR FINANCE AND IT

COUNCIL PRIORITY: ATTRACTIVE AND THRIVING / PROSPER AND PROTECT

1. EXECUTIVE SUMMARY

The budget set by Full Council on 11 February 2016 included sums in the capital programme for 2017/18 and 2018/19 to provide housing at market rates. This report sets out the investigations that have been undertaken with regard to the potential options for investing in residential property on a buy to let or development basis.

2. RECOMMENDATIONS

2.1 That the Sub-Committee agrees that no further work will be undertaken to investigate buy to let investment options.

2.2 That the Sub-Committee authorises further work to be undertaken to investigate potential conversion/development opportunities, subject to future consideration of the business plan for specific proposals.

2.3 That the Cabinet be recommended to:

Approve the principle of setting up a wholly owned holding company and trading company for the purposes of letting existing and future assets as residential dwellings, with the Chief Finance Officer and Executive Member for Finance and IT delegated authority to determine the detail of the structure.

3. REASONS FOR RECOMMENDATIONS

3.1 The outline business case has established that there is insufficient return on investment to pursue the originally conceived option of buying property on the open market within the District and then renting it out, so the recommended way forward is to explore the options for making best use of existing assets.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 The alternative options for buy to let investment are set out in the outline business case. The Council could also choose not to invest in residential property and instead explore other avenues for investing its capital, for example commercial property or leisure facilities or property funds. However it is considered that there is merit in looking at specific buildings or sites on a site by site basis to establish whether there are opportunities for providing more housing whilst obtaining an acceptable return on investment. Those site by site considerations can include whether the Council seeks to deliver a scheme on its own, or in partnership with others.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 An initial briefing with the members of the Sub-Committee took place on 20 December 2017 in order to inform Members of the issues being considered and potential options being explored.

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 10 November 2017.

7. BACKGROUND

- 7.1 An article in Public Sector Executive magazine, October/November 2017 issue, referred to a survey of local authorities carried out by Solace which revealed one in four respondents had set up a wholly owned company and almost one in five had set up other types of joint ventures, in order to deliver housing development. A number of other respondents indicated that there were in the process of setting up a housing company or joint venture, or considering their options. The article estimated that there were in the range of 50 local authority housing companies in operation last year.
- 7.2 The budget set by Full Council on 11 February 2016 included sums in the capital programme for 2017/18 and 2018/19 of £550k and £2.3m respectively for provision of housing at market rents. The most recent budget set by Full Council on 8 February 2018 reprofiled that expenditure to £200k in 2017/18, £2.65m in 2018/19 and £150k in 2019/20.
- 7.3 At the time of the original budget allocation the Council projected a significant shortfall in its revenue budget which needed to be met by 2019/20. The model for housing investment under consideration therefore needed to be able to quickly convert capital investment into revenue income. That model was to buy existing housing within the District and let out to the private rental market. An external consultant was therefore instructed to investigate that model and develop an outline business case, based upon the assumption that the Council's revenue budget would continue to be very challenging. Whilst the outline business case was being developed the goalposts moved somewhat on the Council's financial projections for the next few years. In short the new waste contract and other savings/income opportunities improved the revenue position markedly. In light of that the Council does not need to generate income as quickly as initially envisaged and therefore is able to consider other options rather than the quick option of buying existing properties. Additionally, whilst the sums set out in 7.2 above are allocated in the capital programme the Council will need to generate capital receipts in order to deliver all of its existing (and any potential future) capital programme. An option to generate capital receipts could be housing development.

8. RELEVANT CONSIDERATIONS

Outline Business Case

- 8.1 The Outline Business Case is appended to the Part 2 report. In summary it shows that the return on investment would be marginal and less than other potential ways in which the Council could invest its capital. There are a number of reasons for this, including:-

- The cost of property in North Hertfordshire

- A mature rental market
- The cost of buying in the necessary expertise
- Small size of the likely property portfolio meaning costs are not spread/diluted

- 8.2 The findings of the Outline Business Case suggest that the Council should cease work on buying existing residential property on the open market for private rental and should instead focus on other housing options which could provide greater returns. Additionally the model of buying existing residential properties would not provide the community benefits of bringing new housing stock into circulation, whereas conversion/development options could provide new housing for the area.

Letting Existing Assets

- 8.3 Although purchasing existing residential properties for renting does not provide sufficient return to be an attractive investment option, the Council currently owns property which could potentially be rented out as residential lettings to generate income. The Council owns the bungalow adjacent to Town Lodge in Gernon Road. This property is vacant and could be rented out in order to generate an income, thereby ensuring the Council is obtaining value from its asset. Alternatively the site could be redeveloped as part of any proposals for the wider Gernon Road site. The Council also owns the current Careline offices in Harkness Court, Hitchin which will be vacated later this year when Careline relocate to the District Council Offices. Options have been explored for the conversion of the building to residential flats for letting on the private rental market.

Establishing a Trading Company

- 8.4 Where it carries out an activity that is primarily for a commercial purpose, the Council is required to do this through a trading company. In order to facilitate any future letting opportunities it is proposed that the Council sets up the relevant company structures now. Under the terms of the Council's Constitution, the setting up of a company requires a decision from Cabinet. It is proposed that a typical structure is adopted of a parent holding company with the potential for a number of separate trading companies operating in different markets. The proposed breakdown of responsibilities is attached at Appendix A. Initially the Council would set up the holding company and one trading company for letting residential property at market rent. Further work would need to be undertaken on the best mechanisms for the company to acquire the property and providing a return to the Council. This would be subject of a further report in due course.

Opportunities for development

- 8.5 In addition to letting existing assets the Council could explore options for developing its land holdings, where appropriate, either on its own or in partnership with others. These would need to be considered on a site by site basis and would be subject to individual business cases in due course. Any housing developed could be retained for letting through the trading company, or sold to generate a capital receipt, or a mixture of both.
- 8.6 Hertfordshire County Council, through its Herts Living Limited trading company, is entering into a joint venture with a private sector developer to deliver housing. As part of the procurement process the option for the District/Borough Councils to join the arrangement has been left open. It is understood that the successful partner will be announced in the middle of

April 2018 and the Council could explore whether delivery of development through this joint venture might be an attractive proposition as part of its considerations of how to bring forward specific sites for development.

9. LEGAL IMPLICATIONS

- 9.1 The Cabinet Sub-Committee's terms of reference are concerned with the Council's actions as shareholder of local authority trading companies. It is within the spirit of the terms of reference for the Sub-Committee to consider the available options for commercial activities that necessarily would have to be undertaken via a local authority trading company. The Sub-Committee has within its terms of reference '*to represent the Council's interests as shareholder in wholly owned and other companies*' and '*to make recommendations to Cabinet on the investment, loans, resource arrangements and asset transfers to companies*'. Within this framework, it is also fitting for the Sub-Committee to make recommendations to Cabinet as to the creation of any such companies.
- 9.2 Section 1 of the Localism Act 2011 gives local authorities the power to do anything that individuals generally may do including power to do it for a commercial purpose or otherwise for a charge. This power is limited by section 4 of the Localism Act 2011 which provides that where a local authority does things for a commercial purpose pursuant to this power, the authority must do them through a company.
- 9.3 The Housing Act 1985 provides local authority tenants with a 'right to buy' in certain circumstances. Were NHDC to enter directly into a letting agreement with residential tenants then it would be at risk of the right to buy being exercised and the asset being acquired by the residential tenant. A wholly owned local authority company would not be subject to the right to buy, and this provides an additional reason why residential letting should take place via such a company.

10. FINANCIAL IMPLICATIONS

- 10.1 Whilst the Council has already received some legal and financial advice on the way the company will operate, there are likely to be some further revenue costs incurred in finalising the set-up (e.g. further professional advice). These costs will be met from the revenue funding that was allocated for this purpose. Whilst there will be future revenue costs of running the company, these will be met by the company and should be covered by the income that it generates, at least in the medium term. Where the company makes use of Council resources (e.g. loan financing, staff time) then this will be charged to the company and provide an income to the Council. When the company makes a profit this will be subject to Corporation Tax.
- 10.2 The majority of the expenditure that is expected to be incurred (e.g. property renovation, refurbishment and acquisition) will be capital. There is capital budget of up to £3m allocated for this purpose. The Council is getting towards a position where it will have used up its set-aside capital receipts, which means that it will need to borrow for capital investment in the future. Therefore any use of capital to generate an income should be assessed as though it was necessary to fund it from borrowing, which means incorporating interest and minimum revenue provision costs.
- 10.3 The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Ministry of Housing, Communities and Local Government (MHCLG) have issued updated guidance on capital investments for a commercial purpose.

This requires Authorities to consider the security and liquidity of any investments. In the context of a housing company this would include the extent to which the value of the investment can be secured against property, and the ease with which that property could be sold if required. For existing property, the liquidity is reasonably high. However, for property development, the liquidity could be very low (i.e. it would take a long time to sell).

10.4 It is also prudent for the Council to consider its investment in a housing company from a treasury management perspective. This would include the overall exposure to the housing market, given that the Council already holds a significant proportion of its cash in building society deposits. Any investment should also be compared to investment opportunities that already exist. For example, the Council could choose to invest in a property fund. Features of these funds include:

- They have similar entry and exit costs to buying and selling property (e.g. stamp duty), although they are more liquid
- They provide a combination of income (historically they have been around 5% per year) and capital growth (or decline)
- They are diversified across a wide range of property types and locations, which means that there would be little (or possibly no) investment in North Hertfordshire
- They need to be held for a similar time period to property purchases (i.e. at least 5 years)

11. RISK IMPLICATIONS

11.1 The yield from property investments is subject to market conditions and can vary over time. If the company is primarily holding the property to generate income, then the capital value will not be too relevant. Whilst the capital value of property does tend to go up over time, this is not guaranteed and over a shorter time horizon there is definitely the potential for values to fall.

11.2 Current legislation and guidance does not put any significant limits on Authorities investing in property, especially of the type being looked at here. However this area has received a lot of attention and there is still the potential for legislation that would limit the way that Authorities can act.

11.3 The specific risks of any project would be considered as part of the business case for that particular project.

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. There are no equalities implications in this report.

13. SOCIAL VALUE IMPLICATIONS

13.1 The Social Value Act and “go local” policy do not apply to this report. However any building works undertaken to convert existing properties or develop new housing could be subject to the “go local” policy or Social Value Act requirements, depending on the value of those contracts. This would need to be considered at the time that specific proposals come forward.

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 The senior management restructure proposals currently being consulted on include a proposal for a Service Director – Commercial role, which would be responsible for the housing/property development company. Once in post the Service Director will be tasked with ensuring that the capacity and skills of staff to deliver the company's objectives are met. The potential Directors of the company would be identified from across existing staff and their appointments would be subject of approval by the Sub-Committee acting as shareholder. Those staff would be provided with the necessary training and support to fulfil their role as director.

15. APPENDICES

- 15.1 Appendix A – Proposed Scheme of Delegation.

16. CONTACT OFFICERS

- 16.1 Anthony Roche, Deputy Chief Executive
anthony.roche@north-herts.gov.uk; ext 4588
- 16.2 Ian Couper, Head of Finance, Performance and Asset Management
ian.couper@north-herts.gov.uk; ext 4243
- 16.3 Reuben Avayoo, Senior Corporate Policy Officer
reuben.avayoo@north-herts.gov.uk; ext 4212
- 16.4 Marie Searle, Property Lawyer
marie.searle@north-herts.gov.uk; ext 4315
- 16.5 Kerry Shorrocks, Corporate Human Resources Manager
kerry.shorrocks@north-herts.gov.uk; ext 4224

17. BACKGROUND PAPERS

- 17.1 None.

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APPENDIX A

PROPOSED SCHEME OF DELEGATION

| | Column A | Column B | Column C | Column D | Column E |
|--|---|-----------------------|---------------------------------------|--|-------------------|
| Activity | Cabinet | Cabinet Sub-Committee | Officers | PropCo Board of Directors | PropCo Management |
| Setting up of Company | Approval | | | | |
| Permitting the registration of any person as a shareholder of PropCo | | Approval | | Recommendation | |
| Appointment of directors of PropCo | | Approval | Recommendation for initial directors. | Recommendation | |
| Increasing the amount of PropCo's issued share capital | | Approval | | Recommendation | |
| Issuing any loan capital in PropCo or entering into any commitment with the Council with respect to the issue of any loan capital | Initial approval of maximum loan (£3 million) | | | Draw-down subject to Officer Delegated Authority decision from the Council side of the transaction | |
| Issuing any loan capital in PropCo or entering into any commitment with another Party with respect to the issue of any loan capital | | Approval | | Recommendation | |
| Passing any resolution for PropCo's winding up or presenting any petition for its administration | | Approval | | Recommendation | |
| Altering the name of PropCo | | Approval | | Recommendation | |

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| Adopting or amending the Business Plan of PropCo | | Approval | | Recommendation | |
| Undertaking action in accordance with the PropCo company's Business Plan including contract expenditure of PropCo within the parameters of the Business Plan | | | | Approval | |
| Taking any action outside the parameters of the Business Plans including but not limited to contract expenditure of PropCo outside the parameters of the Business Plans | | Approval | | Recommendation | |
| Changing the nature of PropCo's business or commencing any new business which is not ancillary or incidental to the PropCo company's business. | | Approval | | Recommendation | |
| Forming any subsidiary or acquiring shares in any other company or participating in any partnership or joint venture (incorporated or not). | | Approval | | Recommendation | |
| Amalgamating or merging with any other company or business undertaking | | Approval | | Recommendation | |
| Acquiring, disposing or agreeing to acquire or dispose of any asset, any interest in any asset (including the exercise of an option) or any other land or buildings | | Approval if not set out in Business Plans | | Approval if set out in Business Plans | |
| Making any loan or advance or giving credit (other than trade credit in the ordinary course) | | Approval if not set out in Business Plans | | Approval if set out in Business Plans | |
| Entering into any arrangement, contract or transaction outside the normal course of PropCo's Business or otherwise than on arm's length terms. | | Approval | | Recommendation | |

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| Giving notice of termination of any arrangements, contracts or transactions which are material in the nature of PropCo's Business, or materially varying any such arrangements, contracts or transactions. | | Approval | | Recommendation | |
| Declaring or paying any distribution in respect of profits, assets or reserves or in any other way reducing the reserves of PropCo. | | Approval | | Recommendation | |
| Approval of statutory accounts and appointment of auditors. | | Approval | | Recommendation | |
| Changing accounting and reporting policies. | | Approval | | Recommendation | |
| Negotiating and agreeing the terms of any material contracts. | | Approval | | Negotiation and recommendation | |
| Submission of any Planning Application (and material variation and s106 heads of terms) | | Approval if outside the contemplation of the Business Plans | | Approval if within the contemplation of the Business Plans | |
| Entering into contracts with external consultants | | | | Approval of appointment and terms for contracts | |
| Appointment and dismissal of staff | | | | Approval (subject to such delegations as determined by the Board) | |
| Appointment of asset valuers and approval of valuations | | | | Approval | |
| Giving a guarantee, suretyship or indemnity to secure the liabilities of any person or | | Approval over £500k | | Approval below £500k | |

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| assume the obligations of any person | | | | | |
| Write down of asset value | | | | Approval | |
| Writing off debts | | Approval if over £10k in aggregate | | Approval if under £10k in aggregate | |
| Commencing any claim, proceedings or other litigation brought by or settling or defending any claim, proceedings or other litigation brought against PropCo, except in relation to debt collection in the ordinary course of the business | | | | Approval | |
| Entering into any transaction or arrangement which is not on an arm's length basis | | Approval | | Recommendation | |
| Approval to procurement of outside the provisions of the Procurement Policy | | Approval if value above £50k | | Approval if value below £50k and recommendation if value above £50k | |
| Variation of Procurement Policy | | Approval | | Recommendation | |
| Terminating any agreements which are material to PropCo's business | | Approval | | Recommendation | |
| Disposing of a substantial part of the business and/or assets of PropCo (i.e. comprising in excess of 10% of the balance sheet surplus credit figure from time to time) | | Approval. Can also approve an increase to the % | | Recommendation | |
| Entering into (or agreeing to enter into) any borrowing arrangement on behalf of PropCo and giving any security in respect of any such borrowing. | | Approval if outside Business Plan | | Approval if within Business Plan | |

CABINET 27 MARCH 2018

*PART 1 – PUBLIC DOCUMENT

AGENDA ITEM No.

6B

**TITLE OF REPORT: ITEM REFERRED FROM OVERVIEW AND SCRUTINY COMMITTEE:
20 MARCH 2018 – PERFORMANCE MANAGEMENT MEASURES FOR 2018/19**

The following is an extract from the Draft Minutes of the Overview and Scrutiny Committee meeting held on 20 March 2018.

87. PERFORMANCE MANAGEMENT MEASURES FOR 2018/19

The Controls, Risk and Performance Manager presented the report of the Head of Finance, Performance and Asset Management entitled Performance Management Measures for 2018/19.

She informed Members that all performance indicators were reviewed at the start of the year and that the setting of performance management measures was part of the corporate business planning process and drew attention to the following:

Table 1

This table listed the four proposed new indicators for 2018/19 two of which related to homelessness and two regarding the collection of food and garden waste.

Table 2

There were two proposed changes to performance indicators and the reasons for those changes were detailed in the comments column.

Table 3

This table listed the performance measures that had not been changed from 2017/18.

Recommendation

The recommendations should be changed to read:

- “1. That the Overview and Scrutiny Committee note and comment on the contents of the report;
2. That the Overview and Scrutiny Committee refer the report to Cabinet for consideration.”

Members asked for clarification regarding how target figures were suggested.

The Controls, Risk and Performance Manager advised that Service Managers suggested targets based on their experience of past service performance.

In respect of the new data only indicators regarding waste and recycling targets, Members questioned whether targets should be set in order to have something to aim for.

The Controls, Risk and Performance Manager advised that she would refer this to the relevant Service Manager for comment.

Members noted that there were a number of targets that remained challenging and expressed concern that the target for NI192 – Percentage of Household Waste sent for reuse, recycling and composting had been reduced. They felt that targets should be aspirational and challenging rather than easily achievable.

The Deputy Chief Executive reminded Members that targets should be SMART and that unachievable targets could be demotivating.

The Controls, Risk and Performance Manager advised that very few targets were unachievable. In 2017/18 the only targets that were not achieved were regarding waste and housing inspections and the housing inspection figures was due to staff shortages.

Members discussed that it was important to compare NHDC performance with that of other authorities and that NHDC remained in the top percentile regarding waste monitoring. They considered that, where benchmarking was possible, targets should not be reduced at any time to below the national benchmark.

Members noted that the District Wide Survey had demonstrated a drop in perception that NHDC provided value for money or engaged with the public and commented that this could be due to NHDC not articulating what it did well.

The Deputy Chief Executive noted that the performance indicators that NHDC did well were not necessarily of great interest to the general public.

RESOLVED:

- (1) That the contents of the report entitled Performance Management Measures for 2018/19 be noted;
- (2) That the Chairman of the Committee be requested to write, on behalf of the Committee to the Leader of the Council to request that where benchmarking was possible, no target should be set below the national benchmark;

RECOMMENDED TO CABINET: That Cabinet considers and formally approves the Pls and any associated targets that will be monitored throughout 2018/19 by Overview & Scrutiny.

REASON FOR DECISION: To enable the Overview and Scrutiny Committee to consider and comment on the report entitled Performance Management Measures for 2018/19 prior to consideration by Cabinet.

The following is the report considered by the Overview and Scrutiny Committee at its meeting held on 20 March 2018.

TITLE OF REPORT: PERFORMANCE MANAGEMENT MEASURES FOR 2018/19

REPORT OF THE HEAD OF FINANCE, PERFORMANCE AND ASSET MANAGEMENT
EXECUTIVE MEMBER FOR POLICY, TRANSPORT AND GREEN ISSUES

COUNCIL PRIORITY: ATTRACTIVE AND THRIVING / PROSPER AND PROTECT /
RESPONSIVE AND EFFICIENT

1. EXECUTIVE SUMMARY

- 1.1 To present the performance indicators (PIs) and associated targets for 2018/19 which were agreed by Executive Members in conjunction with the relevant Heads of Service.

2. RECOMMENDATIONS

- 2.1 That Cabinet considers and formally approves the PIs and any associated targets that will be monitored throughout 2018/19 by Overview & Scrutiny.

3. REASONS FOR RECOMMENDATIONS

- 3.1 An approved range of indicators provides the Cabinet with assurance that service delivery in a number of key services will be monitored throughout 2018/19.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None considered.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 All Heads of Service were sent PI setting templates for 2018/19, to complete in association with the Executive Members. This is the second year of the new process agreed by Cabinet on 26 July 2016 following a task and finish group on the performance monitoring process.

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 1st February 2016.

7. BACKGROUND

- 7.1 The Overview & Scrutiny Committee has received quarterly reports on the Council's performance against a range of performance indicators. It also receives presentations from Executive Members on their service area, where performance of the service can be monitored and challenged in detail.
- 7.2 As part of the Corporate Business Planning Process, the performance measures to be collected and any associated targets are reviewed prior to the start of the next financial year. Heads of Service / Corporate Managers undertake the review in conjunction with Executive Members.

8. AMENDED PERFORMANCE MEASURES

8.1 The indicators listed in Table 1 are proposed as new indicators for 2018/19:

Table 1 – New Performance Indicators proposed for 18/19

| Code | Description | 2017/18 Target | 2018/19 Target | Comments |
|------|---|----------------|----------------|--|
| tbc | Rate of homelessness prevention | n/a | Data only | The Homelessness Reduction Act 2017 comes in to force on 3 April 2018. This introduces a new legal duty on all English local authorities to attempt to prevent homelessness whenever possible. As the impact of the new provisions is unknown, it is proposed to use 2018/19 as a baseline year in order to inform future performance targets. |
| tbc | Rate of homelessness relief | n/a | Data only | The Homelessness Reduction Act 2017 comes in to force on 3 April 2018. This introduces a new legal duty on all English local authorities to attempt to relieve homelessness whenever possible. As the impact of the new provisions is unknown, it is proposed to use 2018/19 as a baseline year in order to inform future performance targets. |
| tbc | Overall tonnage of Garden Waste Collected | n/a | Data only | It is proposed that no target is set for the 18/19 year in order for officers to establish some baseline data under the new waste contract. |
| tbc | Overall tonnage of Food Waste Collected | n/a | Data only | It is proposed that no target is set for the 18/19 year in order for officers to establish some baseline data under the new waste contract. |

8.2 The indicators listed in Table 2 are proposed changes to performance indicators for 2018/19

Table 2 – Amended Indicators for 18/19

| Code | Description | 2017/18 Target | 2018/19 Target | Comments |
|----------|--|----------------|----------------|--|
| MI LI015 | Number of visits to Leisure facilities | 1,354,000 | 1,385,000 | The proposed target figure represents a 1% increase on the expected 2017/18 year end performance. It also represents a 2.3% increase on the 2017/18 target figure. |

| Code | Description | 2017/18 Target | 2018/19 Target | Comments |
|-------|--|----------------|----------------|--|
| NI192 | Percentage of Household Waste sent for reuse, recycling and composting | 60% | 55% | The 60% target has been aspirational and in the future this may be achieved. However, for 2017/18 the forecast is between 56%-57%, with the introduction of charging for green waste, the tonnage of garden waste in the first year is likely to reduce. Home composting and the use of the HWRC are likely options for residents that do not use our garden waste service. Once we can determine the trend, we will be able to provide more accurate forecasting, but based on our predicted take up, the proposed target is realistic. |

9. UNALTERED PERFORMANCE MEASURES

9.1 The following performance measures have not been changed from those reported in 2017/18:

Table 3 – Unaltered performance measures

| Code | Description | 2017/18 Target | 2018/19 Target | Reason |
|------|---|----------------|----------------|--|
| BV8 | Percentage of invoices paid on time | 99.6% | 99.6% | May look to revise once Integra 2 is embedded, but need time for implementation |
| BV9 | Percentage of council tax collected in year | 98% | 98% | It is proposed to retain this target. There is considerable uncertainty over welfare benefit changes and the ability to now pay over twelve instalments |
| BV10 | Percentage of NNDR collected in year | 97% | 97% | It is proposed to retain this target. NNDR collection is quite volatile because of the effects of appeals especially in view of the new appeals process introduced in April 2017 |

| Code | Description | 2017/18 Target | 2018/19 Target | Reason |
|------------|---|----------------|----------------|--|
| BV12 | Working days lost due to sickness absence per FTE employee | Data Only | Data Only | |
| BV12a | Working days lost due to short-term sickness absence per FTE employee | 3.5 days | 3.5 days | 3.5 days remains a challenging target for short-term absence. The year-end figure for 2016/17 was 3.61 days and the latest data for 2017/18 is just above the profiled target figure (December 2017 - 2.48 days against a target of 2.4). The increasing rates of flu this winter is likely to affect absence rates. |
| BV12b | Working days lost due to long-term sickness absence per FTE employee | Data Only | Data Only | |
| LI 034 | Percentage of Housing & Public Protection Service programmed inspections completed (cumulative performance) | 95% | 95% | This remains a challenging and relevant indicator |
| MI P&R 001 | Percentage of raised sales invoices due for payment that have been paid | 93% | 93% | May look to revise once Integra 2 is embedded, but need time for implementation. |
| NI157ai | Percentage of major planning applications determined within the relevant statutory or agreed time periods. | 80% | 80% | Target to remain at 80%. |
| NI 157e | Percentage of all planning applications determined within the relevant statutory time period | 83% | 83% | Target to remain at 83%. |
| NI 191 | Kg residual waste per household | 360kg | 360kg | This is the start of a new contract and we would expect that with weekly collection of food waste, this figure should reduce, but this is difficult to predict at this stage. The forecast for 2017/18 is between 365-370kg, so the 2018/19 target will be an improvement if it is achieved. |

| Code | Description | 2017/18 Target | 2018/19 Target | Reason |
|--------|---|----------------|----------------|---|
| DC001a | Number of planning applications taken to appeal due to 'non-determination' within the statutory time period, which were allowed | Data Only | Data Only | |
| DC002 | Number of planning applications where the fee has been refunded due to the application not being determined within 26 weeks | 0 | 0 | The target will remain as zero for fee returns. |
| LI032a | Number of allowed planning appeal decisions | Data Only | Data Only | |
| LI035a | Number of households living in temporary accommodation | Data Only | Data Only | See new indicators to reflect the introduction of the Homelessness Prevention Act |
| LI037 | Percentage of customers satisfied with the services provided by the Housing & Public Protection Service | 90% | 90% | This remains a challenging and relevant indicator |

*Retail units are those with definitions A1 to A5 on the Use Classes Order:

- A1 Shops
- A2 Financial and Professional Services
- A3 Restaurants and Cafes
- A4 Drinking Establishments
- A5 Hot Food Take-Aways

10. DELETED INDICATORS

10.1 It is proposed that the following indicators be deleted .

| Code | Description | 2017/18 Target | 2018/19 Target | Comments |
|-------------|---|----------------|----------------|---|
| CP LI045 | Percentage of house building on brown field sites | Data only | Data only | Delete - Reported annually and included within the published Annual Monitoring Report. Historically, data is more than 2 years out of date. |
| LI041 | Number of new enterprises in North Hertfordshire | Data only | Data only | Delete - Reported annually and included within the published Annual Monitoring Report. Historically, data is more than 2 years out of date. |
| LI035 | Number of households accepted by the Council as homeless | Data only | Data only | See new indicators to reflect the introduction of the Homelessness Prevention Act |
| LI036 | Number of households who had potential homelessness prevented | Data only | Data only | See new indicators to reflect the introduction of the Homelessness Prevention Act |

| Code | Description | 2017/18 Target | 2018/19 Target | Comments |
|-------|--|----------------|----------------|---|
| LI042 | Percentage of new enterprises surviving the first year | Data Only | Data Only | Delete - Reported annually and included within the published Annual Monitoring Report. Historically, data is more than 2 years out of date. |
| TC001 | Number of retail* units in use in Baldock town centre | Data Only | Data Only | Delete - Reported annually and included within the published Annual Monitoring Report. Historically, data is more than 2 years out of date. |
| TC002 | Number of retail* units in use in Hitchin town centre | Data Only | Data Only | Delete - Reported annually and included within the published Annual Monitoring Report. Historically, data is more than 2 years out of date. |
| TC003 | Number of retail* units in use in Letchworth Garden City town centre | Data Only | Data Only | Delete - Reported annually and included within the published Annual Monitoring Report. Historically, data is more than 2 years out of date. |
| TC004 | Number of retail* units in use in Royston town centre | Data Only | Data Only | Delete - Reported annually and included within the published Annual Monitoring Report. Historically, data is more than 2 years out of date. |

11. LEGAL IMPLICATIONS

11.1 There are no direct legal implications arising from this report. The Cabinet has remit (other than those functions specifically reserved to Full Council) under its Terms of Reference¹ to:

- prepare and agree to implement policies and strategies; and
- oversee the provision of all the Council's services.

This report seeks to confirm the provision and targets for such service matters to be agreed by Cabinet.

12. FINANCIAL IMPLICATIONS

12.1 There are no direct financial implications arising from this report. Where efficiencies or investments may make a difference to service levels these are indicated in the budget proposals so they can be taken into consideration when considering the budget for the forthcoming year

13. RISK IMPLICATIONS

13.1 There are no direct risk implications arising from this report. Risks to service delivery, and hence to performance levels, are reviewed and captured on Pentana, the Council's performance and risk management software.

¹ 5.6.1 & 5.6.15 Constitution 09.04.14

14. EQUALITIES IMPLICATIONS

- 14.1 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.
- 14.2 Performance reporting provides a means to monitor whether the Council is meeting the stated outcomes of the district priorities, its targets or delivering accessible and appropriated services to the Community to meet different people's needs.

15. SOCIAL VALUE IMPLICATIONS

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

16. HUMAN RESOURCE IMPLICATIONS

- 16.1 There are no additional human resource implications.

17. APPENDICES

None.

18. CONTACT OFFICERS

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19. BACKGROUND PAPERS

- 19.1 None.

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| CABINET 27 MARCH 2018 |
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| *PART 1 – PUBLIC DOCUMENT | AGENDA ITEM No. 6C |
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TITLE OF REPORT: ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE: 21 MARCH 2018 – RISK MANAGEMENT UPDATE

The following is an extract from the Draft Minutes of the Finance, Audit and Risk Committee meeting held on 21 March 2018.

80. RISK MANAGEMENT UPDATE

The Head of Finance, Performance and Asset Management presented a report which provided an update on Risk Management.

In respect of the Office Accommodation Corporate Risk, the Head of Finance, Performance and Asset Management advised that, in February 2018, Officers had reviewed this risk and reduced the likelihood risk score to “Low” (1). This was to reflect the fact that the project was almost complete, and that staff were already being returned to the District Council Offices. It was agreed that the risk entry should not be closed until a post implementation review had been completed and lessons learned had been captured. This proposed change would move the Office Accommodation risk from a 5 to a 3 on the Risk Matrix.

The Head of Finance, Performance and Asset Management reported that the Waste and Street Cleansing Contract Renewal Corporate Risk (and sub-risks) had also been reviewed. Whilst the scores for a number of the sub-risks had changed, the overall score for the Corporate Risk remained unchanged as an 8 on the Risk Matrix.

Following a recent re-tendering exercise, the Head of Finance, Performance and Asset Management outlined the key changes to the various insurance policies that the Council had in place, as set out in Section 8.4 of the report.

RECOMMENDED TO CABINET: That the reduction in score from a 5 to a 3 of the Office Accommodation Corporate Risk be approved.

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

The following is the report considered by the Finance, Audit and Risk Committee at its meeting held on 21 March 2018.

TITLE OF REPORT: RISK MANAGEMENT UPDATE

REPORT OF THE HEAD OF FINANCE, PERFORMANCE & ASSET MANAGEMENT

EXECUTIVE MEMBER: COUNCILLOR JULIAN CUNNINGHAM

COUNCIL PRIORITY: PROSPER AND PROTECT / RESPONSIVE AND EFFICIENT

1. EXECUTIVE SUMMARY

- 1.1 To provide the Committee with an update on the Corporate risks. The Office Accommodation and Waste and Street Cleansing Contract Renewal risks have been reviewed. As the Office Accommodation project is nearing completion it is recommended that the level of risk is reduced (from a score of 5 to 3).
- 1.2 To provide the Committee with information on the retendering of the Council's insurance arrangements. The changes that have been made are a balance between the level of risk and the cost of insurance premiums.

2. RECOMMENDATIONS

- 2.1 That the Committee notes and refers the changes in the Corporate risks to Cabinet.

3. REASONS FOR RECOMMENDATIONS

- 3.1 The responsibility for ensuring the management of the risks is that of Cabinet.
- 3.2 This Committee has responsibility to monitor the effective development and operation of risk management.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 There are no alternative options that are applicable

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 Consultation has been undertaken with SMT and the Risk Management Group (this includes Councillor Cunningham as Risk Management Member 'champion') and these recommendations were supported. Lead Officers discuss these risks with the relevant Executive Member.

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 At the December meeting of the Finance, Audit and Risk Committee the review of the Risks and Opportunities Management Strategy and the Risk Management Policy Statement were approved and referred on to Cabinet.

These were subsequently approved by Cabinet. The Committee noted that there were no reported changes to the Corporate risks for the quarter.

8. RELEVANT CONSIDERATIONS

8.1 Corporate Risks

- 8.1.1 The Corporate Risks summarised in Table 1 have been reviewed and agreed by SMT. Members are able to view the current risk descriptions on Pentana (was Covalent), the Council's performance and risk management software. The changes to the assessment of the current Corporate risks & opportunities are outlined in sections 8.2 and 8.3. Table 1 shows the last date that the risk was reviewed by the risk owner.

Table 1: Risk and Opportunities Matrix – Proposed Changes

| | | | | |
|------------|-------------|----------|---|---|
| Likelihood | 3 High | 4 | 7 • Income Generation (18.12.17) • Sustainable Development (2 x Sub Risks) (25.10.17) | 9 • Local Plan (28.07.17) • Managing the Council's Finances (30.10.17) • North Hertfordshire Museum and Hitchin Town Hall Project (08.02.18) |
| | 2 Medium | 2 | 5 • Increased Homelessness and Use of B&B (03.01.18) • Workforce Planning (17.10.17) | 8 • Cyber Risks (10.11.17) • Waste and Street Cleansing Contract Renewal (8 x Sub Risks) ↔ |
| | 1 Low | 1 | 3 • Office Accommodation ↓ from a 5 | 6 |
| | | 1 Low | 2 Medium | 3 High |
| | | Impact | | |

- 8.2 **Office Accommodation.** In February 2018 Officers reviewed the risk and reduced the likelihood risk score to "Low" (1). This is to reflect the fact that the project is almost complete, and staff are already being returned to the DCO. It was agreed that the risk entry should not be closed until a post implementation review had been completed and lessons learned had been captured. This proposed change will move the Office Accommodation risk from a 5 to a 3 on the Matrix.

- 8.3 **Waste and Street Cleansing Contract Renewal.** In February 2018 Officers reviewed the sub risks for Waste. As a result the risk score for the Northern Transfer station and ancillary facilities was increased to 8. The likelihood was increased due to the re-letting of the residual waste transfer contract by HCC and the need for the depot to be secured for the new waste contract. In addition, the risk score for the Commingled Waste was increased to 7 to reflect the global economic climate and the impact of China's restrictions on plastics for recycling and the new contract re-letting. The overall risk score for Waste remains unchanged as an **8** on the Matrix.
- 8.4 **Insurance.** A retendering exercise has been undertaken for the various insurances that the Council has in place. This included getting various prices so that options could be assessed. Overall it is estimated that savings of at least £30k can be achieved. The following paragraphs summarise the key changes.
- 8.4.1 The Council's existing providers of liability insurance offered to renew for the same premium, but with an increase in excess to £10k per claim (was £5k). In overall terms this is a relatively small increase in the excess. When this was last tendered (in 2016), our current insurers were the only ones that provided a good price combined with a good quality rating. An increase in premium (or excess) would be expected due to changes in the way that injury pay-outs are calculated. The Council has had very few claims over the last 5 years and on that basis it is estimated that it would be cheaper to have an increased excess rather than a higher premium. As a result of this the liability insurance will be renewed with the existing insurer.
- 8.4.2 The Council currently has "all risk" insurance that covers museum exhibits and other valuables. This will be changed for a bespoke fine art policy which is slightly cheaper, provides more relevant cover and is often required to host visiting exhibitions.
- 8.4.3 Business interruption insurance covers the costs of getting the Council back up and running after a disaster (e.g. fire, flood). It also currently provides loss of revenue insurance for leisure services. As the liability for this should be with Stevenage Leisure Limited, it is intended that this cover will be removed subject to confirming the decrease in premium. The level of cover will also be increased from £500k to £1 million. This is linked to the potential future disposal of the Town Lodge site which would mean that it could not be used in the event of a disaster affecting the District Council Offices. The annual premium for this increased cover will be around £1k.
- 8.4.4 There is currently terrorism cover in place across all the Council's properties. The annual premium could be significantly reduced by excluding certain non-key buildings. Detailed pricing is being obtained for this and this will then be reviewed.

9. LEGAL IMPLICATIONS

- 9.1 The Committee's Terms of Reference include "to monitor the effective development and operation of risk management and corporate governance, agree actions (where appropriate) and make recommendations to Cabinet." This report gives the Committee the opportunity to review and comment on the high level Risks and how they are proposed to be managed.

10. FINANCIAL IMPLICATIONS

- 10.1 There are no direct financial implications from this report.

11. RISK IMPLICATIONS

- 11.1 The Risk & Opportunities Management Strategy requires the Finance Audit & Risk Committee to consider regular reports on the Council's Corporate Risks. Failure to provide the Committee with regular updates would be in conflict with the agreed Strategy and would mean that this Committee could not provide assurances to Cabinet that the Council's identified Top / Corporate Risks are being managed.

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 Reporting on the management of risk provides a means to monitor whether the council are meeting the stated outcomes of the district priorities, its targets or delivering accessible and appropriate services to the community to meet different people's needs. The risks of NHDC failing in its Public Sector Equality Duty are recorded on the Risk Register. The Council's risk management approach is holistic, taking account of commercial and physical risks. It should also consider the risks of not delivering a service in an equitable, accessible manner, and especially to its most vulnerable residents such as those who are homeless

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 direct Human Resource implications arising from this report, but it should be noted that there is a separate Corporate Risk relating to Workforce Planning.

15. APPENDICES

- 15.1 Appendix A – the Corporate Risks & Opportunities with changed assessments.

16. CONTACT OFFICERS

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17. BACKGROUND PAPERS

- 17.1 The risks held on Pentana the Council's Performance and Risk Management IT system.

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APPENDIX A

PROPOSED SCHEME OF DELEGATION

| | Column A | Column B | Column C | Column D | Column E |
|--|---|-----------------------|---------------------------------------|--|-------------------|
| Activity | Cabinet | Cabinet Sub-Committee | Officers | PropCo Board of Directors | PropCo Management |
| Setting up of Company | Approval | | | | |
| Permitting the registration of any person as a shareholder of PropCo | | Approval | | Recommendation | |
| Appointment of directors of PropCo | | Approval | Recommendation for initial directors. | Recommendation | |
| Increasing the amount of PropCo's issued share capital | | Approval | | Recommendation | |
| Issuing any loan capital in PropCo or entering into any commitment with the Council with respect to the issue of any loan capital | Initial approval of maximum loan (£3 million) | | | Draw-down subject to Officer Delegated Authority decision from the Council side of the transaction | |
| Issuing any loan capital in PropCo or entering into any commitment with another Party with respect to the issue of any loan capital | | Approval | | Recommendation | |
| Passing any resolution for PropCo's winding up or presenting any petition for its administration | | Approval | | Recommendation | |
| Altering the name of PropCo | | Approval | | Recommendation | |

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|---|--|---|--|---------------------------------------|--|
| Adopting or amending the Business Plan of PropCo | | Approval | | Recommendation | |
| Undertaking action in accordance with the PropCo company's Business Plan including contract expenditure of PropCo within the parameters of the Business Plan | | | | Approval | |
| Taking any action outside the parameters of the Business Plans including but not limited to contract expenditure of PropCo outside the parameters of the Business Plans | | Approval | | Recommendation | |
| Changing the nature of PropCo's business or commencing any new business which is not ancillary or incidental to the PropCo company's business. | | Approval | | Recommendation | |
| Forming any subsidiary or acquiring shares in any other company or participating in any partnership or joint venture (incorporated or not). | | Approval | | Recommendation | |
| Amalgamating or merging with any other company or business undertaking | | Approval | | Recommendation | |
| Acquiring, disposing or agreeing to acquire or dispose of any asset, any interest in any asset (including the exercise of an option) or any other land or buildings | | Approval if not set out in Business Plans | | Approval if set out in Business Plans | |
| Making any loan or advance or giving credit (other than trade credit in the ordinary course) | | Approval if not set out in Business Plans | | Approval if set out in Business Plans | |
| Entering into any arrangement, contract or transaction outside the normal course of PropCo's Business or otherwise than on arm's length terms. | | Approval | | Recommendation | |

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|--|--|---|--|---|--|
| Giving notice of termination of any arrangements, contracts or transactions which are material in the nature of PropCo's Business, or materially varying any such arrangements, contracts or transactions. | | Approval | | Recommendation | |
| Declaring or paying any distribution in respect of profits, assets or reserves or in any other way reducing the reserves of PropCo. | | Approval | | Recommendation | |
| Approval of statutory accounts and appointment of auditors. | | Approval | | Recommendation | |
| Changing accounting and reporting policies. | | Approval | | Recommendation | |
| Negotiating and agreeing the terms of any material contracts. | | Approval | | Negotiation and recommendation | |
| Submission of any Planning Application (and material variation and s106 heads of terms) | | Approval if outside the contemplation of the Business Plans | | Approval if within the contemplation of the Business Plans | |
| Entering into contracts with external consultants | | | | Approval of appointment and terms for contracts | |
| Appointment and dismissal of staff | | | | Approval (subject to such delegations as determined by the Board) | |
| Appointment of asset valuers and approval of valuations | | | | Approval | |
| Giving a guarantee, suretyship or indemnity to secure the liabilities of any person or | | Approval over £500k | | Approval below £500k | |

| | | | | | |
|---|--|---|--|---|--|
| assume the obligations of any person | | | | | |
| Write down of asset value | | | | Approval | |
| Writing off debts | | Approval if over £10k in aggregate | | Approval if under £10k in aggregate | |
| Commencing any claim, proceedings or other litigation brought by or settling or defending any claim, proceedings or other litigation brought against PropCo, except in relation to debt collection in the ordinary course of the business | | | | Approval | |
| Entering into any transaction or arrangement which is not on an arm's length basis | | Approval | | Recommendation | |
| Approval to procurement of outside the provisions of the Procurement Policy | | Approval if value above £50k | | Approval if value below £50k and recommendation if value above £50k | |
| Variation of Procurement Policy | | Approval | | Recommendation | |
| Terminating any agreements which are material to PropCo's business | | Approval | | Recommendation | |
| Disposing of a substantial part of the business and/or assets of PropCo (i.e. comprising in excess of 10% of the balance sheet surplus credit figure from time to time) | | Approval. Can also approve an increase to the % | | Recommendation | |
| Entering into (or agreeing to enter into) any borrowing arrangement on behalf of PropCo and giving any security in respect of any such borrowing. | | Approval if outside Business Plan | | Approval if within Business Plan | |

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| CABINET 27 MARCH 2018 |
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| *PART 1 – PUBLIC DOCUMENT | AGENDA ITEM No. 6D |
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TITLE OF REPORT: ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE: 21 MARCH 2018 – THIRD QUARTER REVENUE MONITORING 2017/18

The following is an extract from the Draft Minutes of the Finance, Audit and Risk Committee meeting held on 21 March 2018.

82. THIRD QUARTER REVENUE MONITORING 2017/18

The Head of Finance, Performance and Asset Management presented a report in respect of Third Quarter Revenue Budget Monitoring for 2017/18.

The Head of Finance, Performance and Asset Management advised that Table 2 in the report provided a summary of the forecast budget variances, as at the end of the Third Quarter. He commented that the item relating to Parking Services (Lines and Signs Maintenance Works) had been amended so that the whole of the £55,000 variance would be carried forward into 2018/19.

The Head of Finance, Performance and Asset Management referred to Table 3 in the report, which identified the forecast level of unallocated Area Committee funds at the end of 2017/18. It would be a matter for Cabinet to decide whether or not these funds should be carried forward into 2018/19.

The Head of Finance, Performance and Asset Management answered a number of Members' questions regarding the report.

In respect of the Area Committee unallocated funds issue, the Committee agreed that the Cabinet should be requested and encouraged to carry forward these unallocated funds from 2017/18 into 2018/19.

RESOLVED: That the Third Quarter Revenue Budget Monitoring report for 2017/18 be noted.

RECOMMENDED TO CABINET: That Cabinet be requested and encouraged to carry forward the unallocated Area Committee funds from 2017/18 into 2018/19

REASON FOR DECISION: To provide an opportunity for the Committee to comment as appropriate on the Third Quarter Revenue Budget Monitoring report for 2017/18.

[Note: the report to which this referral relates is Item 8 on the agenda.]

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| CABINET 27 MARCH 2018 |
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| *PART 1 – PUBLIC DOCUMENT | AGENDA ITEM No. 7 |
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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

| |
|--|
| <p>1. EXECUTIVE SUMMARY</p> <p>1.1. The purpose of this report is to inform Members of the current positions regarding:</p> <ul style="list-style-type: none"> • Other Local Plans and Examinations • North Hertfordshire Local Plan • Neighbourhood Plans • Government announcements • Strategic Planning <p>2. RECOMMENDATIONS</p> <p>2.1 That the report on strategic planning matters be noted.</p> |
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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 Other Plans and Examinations

8.1.1 **Central Bedfordshire Council** – The pre-submission version of their Local Plan was published for consultation from 10 January to 21 February 2018. Officers prepared a representation in consultation with the Executive Member, attached as Appendix A.

8.1.2 **East Hertfordshire District Council** – is undertaking a six week main modification consultation between the 15 February and 29 March 2018. The schedule of main modifications can be viewed <https://www.eastherts.gov.uk/mainmodifications>. Officers, in consultation with the Executive Member will review the proposed modifications and, if necessary, prepare a response to the consultation. Any response will be attached to a future report.

The main modifications include an increase in housing need from 16,390 to 18,458, 839 new homes per year and a target for the creation of new jobs of 10,800 over the Plan period (2011- 2033).

8.1.3 **Welwyn Hatfield Borough Council** – Stage 3 of their examination concentrated on strategic policies and ran from 20 February until 22 February 2018. Details of Stage 4, Site allocations, have yet to be released. Welwyn Hatfield are currently carrying out additional work on Green Belt, infrastructure and housing at the request of the Inspector.

8.1.4 **Stevenage Borough Council** – There is no further update on the holding direction by The Secretary of State which was issued on 13 November 2017.

8.1.5 **St. Albans City & District Council** – following a Draft Issues and Options Consultation (Regulation 18) and 'Call for' new housing and employment sites from the 9 January to 21 February 2018, St. Albans Local Plan timetable is as follows:

- March – April 2018: review of consultation responses;
- May to June 2018: Preparation of Draft Local Plan;
- June – July 2018: Approval of Draft Local Plan; followed by
- Draft Local Plan consultation (Regulation 19), review of consultation responses and submission of Local Plan.

8.2 North Hertfordshire Local Plan

8.2.1 Officers are working on week 8 of the hearing sessions, the conclusion of the site allocations. Week 8 has been moved by a week and sessions will sit on Monday 26 March and Tuesday 27 March 2018. The hearing timetable can be found at <https://www.north-herts.gov.uk/planning/planning-policy/local-plan/local-plan-examination/hearings-timetable>

Following the closing of the Examination in Public officers will be completing the actions requested by the Inspector; these actions can be seen at: <https://www.north-herts.gov.uk/planning/planning-policy/local-plan/local-plan-examination/examination-actions>

8.3 Neighbourhood Plans

8.3.1 The Pirton neighbourhood plan examiners report was issued on 19 December 2017, with the following recommendation: *I am therefore pleased to recommend to North Hertfordshire District Council that, subject to the modifications proposed in this report,*

the Pirton Neighbourhood Development Plan can proceed to a referendum. Following Cabinet's resolution on 23 January 2018, the Referendum Poll took place on Thursday 08 March 2018 to decide the question:

'Do you want North Hertfordshire District Council to use the neighbourhood development plan for Pirton to help it decide planning applications in the neighbourhood area?'

520 votes were cast for 'yes' and 18 for 'no'.

8.3.2 Officers are working with Wymondley Parish Council to select an Examiner for their neighbourhood plan.

8.3.3 Officers prepared a response, in consultation with the Executive Member, to the draft Preston Parish Neighbourhood Plan that was out for consultation from 08 January to 18 February 2018, attached at Appendix B.

8.4 Government Announcements

8.4.1 National Planning Policy Framework (NPPF) – The Ministry of Housing, Communities & Local Government published its consultation on a revised NPPF on Monday 05 March with the consultation running until Thursday 10 May 2018. The text of the NPPF has been revised to implement policy changes previously consulted upon in the Housing White Paper (February 2017), *Fixing our Broken Housing Market*, and the September 2017 consultation, *Planning for the right homes in the right places*.

Alongside the revised draft NPPF, the Government are also consulting on proposed changes to the ways in which developer contributions can be sought through the planning system using Section 106 agreements and / or Community Infrastructure Levy. The outcomes of this process will help inform a decision on the best approach to developer contributions in North Hertfordshire later in 2018.

Officers will review the proposed changes and in consultation with the Executive Member prepare a response for circulation and/or inclusion in a future report.

8.4.2 In the Governments *Planning for the right homes in the right places* consultation last September they set out that the proposed new standardised method for calculating housing need should be used unless a Local Plan will be submitted for examination on or before 31 March 2018, or before the revised Framework is published (whichever is later). In light of the timetable for the NPPF consultation these transitional arrangements will now apply to any plans submitted before the final revised Framework is published.

8.4.3 Consultation on pre-commencement regulations - A consultation in February sought views on proposed regulations (Draft Town and Country Planning (Pre-commencement Conditions) Regulations 2018). Which if brought into force would prohibit the imposition of a pre-commencement condition on a grant of planning permission without the written agreement of the applicant. The proposed regulations would exempt local planning authorities from the requirement to obtain the written agreement of an applicant before imposing a pre-commencement condition on a grant of planning permission in the following circumstances:

- the local planning authority (or Secretary of State) has given notice in writing to the applicant that if planning permission is granted they intend to impose the pre-commencement condition specified in the notice, and
- the applicant does not provide a substantive response to the notice by the date specified in the notice

Officers have responded to the consultation which can be summarised as follows:

- That the need to secure an applicants agreement before imposing such conditions may result in unintended consequences such as:
 - a refusal of permission on the basis of lack of information; or
 - a change in the trigger point of a conditions, such as requesting the submission of details prior to occupation or within one month of commencement.

It must also be acknowledged that regular contact and co-operation with applicants is a requirement of the planning system at present without this proposed change to regulations.

8.4.4 Planning Delivery Fund – North Herts on behalf on Stevenage, East Herts and Welwyn Hatfield Councils submitted an Expression of Interest (Eoi) under the Joint Working Fund. The joint working bid focused on putting in place strong processes to consider:

- Long term housing & economic needs: To inform potential longer-term planning requirements including relationships to wider growth initiatives such as the Oxford to Cambridge Arc & London Stansted Corridor;
- Approaches to a new settlement/s: as a potential key strategic requirement of planning for the future, with a view to better defining the potential scope, scale, and purpose that a new settlement/s could play going forward. This will include joint consideration of:
 - Scale & typologies: to consider applicability of new settlement concepts to the area's context;
 - Strategic infrastructure implications: to better understand the relationships between settlement scale and infrastructure needs;
 - Viability: to better understand the viability implications of a new settlement/s in the area, including reference to local markets, values, and potential development costs, and related scope for land value capture.
- Growth Delivery Models: To further evolve the thinking on the potential role that the Councils could take in delivery.

The Eoi sought £250k of funding through to the end of 2018/19 and was successful; officers are currently working on the next steps.

8.5 Strategic Planning

8.5.1 The Local Planning Authorities in South West Hertfordshire (Dacorum, Hertsmere, Three Rivers, Watford and St. Albans) have been discussing the ways in which they can respond to the challenges of future growth demands by examining the options for strategic planning. This approach was confirmed at a meeting of relevant Leaders, Executive Members and officers on 23 January 2018 and work is underway with regard a Memorandum of Understanding (MoU). Both the County Council and the Local Enterprise Partnership will be invited to be signatories to the MoU.

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 2017/18 and 18/19. Officers are monitoring the impact of the extended Examination and the subsequent increase in costs. A financial risk has also been included for 2018/19 for any further work, such as that associated with any modifications to the Plan that cannot be quantified at this time.
- 10.2 Following the setting of the referendum for the Pirton Neighbourhood Plan, the Council can apply for £20k of funding to cover its costs and support other Plans coming forward. It is not known whether this grant will be available in 2018/19. A financial risk has been included for 2018/19 for any further work on Neighbourhood Planning that is not covered by the current reserve or future grants.

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.

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. Initial recruitment to these posts has been unsuccessful; however agency staff of the right experience and competencies have been employed where available to assist the team through the Examination stage of the Local Plan examination. Given the current and proposed extended timescales for the examination it is not envisaged that permanent recruitment (interviews planned for March 2018) can now be made to these posts in time to support existing officers.
- 14.2 As the Examination timetable has been extended and there is on-going work required before and as a result of each hearing day, Planning Policy officers are focusing full time on the Local Plan. Given this heavy and complex on-going workload that the examination process generates and the staff shortages currently within the service, it is not envisaged at this time that officers will be available or able to undertake work on any other projects. The Head of Development and Building Control and relevant service managers are meeting regularly to review workloads and will be keeping the relevant Executive Members up to date with regard the impact upon other projects and day to day workload.

15. APPENDICES

- 15.1 Appendix A: Response to Central Bedfordshire pre-submission Local Plan consultation.
- 15.2 Appendix B: Response to Preston draft Neighbourhood Plan consultation.

16. CONTACT OFFICERS

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17. BACKGROUND PAPERS

- 17.1 None.

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22 February 2018

Local Plan
Regeneration and Business
Central Bedfordshire Council
Priory House, Monks Walk
Chicksands
Shefford
Bedfordshire
SG17 5TQ

Our Ref: PL07/LA

Contact Officer: Louise Symes
Direct Line: (01462) 474359
E-mail: louise.symes@north-herts.gov.uk

Dear Ms Hillman-Gamble

North Hertfordshire District Council Response to the Central Bedfordshire Draft Local Plan (Regulation 19) consultation

Thank you for providing North Hertfordshire District Council (NHDC) the opportunity to comment on the Central Bedfordshire Pre-Submission Local Plan (Regulation 19) consultation.

As you will be aware, North Hertfordshire submitted its Local Plan to the Secretary of State for Examination on 9 June 2017. As stated in the Memorandum of Understanding (MoU) prepared between us for the North Hertfordshire Local Plan Examination, we have worked closely in developing our Local Plan and look forward to a continued constructive and proactive working relationship as your own Local Plan progresses towards examination.

Our plans share a range of evidence which has either been jointly prepared, or prepared to common principles. Both authorities can demonstrate a range of interactions under the statutory Duty to Co-operate and we are satisfied that, to date, this key legal test has been met.

Due to our ongoing Local Plan examination, NHDC's own planning resources are currently significantly stretched. This means we have simply not been able to analyse your plan and associated evidence base in the depth we would like at this stage in the process.

However, under the relevant statutory provisions, we are conscious that only those who make representations within the defined consultation period are entitled to appear at any future examination of the plan and then only on the issues raised in those representations.

In this context, NHDC needs to safeguard its position and ensure its ability to participate appropriately in any future examination. We are confident that, with further exploration of the evidence and / or joint working, the issues identified below can be resolved prior to, or through, the Examination process and are not intended as an obstacle to your desire to achieve a 'sound' plan. We are committed to ongoing liaison and maintaining the working relationship between our two authorities.



We would ask that the comments below are received and understood in this context.

The comments below all relate to the key tests of **justification** and **effectiveness** as set out in paragraph 182 of the NPPF in relation to the examination of local plans.

Housing market areas and Luton's unmet housing need

The NPPF identifies Housing Market Areas as the geographical basis for meeting housing needs. North Hertfordshire and Central Bedfordshire both contain parts of the Stevenage Housing Market Area and Luton Housing Market Area. These geographical areas were identified following completion of a joint study along with a number of other authorities.

Following the examination and adoption of Luton's local plan, the unmet housing need arising over their plan period of 2011-2031 has been quantified at 9,300 homes. North Hertfordshire's Local Plan, which covers the same period, is currently undergoing its own examination. The proposals in the plan include a strategic land allocation to the east of Luton for 2,100 homes, of which 1,950 would be a contribution towards these unmet needs.

Subject to this allocation being found sound, this would leave a residual of 7,350 homes if these unmet needs are to be met in full. The Housing Implementation Strategy identifies that your plan makes a contribution of 7,350 homes. These are to be delivered over the plan period to 2035.

Stevenage's Local Plan has recently been found sound and also covers the period 2011-2031.

NHDC has no objection in principle to the plan period of 2015-2035 identified by Central Bedfordshire. However, NHDC would welcome clarity within the plan and / or its evidence base as to the level of anticipated housing delivery within those parts of Central Bedfordshire in the Stevenage and Luton Housing Market Areas over the period 2011-2031 to enable the proposed delivery of new homes to be consistently understood and any remaining shortfalls to be appropriately considered.

Employment

The draft plan includes a range of proposed employment allocations. Previous joint work has identified economic linkages between our two authorities.

Both NHDC and Central Bedfordshire have previously committed to undertakings with Stevenage Borough Council to ensure their own shortfall in future employment provision can be addressed. Stevenage's employment requirements are driven, in part, by in-commuting from our two authorities.

NHDC's own plan includes a proposed employment allocation at Baldock which would meet Stevenage's unmet needs in full in relatively close proximity to the town. It is anticipated that, by the time of any future examination of the Central Bedfordshire Plan, there will be greater clarity on this issue. Dependent on the outcome of the NHDC examination, it may be necessary to make alterations to the



proposed employment strategy to ensure an appropriate balance between homes and jobs across the wider sub-region.

Transport / proposed site allocations

NHDC considers that further work may be required to ensure that the potential transport impacts of the Plan have been adequately assessed and that an appropriate strategy for mitigation has been identified. A number of sites and allocations are proposed close to our shared administrative boundary. This includes, but is not necessarily limited to, proposed strategic scale development east of Arlesey, at RAF Henlow and around Biggleswade.

Given the general nature of travel work patterns in the sub-region – where many people live to the north and travel south to work – the scale of development proposed within Central Bedfordshire will impact upon the road network within North Hertfordshire.

The plan is supported by updated transport modelling of proposed growth in Central Bedfordshire and contains some consideration of cross-border impacts on towns such as Hitchin.

Hitchin is identified in NHDC's own evidence as a town that is anticipated to be subject to highway stress over the period to 2031. Two Air Quality Management Areas have been declared within the town associated with highway junctions on key through routes.

Your updated evidence appears to use general growth assumptions for future development North Hertfordshire. This approach can 'smooth' the distribution of anticipated future vehicle traffic growth across the district rather than focussing it on the locations where it is actually anticipated to occur.

Significant development is planned within the District at Hitchin, Letchworth and Baldock, all of which lie close to the boundary with Central Bedfordshire. This plan is at a more advanced stage of preparation than Central Bedfordshire's and we would therefore expect this to be more realistically reflected in your modelling work to ensure the impacts of the additional growth proposed in your plan, and any necessary mitigations are correctly identified. This includes measures to encourage 'modal shift' away from car journeys to more sustainable modes of transport.

Similarly, the cumulative impacts of proposed development within and around Luton may require refined consideration.

In the above context, we would welcome a continuation of discussions with Central Bedfordshire and other parties regarding the A1/A1(M) corridor as well as a potential study looking at issues in and around the A505 corridor.

Green Belt

NHDC's local plan suggests the allocation of land to the north of Letchworth for development. This will leave a relatively narrow strip of Green Belt to the north and



north-west of Letchworth towards Stotfold as far as the administrative / County boundary which also forms the outer limit of the Metropolitan Green Belt in this area.

It is recognised that the area to the south of Stotfold within Central Bedfordshire is identified as a gap of strategic importance with an associated policy designation. NHDC does not object to the principle of the approach. However, we now consider allocating this land instead as an extension of the Green Belt might better reflect the strategic functions of Green Belt and development proposals in this cross-border area.

Built and natural environment

Given the proximity of many major sites to the North Hertfordshire border, it will be important to ensure the character of existing settlements, and the broad spatial relationships between them, are not unduly eroded as a result of growth. This includes relationships with nearby settlements within North Hertfordshire (including our own proposals for their future growth).

This may require amendments to relevant site-specific policies and / or supporting text to ensure (for example), appropriate separation or landscaping. We would additionally welcome the opportunity for further discussions to ensure the delivery of joined up green infrastructure and / or (off-road) sustainable transport routes.

Next steps

Following completion of our scheduled examination hearings and / or publication of any proposed Main Modifications and / or receipt of any (interim) Inspector's report, NHDC will be able to provide further clarity on our own plan insofar as it relates to the issues above. This will help to inform any future examination of your own plan.

It will also provide the opportunity for NHDC to consider the contents of your plan and its associated evidence base in further detail and determine the extent to which it is necessary to pursue the issues above through the examination process. At this stage we would wish to participate in the examination hearings.

As set out above, NHDC remains firmly committed to meaningful cooperation between our authorities and working together to ensure the issues raised in this letter are appropriately resolved.

Yours sincerely,

Councillor David Levett

Executive Member for Planning and Enterprise
North Hertfordshire District Council

NORTH HERTFORDSHIRE DISTRICT COUNCIL

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13 February 2018

Mr Wally Steele

Preston Neighbourhood Plan Steering Group

Our Ref:

LDF18/cs

Your Ref:

Cc : Mrs Margaret Trinder, PC Liaison

Mrs Lisa Lathane, Parish Clerk

Contact Officer:

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Direct Line:

01462 474424

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Clare.skeels@north-herts.gov.uk

Dear Mr Steele,

Preston Parish Neighbourhood Plan – Consultation Draft

Thank you for the opportunity to comment on the Preston Parish Neighbourhood Plan. We recognise the significant amount of work that has been undertaken by the Steering Group in preparation of this pre-submission consultation draft of the neighbourhood plan.

As you are aware, the Strategic Planning Team are fully engaged with the Local Plan Examination but to meet your consultation deadline I have outlined some brief, overarching comments on the Neighbourhood Plan. The following comments have been made in the context of the Proposed Submission Version of the Local Plan. However, it is inevitable that some of the policies in the Proposed Submission Local Plan will change as the local plan examination progresses and the Parish Council should take this into account as it develops the Neighbourhood Plan further.

Policies CR1, CR2 and CR3

These policies do not need to be included in the neighbourhood plan. The Community Rights to Bid, Build and Right to Reclaim Land are all subject to processes outside the planning system and as such these policies cannot be used in the determination of planning applications.

Policies QL1, QL2 and QL3

These policies, as written, are more aspirational and it is suggested that the detailed wording of these policies should be re-considered to enable them to be used effectively when determining planning applications.

Policy HD1

This policy appears to be contrary to the proposals in the emerging Local Plan, where a site has been allocated for 21 dwellings. Or is it the intention of the policy to restrict all additional future development to small scale proposals of five or fewer dwellings, unless demonstrated as an exception site?

Policy HD4

The emerging Local Plan includes an affordable housing policy which includes thresholds for the provision of affordable housing. There is no provision for development sites of below 11 dwellings to make provision for any affordable housing. If the neighbourhood plan includes a policy to restrict development to small sites (Policy HD1), below the affordable housing threshold it is difficult to see how affordable housing can be provided in the village (such as for first time buyers, Policy HD3), except through the development of an exception site.

Policy HD7

Whilst we understand the aims of this policy, should it be clarified to set out whether a shared garden would be appropriate in some circumstances, for example in a development scheme for elderly people?

Policy HD9

Currently, planning applications for extensions which are within a metre of a property boundary can be approved but it is unclear from the policy as it is currently worded whether it is intended that residential extensions at ground floor level should be at least 1m away from the boundary of the property. In the emerging Local Plan, Policy D2: House extensions, replacement dwellings and outbuildings, does give a distance for side extensions at first floor level adjoining a residential plot should be at of 1m from the boundary. In preparing the next version of the neighbourhood plan, it might be beneficial for the Steering Group to discuss this further with the District Council.

Policy HD11

The District Council does try and manage construction traffic and activity through development management decisions, by way of condition, but normally only for developments in excess of 10 dwellings. Is it intended that the policy applies to all development? In preparing the next version of the neighbourhood plan, it might be beneficial for the Steering Group to discuss this further with the District Council.

Policy EH3

Would it be appropriate to include a map of the green infrastructure to which this policy applies? As it stands, the policy is not clear and would be difficult to use in determining planning applications. It would be possible for the neighbourhood plan to designate local green spaces which would help to demonstrate which areas of open space are particularly important to the community. Local green spaces could also include the significant ponds mentioned in Policy EH10. If the Steering Group needs any assistance with preparing a map, we would be pleased to discuss this.

Policy EH4

Could the policy be clarified to establish what is meant by a “clear visual break”? Given that there is some distance between Preston and the settlements listed in the policy it would be difficult to assess whether a development would encroach on a “clear visual break”.

Policy EH7

The last sentence of the policy should be deleted from the policy and included in the supporting text.

Policy EH9

Could policies HD8 and EH9 be combined into a single policy which encompasses flood risk and drainage provisions?



Policy TC1

Following the examination hearing sessions on the Local Plan, consideration is being given to a proposed modification to the residential parking standards, which includes the provision of a minimum of 3 parking spaces for 4+ bedrooms. The Steering Group may wish to review criteria 'c)' accordingly.

Implementation Plan

It is important to note that whilst the District Council does monitor all planning applications this is undertaken with a view to collecting data about the type and locations of development that is taking place across the District. The Council welcomes the acknowledgment that the Parish Council will be monitoring the effectiveness of the neighbourhood plan.

General comments

There are a number of policies which would benefit from being clearer as they will need to be used in determining planning applications. There is guidance available from Locality and Planning Aid England which should be helpful to the Steering Group when reviewing the policies and making them as effective as possible.

I hope that these comments will be helpful to you in taking the neighbourhood plan forward to the next stage. The Council would welcome the opportunity to discuss the policies in further detail once the Steering Group has analysed the consultation responses and before the neighbourhood plan is submitted. If you would like to discuss the comments further, please do not hesitate to contact me.

Yours sincerely

Clare Skeels
Senior Planning Officer

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CABINET
27 MARCH 2018

***PART 1 – PUBLIC DOCUMENT**

AGENDA ITEM No.

8

TITLE OF REPORT: THIRD QUARTER REVENUE MONITORING 2017/18

REPORT OF THE HEAD OF FINANCE, PERFORMANCE AND ASSET MANAGEMENT
EXECUTIVE MEMBER: COUNCILLOR JULIAN CUNNINGHAM
COUNCIL PRIORITY: RESPONSIVE AND EFFICIENT

1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to inform Cabinet of the summary position on revenue income and expenditure forecasts for 2017/18, as at the end of the third quarter (31 December 2017). There is a forecast variance for 2017/18 of **£60k increase** from the working budget of £16.415million, with an impact in the following year of **£30k increase**, and a request to carry forward budget of **£55k** to fund a specific project in 2018/19. Within these summary totals there are several budget areas with more significant variances, which are detailed and explained in table 2. The report also provides an update on;
- the progress with the planned delivery of efficiencies (paragraph 8.3)
 - the use of budget approved to be carried forward from 2016/17 (paragraph 8.4)
 - performance against the four key corporate 'financial health' indicators (paras 8.5-8.7)
 - the overall forecast funding position for the Council and factors that may affect this (paras 8.8 – 8.14)

2. RECOMMENDATIONS

- 2.1 That Cabinet note this report.
- 2.2 That Cabinet approves the changes to the 2017/18 General Fund budget, as identified in table 2 and paragraph 8.2, a £60k increase in net expenditure.
- 2.3 That Cabinet approves the changes to the 2018/19 General Fund budget, as identified in table 2 and paragraph 8.2, a £85k increase in net expenditure.

3. REASONS FOR RECOMMENDATIONS

- 3.1 Members are able to monitor and request appropriate action of Services who do not meet the budget targets set as part of the Corporate Business Planning process.
- 3.2 Changes to the Council's balances are monitored and approved.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Budget holders have considered the options to manage within the existing budget but consider the variances reported here necessary and appropriate.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 Consultation on the budget monitoring is not required. Members will be aware that there is wider consultation on budget estimates during the corporate business planning process each year.

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 2nd February 2018.

7. BACKGROUND

- 7.1 Council approved the revenue budget in February 2017 of £16.545 million. As at quarter 3 the working budget has reduced to £16.415 million. Table 1 below details the approved changes to this budget to get to the current working budget:

Table 1 - Current Working Budget

| | £k |
|--|---------------|
| Original approved budget for 2017/18 | 16,545 |
| Proposed Crematorium at Wilbury Hills Cemetery - Interim Report On Business Case – approved by Cabinet 28 th March 2017 | 50 |
| Quarter 3 2016/17 Revenue Monitoring report - 2017/18 budget changes approved by Cabinet (March 2017) | 199 |
| 2016/17 Revenue Outturn Report - 2017/18 budget changes approved by Cabinet (June 2017) | 228 |
| Quarter 1 2017/18 Revenue Monitoring report - 2017/18 variances approved by Cabinet (September 2017) | 208 |
| Quarter 2 2017/18 Revenue Monitoring report - 2017/18 variances approved by Cabinet (November 2017) | (131) |
| Revenue monitoring included within 2018/19 budget report – 2017/18 variances approved by Cabinet (January 2018) | (684) |
| Current Working Budget | 16,415 |

8. RELEVANT CONSIDERATIONS

REVENUE INCOME AND EXPENDITURE FORECASTS

- 8.1 Service Managers are responsible for monitoring their expenditure and income against their working budget. Table 2 below highlights those areas where there are forecast to be differences. An explanation is provided for each of the most significant variances, which are generally more than £25k. The final column details the estimated impact on the 2018/19 budget:

Table 2 - Summary of forecast variances

| Budget Area | Working Budget £k | Forecast £k | Variance £k | Reason for difference | Carry Forward Request £k | Estimated Impact on 2018/19 £k |
|--|------------------------------|------------------------|------------------------|--|---|---|
| Planning Services - Income | -850 | -1,093 | -243 | £210k of the forecast additional planning application income is associated with the receipt of two large applications for developments in Baldock. In addition, a further £33k is also now anticipated following Government passing legislation to allow authorities to increase planning fees by 20%. The increase in fees came into effect on the 17th January. A condition of the legislation is that the resulting additional income is re-invested in the development of the service, hence it is requested that the additional £33k income is used to fund additional planning resources in 2018/19. | 0 | 33 |
| Planning Services – Transfer to reserve | +122 | +328 | +206 | £4k of the £210k additional planning receipts anticipated above has been earmarked to meet costs connected to the planning software system upgrade. It is requested that the remaining amount is transferred to an earmarked reserve. As discussed at Cabinet in December and indicated in the financial risks for 2018/19, there are significant risks associated with the progress of the Council's Local Plan. | 0 | 0 |
| TOTAL | -728 | -765 | -37 | The balance in the earmarked reserve will therefore be used to mitigate the financial impact of associated risk(s) materialising in the coming years. | 0 | 33 |
| Income from NHDC Burial Grounds | -329 | -276 | +53 | Income from the sale of burial plots, interment, monuments and inscriptions in April to December 2017 is 14% lower than the equivalent period in 2016. This could be a consequence of the opening of the Memoria crematorium in Holwell in June 2017. This new provision has made the option of cremation more accessible for North Herts residents, which would contribute to a reduction in requests received for ground burials. | 0 | 0 |
| Parking Services – Lines and Signs Maintenance Works | +67 | +12 | -55 | Progress in commissioning works identified from the lines and signs audit has not been as expected this year due to a lack of staffing resource available, with other staff members within the Strategic Planning Team focused on progressing the Council's Local Plan. It is requested that the forecast underspend be carried forward to fund the cost of the works outstanding in 2018/19. | 55 | 0 |

| Budget Area | Working Budget £k | Forecast £k | Variance £k | Reason for difference | Carry Forward Request £k | Estimated Impact on 2018/19 £k |
|--|----------------------|----------------|----------------|--|--------------------------------|---|
| Hitchin Town Hall Income | -204 | -146 | +58 | The delayed opening of the Café and Museum has reduced the income expectation from the facility in this year. The opening of the museum and café was expected to increase the footfall around the facility and so help in raising awareness of what services and activities are available. Lower than expected income from the facility was identified as a financial risk. | 0 | 0 |
| Leisure Services Leisure Centre Repairs and Maintenance | 11 | 54 | +43 | The majority of the expenditure in this year has been incurred at Archers and Hitchin Swim Centre and has included plant room maintenance as well as repairs to outside paving and fencing. It is proposed that these works are funded from the Leisure Maintenance earmarked reserve, a provision which has been maintained over a number of years in order to meet more significant maintenance costs required at the Council's Leisure Centres. | 0 | 0 |
| Transfer to / from earmarked reserve | 0 | -43 | -43 | | 0 | 0 |
| TOTAL | 11 | 11 | 0 | | 0 | 0 |
| Total of explained variances | -1,183 | -1,164 | +19 | | +55 | +33 |
| Other minor balances | 17,632 | 19,583 | +41 | | 0 | -3 |
| Overall Total | 16,415 | 16,475 | +60 | | +55 | +30 |

8.2 Cabinet are asked to approve the differences highlighted in the table above, a **£60k increase** in spend, as an adjustment to the working budget for 2017/18 (recommendation 2.2). Cabinet are asked to approve the estimated impact on the 2018/19 budget, a **£85k increase** in budget (recommendation 2.3), which includes the request to carry forward £55k of budget from 2017/18 to 2018/19 for projects that are not expected to be completed by the end of the financial year

8.3 The original approved budget for 2017/18 (and therefore working budget) included efficiencies totalling £929k, which were agreed by Council in February 2017. Any under or over delivery of efficiencies will be picked up by any budget variances (table 2 above). However there can be off-setting variances which mean that it is unclear whether the efficiency has been delivered. Where this is the case, this will be highlighted. The current forecast is a net overachievement of £206k. This relates to:

- Net overachievement reported at Q1 of £50k
- Net underachievement reported at Q2 of £165k
- Planning income; further overachievement of £379k, of which £137k was highlighted in the month 8 revenue monitor and the remaining £243k highlighted in table 2 above.
- Income generated from Hitchin Town Hall Community Facility; an underachievement of £58k detailed in table 2 above.

8.4 The working budget for 2017/18 includes budgets totalling £642k that were carried forward from the previous year. These are generally carried forward so that they can be spent for a particular purpose that had been due to happen in 2016/17 but was delayed into 2017/18. At quarter 3 it is currently forecast that a total of £151k of the budget carried forward will not be spent in the current financial year. This relates to;

- Reported at Q1 that one carry forward budget of £20k would not be spent.
- Reported at Q2 that a further £55k of budget carried forward (relating to two earmarked projects) would not be spent.
- Reported in the month 8 revenue monitor that the carry forward budget of £13k to assist with the review of Housing Strategy would not be spent in 2017/18 and was requested to be carried forward into 2018/19.
- Reported in the month 8 revenue monitor that the carry forward budget of £25k to fund the NHDC contribution to a joint project to improve energy efficiency in residents' properties would be partially spent (£12k spend forecast) in 2017/18, with the unspent amount (£13k) requested to be carried forward into 2018/19.
- Reported in the month 8 revenue monitor that a further £18k of the total carry forward budget of £52k to fund the Economic Development Officer position would not be spent in 2017/18 and was requested to be carried forward into 2018/19.
- Legal Services Contract scanning; £6k of the carry forward budget of £20k was required to complete this project (the £14k underspend variance was included within the 'other minor variances' total in the month 8 revenue monitor).
- Parking lines and signs maintenance; £12k of the carry forward budget of £42k will be spent in 2017/18 (as detailed and explained in table 2 above).
- Waste services; only £6k of the £11k carry forward budget to fund the cost of temporary additional staffing resource will be spent in 2017/18 as the post holder has taken up a new position and will not be replaced. The remainder is within the 'other minor balances' total in table 2 above.

All other carry forward budgets are expected to be spent in 2017/18.

8.5 The revenue monitor at month 8 included a request to carry-forward £60k of area committee budget in to 2018/19. Cabinet asked for more information on this to be provided in this quarter 3 monitor. Table 3 shows that even if all the March bids were approved, there would still be £40k unallocated. Cabinet could decide that this amount should not be carried forward, and that only amounts that have been allocated but not yet paid can be carried forward. The amount carried forward in to 2017/18 (from 2016/17) was £49.5k.

Table 3- Area Committee Grant forecasts

| Area Committee | Total 2017/18 budget (after 2016/17 carry-forward) £k | Grants paid as at February £k | Grants awarded but not paid £k | Bids received for March meeting £k | Amount still unallocated if all March bids approved £k |
|----------------|---|-------------------------------|--------------------------------|------------------------------------|--|
| Letchworth | 26.4 | 4.9 | 1.2 | 3.0 | 17.3 |
| Hitchin | 42.4 | 20.1 | 3.4 | 7.8 | 11.1 |
| Royston | 10.7 | 6.7 | 1.5 | 2.5 | 0 |
| Southern Rural | 22.3 | 8 | 3.7 | 5.8 | 4.8 |
| Baldock | 21.7 | 4.3 | 6.6 | 4.0 | 6.8 |
| Total | 123.5 | 44.0 | 16.4 | 23.1 | 40.0 |

- 8.6 There are 4 key corporate 'financial health' indicators identified in relation to key sources of income for the Council. Table 3 below shows the income to date and forecasts for the year. A comparison is made to the original budget to give the complete picture for the year. Each indicator is given a status of red, amber or green. A green indicator means that they are forecast to match or exceed the budgeted level of income. An amber indicator means that there is a risk that they will not meet the budgeted level of income. A red indicator means that they will not meet the budgeted level of income. Currently two indicators are green and two indicators are red.
- 8.7 The red indicator in relation to car parking fees was highlighted within the revenue monitoring report at quarter 2 and relates to the additional parking fee income anticipated from the Parking Strategy review that will not be achieved.
- 8.8 At quarter 3 the status of the land charges indicator is red. The number of searches requested to be undertaken by the authority has reduced in comparison to the prior financial year. At Quarter 3 2016/17 the number of searches requested totalled 1,384, while search numbers for the equivalent period in 2017/18 total 1,267. This is attributed to a change in housing market activity, which drives demand for personal searches. The forecast income variance of £15k is included within the 'other minor variances' total in table 2 above.

Table 4- Corporate financial health indicators

| Indicator | Status | Original Budget £k | Actual income to date £k | Forecast income for the year £k | Projected Variance £k |
|---|---------------|-------------------------------|-------------------------------------|--|----------------------------------|
| Planning Application Fees (including fees for pre-application advice) | Green | (683) | (829) | (1,168) | (485) |
| Land Charges | Red | (174) | (118) | (159) | 15 |
| Car Parking Fees | Red | (1,813) | (1,320) | (1,745) | 68 |
| Parking Penalty Charge Notices | Green | (410) | (407) | (585) | (175) |

FUNDING, RISK AND GENERAL FUND BALANCE

- 8.9 The Council's revenue budget is funded from the following main sources; Council Tax, New Homes Bonus, Retained Business Rates and Revenue Support Grant. The Council was notified by Central Government in February 2017 of the respective amounts of New Homes Bonus and Revenue Support Grant funding it can expect to receive in 2017/18 and has planned accordingly.
- 8.10 Council Tax and Business Rates are accounted for in the Collection Fund rather than directly in our accounts, as we also collect them on behalf of others (e.g. County Council). Each organisation has a share of the balance on the Collection Fund account. Current forecasts for 2017/18 are that there will be a surplus on our share of Council Tax of approximately £270k and a deficit on Business Rates of around £650k.
- 8.11 The Council also receives compensation in the form of a grant from Central Government for business rate reliefs introduced, which goes in to our funds rather than the Collection Fund. We are holding this amount in a reserve. Use of the amount held in reserve, currently projected to be £932k at the end of the year, will mitigate the impact on the General Fund balance in 2018/19 of the contribution to the Collection Fund to cover the Business Rates deficit recorded for 2017/18.

- 8.12 The Council is also subject to a business rates levy from Central Government as it is expected that NHDC will collect more in business rates than the baseline need determined by Central Government. The estimated levy required is currently forecast to be £378k. The payment of the levy will be funded from the grant held in reserve.
- 8.13 The estimate of retained business rates income for 2017/18 has increased by £16k at Q3. This revision follows notification from the Ministry of Housing, Communities and Local Government (MHCLG) of a revised 2017/18 tariff value, which is based on the revaluation data as at 1 April 2017. The original tariff value was calculated on draft revaluation data as at September 2016. On receipt of the final revaluation data from the Valuation Office Agency the MHCLG has adjusted the top up and tariff amounts for local authorities to reflect what the value should have been had the 1 April 2017 information been available at the time of originally calculating the 2017/18 top up and tariff figures.
- 8.14 Table 4 below summarises the impact on the projected general fund balance from the changes at quarter 3 detailed in this report.

Table 5 – Forecast General Fund impact

| | Working Budget £k | Q3 Projected Outturn £k | Difference £k |
|--|----------------------------------|--|--------------------------|
| Brought Forward balance (1st April 2017) | (8,235) | (8,235) | - |
| Projected Net Spend | 16,415 | 16,475 | 60 |
| Funding (Council Tax, Business Rates, RSG) | (15,573) | (15,589) | (16) |
| Contribution to Collection Fund | 741 | 741 | 0 |
| Funding from Reserves (including Business Rate Relief Grant) | (373) | (373) | 0 |
| Carried Forward balance (31st March 2018) | (7,025) | (6,981) | 44 |

- 8.15 The minimum level of General Fund balance is determined based on known and unknown risks. Known risks are those things that we think could happen and we can forecast both a potential cost if they happen, and percentage likelihood. The notional amount is based on multiplying the cost by the potential likelihood. The notional amount for unknown risks is based on 5% of net expenditure. There is not an actual budget set aside for either of these risk types, so when they occur they are reflected as budget variances (see table 2). We monitor the level of known risks that actually happen, as it highlights whether there might be further variances. This would be likely if a number of risks come to fruition during the early part of the year. We also use this monitoring to inform the assessment of risks in future years. The notional amount calculated at the start of the year for known risks was £795k, and by the end of quarter three a total of £385k have come to fruition. The three identified risks realised in the third quarter relate to;
- Cost of specialist external legal advice in relation to an appeal made against a Council Planning Committee decision (included within 'other minor balances' in table 7 of the 2018/19 budget report). £15k
 - Further delay to the opening of the North Herts Museum and Cafe hindering the achievement of the operating surplus anticipated from the Community facility, as detailed in table 2. £58k
 - The cost of specialist advice in relation to a gypsy and traveller planning appeal case (included within 'other minor balances' in table 2). £10k

Table 6 – Known financial risks

| | £'000 |
|--|--------------|
| Original allowance for known financial risks | 795 |
| Known financial risks realised in Quarter 1 | (144) |
| Known financial risks realised in Quarter 2 | (158) |
| Known financial risks realised in Quarter 3 | (83) |
| Remaining allowance for known financial risks | 410 |

9. LEGAL IMPLICATIONS

- 9.1 The Cabinet has a responsibility to keep under review the budget of the Council and any other matter having substantial implications for the financial resources of the Council. Specifically 5.6.8 of Cabinet's terms of reference state that it has remit "*To monitor quarterly revenue expenditure and agree adjustments within the overall budgetary framework*". By considering monitoring reports throughout the financial year Cabinet is able to make informed recommendations on the budget to Council. The Council is under a duty to maintain a balanced budget and to maintain a prudent balance.

10. FINANCIAL IMPLICATIONS

- 10.1 Members have been advised of any variations from the budgets in the body of this report and of any action taken by officers.

11. RISK IMPLICATIONS

- 11.1 As outlined in the body of the report. The process of quarterly monitoring to Cabinet is a control mechanism to help to mitigate the risk of an unplanned overspend of the overall Council budget.

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 For any individual new revenue investment proposal of £50k or more, or affecting more than two wards, a brief equality analysis is required to be carried out to demonstrate that the authority has taken full account of any negative, or positive, equalities implications; this will take place following agreement of the investment.

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 Although there are no direct human resource implications at this stage, care is taken to ensure that where efficiency proposals or service reviews may effect staff, appropriate communication and consultation is provided in line with HR policy.

15. APPENDICES

15.1 None.

16. CONTACT OFFICERS

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17. BACKGROUND PAPERS

17.1 Budget Estimate Book 2017/18.

17.2 Statement of Accounts 2016/17.

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| CABINET 27 MARCH 2018 |
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| PART 1 – PUBLIC DOCUMENT | AGENDA ITEM No. 9 |
|---------------------------------|--|

TITLE OF REPORT: THIRD QUARTER CAPITAL MONITORING 2017/18

REPORT OF THE HEAD OF FINANCE, PERFORMANCE AND ASSET MANAGEMENT
EXECUTIVE MEMBER: CLLR JULIAN CUNNINGHAM
COUNCIL PRIORITY: RESPONSIVE AND EFFICIENT

1. EXECUTIVE SUMMARY

- 1.1 To update Cabinet on progress with delivering the capital programme for 2017/18, as at the end of December 2017, and indicating its impact upon the approved capital programme for 2018/19 - 2021/22. The current estimate is a decrease in spend in 2017/18 of £4.167million from that reported when the Capital Programme for 2018/19-2021/22 was approved by Council in February 2018, and an increase in spend in future years of £4.139 million. The most significant individual changes are the inclusion of the purchase of kitchen caddies to support the new weekly collection of food waste service from May 2018 and the re-profiling of the capital expenditure allocations for new waste vehicles and housing investment into 2018/19.

2. RECOMMENDATIONS

- 2.1 That Cabinet notes the forecast expenditure of **£10.903million** in 2017/18 on the capital programme, paragraph 8.2 refers, and approves the adjustments detailed in table 3 which resulted in a net decrease on the working estimate of **£0.028million**.
- 2.2 That Cabinet approves the adjustments to the capital programme for 2018/19 onwards as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend in 2018/19 by **£4.139million** (re-profiled from 2017/18).
- 2.3 That Cabinet notes the position of the availability of capital resources, as detailed in table 4, and the requirement to keep the capital programme under review for affordability.

3. REASONS FOR RECOMMENDATIONS

- 3.1 Cabinet is required to approve revisions to the capital programme.
- 3.2 Cabinet is required to ensure that the capital programme is fully funded.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Options for capital investment are considered as part of the Corporate Business Planning process.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 Consultation on the capital expenditure report is not required. Members will be aware that consultation is incorporated into project plans of individual capital schemes as they are progressed.

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 2nd February 2018.

7. BACKGROUND

- 7.1 In February 2017, Council approved the capital programme for 2017/18 to 2020/21. This was subsequently amended by reprogramming from 2016/17 and re-profiling at the first quarter and second quarter.
- 7.2 The Medium Term Financial Strategy for 2017 to 2022 confirmed that the Council will seek opportunities to utilise capital funding (including set aside receipts) for invest to save schemes and proposals that generate higher rates of return than standard treasury investments. This is one way the Council will allocate resources to support organisational transformation that will reduce revenue expenditure.

8. RELEVANT CONSIDERATIONS

Capital Programme 2017/18

- 8.1 Summaries of the capital programme by Council priority and service are shown in appendix A together with the overall funding analysis and projected availability of capital funding balances (set aside and capital receipts). The full programme is detailed in Appendix B and shows the revised costs to date, together with the expected spend from 2017/18 to 2021/22 and the funding source for each capital scheme.
- 8.2 Capital expenditure for 2017/18 is estimated to be **£10.903million**. This is a reduction of **£4.167million** on that forecast when the capital programme for 2018-22 was recommended by Cabinet to Council for approval in February (reported to Cabinet on 23 January 2018). The decrease in spend in 2017/18 is largely due to re-profiling of spend into future years. Table 1 below details changes to capital programme.

Table 1- Current Capital Estimates

| | 2017/18 £M | 2018/19 £M | 2019/20 to 2021/22 £M |
|---|---------------|---------------|-----------------------------|
| Original Estimates approved by Full Council February 2017 | 8.465 | 4.788 | 3.197 |
| Changes approved by Cabinet in 2016/17 Capital Outturn report | 12.125 | -0.365 | 0.025 |
| Revised Capital estimates at start of 2017/18 | 20.590 | 4.423 | 3.222 |
| Changes approved by Cabinet at 1 st Quarter | -5.451 | 5.234 | 0 |
| Changes approved by Cabinet at 2 nd Quarter | -0.619 | 0.923 | 0 |

| | 2017/18 £M | 2018/19 £M | 2019/20 to 2021/22 £M |
|--|---------------|---------------|-----------------------------|
| Revised Capital Programme 2018 – 2022 approved by Council | 0.550 | 1.930 | 1.343 |
| Capital Estimates at Q3 | 15.070 | 12.510 | 4.565 |
| Changes at Q3 detailed in this report | -4.167 | 4.139 | 0.000 |
| Current Capital Estimates | 10.903 | 16.649 | 4.565 |

- 8.3 Table 2 lists changes to the 2017/18 Capital Programme and the impact in subsequent years:

Table 2: Scheme Timetable Revision:

(Key: - = reduction in capital expenditure, + = increase in capital expenditure)

| Scheme | 2017/18 Working Budget £'000 | 2017/18 Forecast Spend £'000 | Difference £'000 | Reason for Difference | Estimated impact on 2018/19 onwards £'000 |
|---|---|---|-----------------------------|--|--|
| NH Museum & Community Facility | 146 | 101 | -45 | The remaining fit out will impact on 14/15 Brand street premises, so the works have been put on hold until premises arrangements have been resolved. | 45 |
| St Mary's car park. Structural repairs to steps | 35 | 0 | -35 | A product is being tested which seems to be working well. Any further work will be deferred until fully tested. | 35 |
| Storage Facilities | 40 | 7 | -33 | Scoping works are underway with a view to carrying out the installation of a mezzanine floor in 2018/19. | 33 |
| Waste and Street Cleansing Vehicles | 3,600 | 0 | -3,600 | The Waste contractor will procure the vehicles themselves, however the budget is still likely to be required to cover the capitalised cost of the vehicles used in the contract. | 3,600 |
| Provide housing at market rents | 200 | 0 | -200 | A business case for a property company is to be determined by the Cabinet Sub Committee. The cost of any capital works will only happen once the company is established, which requires Cabinet approval | 200 |

| Scheme | 2017/18 Working Budget £'000 | 2017/18 Forecast Spend £'000 | Difference £'000 | Reason for Difference | Estimated impact on 2018/19 onwards £'000 |
|---|---------------------------------------|---------------------------------------|---------------------|---|---|
| Hitchin Outdoor Pool Showers and Toilets | 75 | 0 | -75 | The lowest tender price submitted for the Hitchin and Letchworth sites was £36k greater than the total budget. The project will be deferred to the new year so value engineering can be done in this year to determine if the costs can be reduced. | 75 |
| Letchworth Outdoor Pool Showers and Toilets | 75 | 0 | -75 | | 75 |
| | | | | | |
| Total Minor (under £25k) slippage on other projects | | | -76 | | 76 |
| | | | | | |
| Total Revision to Budget Profile | | | -4,139 | | 4,139 |

8.4 There are also changes to the overall costs of schemes in 2017/18. These changes total a net decrease of £0.028million and are detailed in Table 3:

Table 3: Changes to Capital Schemes Commencing in 2017/18:

(Key: - = reduction in capital expenditure, + = increase in capital expenditure)

| Scheme | 2017/18 Working Budget £'000 | 2017/18 Forecast Spend £'000 | Difference £'000 | Comments |
|--|---------------------------------------|---------------------------------------|---------------------|--|
| Purchase of Kitchen Caddies | 0 | 132 | 132 | Purchase of Kitchen Caddy Liners was agreed at Full Council on 23.11.17 |
| Letchworth Multi Storey Safety Edge Protection Fencing | 120 | 0 | -120 | A structural survey confirmed that the walls are not strong enough to have fencing attached to them. |
| Hitchin & Royston Fitness Equipment | 520 | 490 | -30 | The final tendered price for the equipment and associated works was less than the original price quoted. |
| Other minor changes | | | -10 | |
| Total revision to scheme spend | | | -28 | |

Capital Programme 2017/18 Funding onwards

8.5 Table 4 below shows how the Council will fund the 2017/18 capital programme.

Table 4: Funding the Capital Programme:

| | 2017/18 Balance at start of year | 2017/18 Forecast Additions | 2017/18 Estimated Use of Funding | 2017/18 Forecast Balance at end of year |
|---|---|---|---|--|
| | £M | £M | £M | £M |
| Useable Capital Receipts | 3.221 | 1.200 | (1.865) | 2.556 |
| Set-aside Receipts | 16.642 | | (7.620) | 9.022 |
| <i>S106 receipts</i> | | | (0.328) | |
| <i>Other third party grants and contributions</i> | | | (1.090) | |
| Total | 19.863 | 1.200 | (10.903) | 11.578 |

- 8.6 The availability of third party contributions and grants to fund capital investment is continuously sought in order to reduce pressure on the Council's available capital receipts and allow for further investment.

9. LEGAL IMPLICATIONS

- 9.1 Cabinet's terms of reference specifically include "to monitor expenditure on the capital programme and agree adjustments within the overall budgetary framework". The Cabinet also has a responsibility to keep under review the budget of the Council and any other matter having substantial implications for the financial resources of the Council. By considering monitoring reports throughout the financial year Cabinet is able to make informed recommendations on the budget to Council. The Council is under a duty to maintain a balanced budget.
- 9.2 Asset disposals must be handled in accordance with the Council's Contract Procurement Rules.

10. FINANCIAL IMPLICATIONS

- 10.1 The main financial implications are covered in section 8 of the report.
- 10.2 The Authority operates a tolerance of at least 10% on capital projects (dependent on value) and on this basis over the duration of the programme it should be anticipated that the total spend over the period could be around £3.2million higher than the estimated £32.117million.
- 10.3 The capital programme will need to remain under close review due to the limited availability of capital resources and the affordability in the general fund of the cost of using the Council's capital receipts. When capital receipts are used and not replaced the availability of cash for investment reduces. Consequently interest income from investments reduces. A cash balance of £1.0million currently earns the Authority approximately £8k per year in interest. The general fund estimates are routinely updated to reflect the reduced income from investments as cash balances reduce. When the Capital Financing Requirement (CFR) reaches zero the Council will need to consider borrowing for further capital spend and will need to start charging a minimum revenue provision to the general fund for the cost of capital. The CFR at the 31 March 2017 was negative £17million.
- 10.4 The Council also aims to ensure that the level of planned capital spending in any one-year matches the capacity of the organisation to deliver the schemes to ensure that the impact on the revenue budget of loss of cash-flow investment income is minimised.

11. RISK IMPLICATIONS

- 11.1 The inherent risks in undertaking a capital project are managed by the project manager of each individual scheme. These are recorded on a project risk log which will be considered by the Project Board (if applicable). The key risks arising from the project may be recorded on Pentana (the Council's Performance & Risk management software). Some of the major capital projects have been included as the Council's Top Risks (e.g. North Hertfordshire Museum). The Top Risks are monitored by the Finance, Audit and Risk Committee.
- 11.2 Cabinet receives quarterly reports on project progress and forecast spend

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 For any individual new capital investment proposal of £50k or more, or affecting more than two wards, an equality analysis is required to be carried out; this will take place following Cabinet agreement of the investment. A sound management of funds ensures that the Council has sufficient monies to support the improvement of district facilities.

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 paragraphs 12. Any individual capital scheme which is subject to the award of a public service contract will be evaluated in terms of its social value through the Council's procurement processes.

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 There are no direct human resource implications.

15. APPENDICES

- 15.1 Appendix A - Capital Programme Summary 2017/18 onwards.
Appendix B - Capital Programme Detail including Funding 2017/18 onwards.

16. CONTACT OFFICERS

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17. BACKGROUND PAPERS

17.1 2017/18 Budget Estimates Book.

<https://www.north-herts.gov.uk/sites/northherts-cms/files/Budget%20Estimates%20Book%202017-18%20Final%20for%20internet.pdf>

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By Council Priority

| | 2017/18 Working Budget £'000 | 2017/18 Revised Budget £'000 | Movement £'000 | 2018/19 Estimate £'000 | 2019/20 Estimate £'000 | 2020/21 Estimate £'000 | 2021/22 Estimate £'000 |
|------------------------|---------------------------------------|---------------------------------------|-------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Priority | | | | | | | |
| Attractive & Thriving | 3,529 | 3,146 | -383 | 3,831 | 0 | 300 | 0 |
| Prosper & Protect | 1,076 | 817 | -259 | 4,704 | 150 | 0 | 0 |
| Responsive & Efficient | 10,465 | 6,940 | -3,525 | 8,114 | 1,678 | 1,125 | 1,312 |
| Grand Total | 15,070 | 10,903 | -4,167 | 16,649 | 1,828 | 1,425 | 1,312 |

By Service Group

| | 2017/18 Working Budget £'000 | 2017/18 Revised Budget £'000 | Movement £'000 | 2018/19 Estimate £'000 | 2019/20 Estimate £'000 | 2020/21 Estimate £'000 | 2021/22 Estimate £'000 |
|--|---------------------------------------|---------------------------------------|-------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Service Group | | | | | | | |
| Advances & Cash Incentives | 0 | 0 | 0 | 1,096 | 0 | 0 | 0 |
| Asset Management | 5,753 | 5,511 | -242 | 3,767 | 150 | 0 | 0 |
| CCTV | 35 | 22 | -13 | 0 | 0 | 0 | 0 |
| Community Services | 371 | 371 | 0 | 636 | 250 | 120 | 0 |
| Computer Software and Equipment | 290 | 295 | 5 | 111 | 538 | 115 | 507 |
| Corporate Items | 11 | 11 | 0 | 2,500 | 0 | 0 | 0 |
| Growth Fund Projects | 0 | 0 | 0 | 713 | 0 | 0 | 0 |
| Leisure Facilities | 3,252 | 3,026 | -226 | 2,403 | 85 | 385 | 0 |
| Museum & Arts | 699 | 653 | -45 | 45 | 0 | 0 | 0 |
| Parking | 430 | 252 | -178 | 974 | 0 | 0 | 0 |
| Renovation & Reinstatement Grant Expenditure | 630 | 630 | 0 | 805 | 805 | 805 | 805 |
| Waste Collection | 3,600 | 132 | -3,468 | 3,600 | 0 | 0 | 0 |
| Grand Total | 15,070 | 10,903 | -4,167 | 16,649 | 1,828 | 1,425 | 1,312 |

Capital Funding Source

| | 2017/18 Working Budget £'000 | 2017/18 Revised Budget £'000 | Movement £'000 | 2018/19 Estimate £'000 | 2019/20 Estimate £'000 | 2020/21 Estimate £'000 | 2021/22 Funding £'000 |
|----------------------------------|---------------------------------------|---------------------------------------|-------------------|------------------------------|------------------------------|------------------------------|-----------------------------|
| Funding Source | | | | | | | |
| Government Grant | 600 | 600 | 0 | 1,508 | 745 | 745 | 745 |
| Revenue Contribution / Borrowing | 0 | 0 | 0 | 540 | 0 | 0 | 0 |
| Other Capital Contributions | 520 | 490 | -30 | 163 | 0 | 250 | 0 |
| S106 Funding | 347 | 328 | -19 | 360 | 0 | 37 | 0 |
| Capital Receipt | 2,106 | 1,865 | -241 | 5,056 | 1,083 | 393 | 567 |
| Drawdown of cash investments | 11,497 | 7,620 | -3,877 | 9,022 | 0 | 0 | 0 |
| Grand Total | 15,070 | 10,903 | -4,167 | 16,649 | 1,828 | 1,425 | 1,312 |

Capital Receipt Analysis

| | 2017/18 Working Budget £'000 | 2017/18 Revised Funding £'000 | | 2018/19 Estimate £'000 | 2019/20 Estimate £'000 | 2020/21 Estimate £'000 | 2021/22 Estimate £'000 |
|--|---------------------------------------|--|-------------|------------------------------|------------------------------|------------------------------|------------------------------|
| B/fwd Capital Receipt Funding | -3,221 | -3,221 | | -2,556 | 0 | -2,917 | -3,274 |
| Add: Capital Receipts Received in Year | -1,200 | -1,200 | 0 | -2,500 | -4,000 | -750 | -1,250 |
| Less: Capital Receipts Used in Year | 2,106 | 1,865 | -241 | 5,056 | 1,083 | 393 | 567 |
| C/Fwd Capital Receipt Funding | -2,315 | -2,556 | -241 | 0 | -2,917 | -3,274 | -3,957 |

Cash Investments Analysis (set-aside receipts funding)

| | 2017/18 Working Budget £'000 | 2017/18 Revised Funding £'000 | | 2018/19 Estimate £'000 | 2019/20 Estimate £'000 | 2020/21 Estimate £'000 | 2021/22 Estimate £'000 |
|-------------------------------|---------------------------------------|--|---------------|------------------------------|------------------------------|------------------------------|------------------------------|
| B/fwd Cash Investments | -16,642 | -16,642 | | -9,022 | 0 | 0 | 0 |
| Drawdown of cash investments | 11,497 | 7,620 | -3,877 | 9,022 | 0 | 0 | 0 |
| C/Fwd Cash Investments | -5,145 | -9,022 | -3,877 | 0 | 0 | 0 | 0 |

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| Project | Funding Source | 2017/18 Working Budget | 2017/18 Revised Budget | Movement £ | 2018/19 Funding £ | 2019/20 Funding £ | 2020/21 Funding £ | 2021/22 Funding £ |
|---|------------------------------|------------------------------|---------------------------|------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 40 KVA UPS Device or Battery Replacement | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 7,000 | 0 | 0 |
| | Drawdown of cash investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 40 KVA UPS Device or Battery Replacement Total | | 0 | 0 | 0 | 0 | 7,000 | 0 | 0 |
| Additional PC's - Support Home Working/OAP | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 13,000 | 0 | 0 |
| | Drawdown of cash investments | 13,000 | 13,000 | 0 | 0 | 0 | 0 | 0 |
| Additional PC's - Support Home Working/OAP Total | | 13,000 | 13,000 | 0 | 0 | 13,000 | 0 | 0 |
| Additional Storage | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 13,000 | 0 | 0 |
| | Drawdown of cash investments | 12,000 | 12,000 | 0 | 0 | 0 | 0 | 0 |
| Additional Storage Total | | 12,000 | 12,000 | 0 | 0 | 13,000 | 0 | 0 |
| Alarm Receiving Centre (ARD) Upgrade | | | | | | | | |
| | Capital Receipt | 30,000 | 30,000 | 0 | 0 | 0 | 0 | 0 |
| Alarm Receiving Centre (ARD) Upgrade Total | | 30,000 | 30,000 | 0 | 0 | 0 | 0 | 0 |
| Alternative to safeword tokens for staff/members working remotely | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 8,000 | 0 | 0 |
| Alternative to safeword tokens for staff/members working remotely Total | | 0 | 0 | 0 | 0 | 8,000 | 0 | 0 |
| Area Visioning | | | | | | | | |
| | Drawdown of cash investments | 26,400 | 26,400 | 0 | 0 | 0 | 0 | 0 |
| Area Visioning Total | | 26,400 | 26,400 | 0 | 0 | 0 | 0 | 0 |
| Back-up Diesel 40 KVA Generator (DCO) | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 20,000 | 0 | 0 |
| Back-up Diesel 40 KVA Generator (DCO) Total | | 0 | 0 | 0 | 0 | 20,000 | 0 | 0 |
| Baldock Road Recreation Grounds | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Baldock Road Recreation Grounds Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Baldock Town Hall project | | | | | | | | |
| | Drawdown of cash investments | 74,500 | 74,500 | 0 | 0 | 0 | 0 | 0 |
| | S106 Funding | 2,300 | 2,300 | 0 | 0 | 0 | 0 | 0 |
| Baldock Town Hall project Total | | 76,800 | 76,800 | 0 | 0 | 0 | 0 | 0 |
| Bancroft Gardens Play Area | | | | | | | | |
| | Capital Receipt | 2,200 | 0 | -2,200 | 2,200 | 0 | 0 | 0 |
| | S106 Funding | 51,700 | 45,900 | -5,800 | 5,800 | 0 | 0 | 0 |
| Bancroft Gardens Play Area Total | | 53,900 | 45,900 | -8,000 | 8,000 | 0 | 0 | 0 |
| Bancroft Recreation Ground, Hitchin, Multi Use Games Area (MUGA) | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 24,100 | 0 | 0 | 0 |
| | Other Capital Contributions | 0 | 0 | 0 | 80,000 | 0 | 0 | 0 |
| | S106 Funding | 0 | 0 | 0 | 65,900 | 0 | 0 | 0 |
| Bancroft Recreation Ground, Hitchin, Multi Use Games Area (MUGA) Total | | 0 | 0 | 0 | 170,000 | 0 | 0 | 0 |
| Burymead Road - new roof waterproofing system | | | | | | | | |
| | Drawdown of cash investments | 2,000 | 2,000 | 0 | 0 | 0 | 0 | 0 |
| Burymead Road - new roof waterproofing system Total | | 2,000 | 2,000 | 0 | 0 | 0 | 0 | 0 |
| Butts Close renovation, Hitchin | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | S106 Funding | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Butts Close renovation, Hitchin Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cabinet Switches - 4 Floors | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 0 | 0 | 18,000 |
| | Drawdown of cash investments | 15,000 | 15,000 | 0 | 0 | 0 | 0 | 0 |
| Cabinet Switches - 4 Floors Total | | 15,000 | 15,000 | 0 | 0 | 0 | 0 | 18,000 |
| Cadcorp Local Knowledge & Notice Board Software | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 13,500 | 0 | 0 | 0 |
| Cadcorp Local Knowledge & Notice Board Software Total | | 0 | 0 | 0 | 13,500 | 0 | 0 | 0 |
| Capitalised Pension Fund Contribution | | | | | | | | |
| | Drawdown of cash investments | 0 | 0 | 0 | 2,500,000 | 0 | 0 | 0 |
| Capitalised Pension Fund Contribution Total | | 0 | 0 | 0 | 2,500,000 | 0 | 0 | 0 |
| Careline Call Handling Hardware and Software | | | | | | | | |
| | Capital Receipt | 4,600 | 4,600 | 0 | 0 | 0 | 0 | 0 |
| Careline Call Handling Hardware and Software Total | | 4,600 | 4,600 | 0 | 0 | 0 | 0 | 0 |
| Careline Community Alarms | | | | | | | | |
| | Drawdown of cash investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Careline Community Alarms Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Investment in CCTV Equipment | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Drawdown of cash investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Investment in CCTV Equipment Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Channel shift - processing of housing register applications | | | | | | | | |
| | Drawdown of cash investments | 20,000 | 20,000 | 0 | 20,000 | 0 | 0 | 0 |
| Channel shift - processing of housing register applications Total | | 20,000 | 20,000 | 0 | 20,000 | 0 | 0 | 0 |
| Construction of pathway and roadway, Wilbury Hills Cemetery, Letchworth | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 35,000 | 0 | 0 | 0 |
| Construction of pathway and roadway, Wilbury Hills Cemetery, Letchworth Total | | 0 | 0 | 0 | 35,000 | 0 | 0 | 0 |
| Core Backbone Switches | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 20,000 | 0 | 0 |
| | Drawdown of cash investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Core Backbone Switches Total | | 0 | 0 | 0 | 0 | 20,000 | 0 | 0 |
| Council property improvements following condition surveys | | | | | | | | |
| | Capital Receipt | 65,000 | 65,000 | 0 | 315,000 | 0 | 0 | 0 |

| Project | Funding Source | 2017/18 Working Budget | 2017/18 Revised Budget | Movement £ | 2018/19 Funding £ | 2019/20 Funding £ | 2020/21 Funding £ | 2021/22 Funding £ |
|---|----------------------------------|------------------------------|---------------------------|------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | Drawdown of cash investments | 0 | 0 | 0 | 19,600 | 0 | 0 | 0 |
| | Revenue Contribution / Borrowing | 0 | 0 | 0 | 540,400 | 0 | 0 | 0 |
| Council property improvements following condition surveys Total | | 65,000 | 65,000 | 0 | 875,000 | 0 | 0 | 0 |
| Customer Relationship Manager software | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Customer Relationship Manager software Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Customer Self Serve Module | | | | | | | | |
| | Capital Receipt | 3,000 | 3,000 | 0 | 0 | 0 | 0 | 0 |
| Customer Self Serve Module Total | | 3,000 | 3,000 | 0 | 0 | 0 | 0 | 0 |
| Cyber Attacks - Events Monitoring Software Solution | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 30,000 | 0 | 0 | 0 |
| Cyber Attacks - Events Monitoring Software Solution Total | | 0 | 0 | 0 | 30,000 | 0 | 0 | 0 |
| Cycle Strategy implementation (GAF) | | | | | | | | |
| | Government Grant | 0 | 0 | 0 | 278,000 | 0 | 0 | 0 |
| Cycle Strategy implementation (GAF) Total | | 0 | 0 | 0 | 278,000 | 0 | 0 | 0 |
| Decommissioning of Pavilions | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 120,000 | 0 | 0 | 0 |
| Decommissioning of Pavilions Total | | 0 | 0 | 0 | 120,000 | 0 | 0 | 0 |
| Decommissioning of Play Areas | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 130,000 | 0 | 0 | 0 |
| Decommissioning of Play Areas Total | | 0 | 0 | 0 | 130,000 | 0 | 0 | 0 |
| Dell Servers | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 65,000 | 0 | 0 |
| Dell Servers Total | | 0 | 0 | 0 | 0 | 65,000 | 0 | 0 |
| Demolish 4 disused tennis courts and landscape to grass and planted area at Bancroft Recreation Ground, Hitchin | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Drawdown of cash investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Demolish 4 disused tennis courts and landscape to grass and planted area at Bancroft Recreation Ground, Hitchin Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Demolition of Bancroft Hall | | | | | | | | |
| | Drawdown of cash investments | 600 | 600 | 0 | 0 | 0 | 0 | 0 |
| Demolition of Bancroft Hall Total | | 600 | 600 | 0 | 0 | 0 | 0 | 0 |
| Dog / Litter Bins | | | | | | | | |
| | Capital Receipt | 40,000 | 40,000 | 0 | 0 | 0 | 0 | 0 |
| Dog / Litter Bins Total | | 40,000 | 40,000 | 0 | 0 | 0 | 0 | 0 |
| Disaster Recovery Set Up | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 25,000 | 0 | 0 |
| | Drawdown of cash investments | 47,400 | 47,400 | 0 | 0 | 0 | 0 | 0 |
| Disaster Recovery Set Up Total | | 47,400 | 47,400 | 0 | 0 | 25,000 | 0 | 0 |
| Microsoft Enterprise Agreement | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 199,600 | 0 | 450,000 |
| | Drawdown of cash investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Microsoft Enterprise Agreement Total | | 0 | 0 | 0 | 0 | 199,600 | 0 | 450,000 |
| Email / Web Gateway with SPAM Filtering Software Solution - Licence 3 Year Contract | | | | | | | | |
| | Capital Receipt | 29,000 | 29,000 | 0 | 0 | 0 | 39,000 | 0 |
| | Drawdown of cash investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Email / Web Gateway with SPAM Filtering Software Solution - Licence 3 Year Contract Total | | 29,000 | 29,000 | 0 | 0 | 0 | 39,000 | 0 |
| Email Encryption Software Solution | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 0 | 45,000 | 0 |
| | Drawdown of cash investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Email Encryption Software Solution Total | | 0 | 0 | 0 | 0 | 0 | 45,000 | 0 |
| Energy efficiency measures | | | | | | | | |
| | Drawdown of cash investments | 60,000 | 51,500 | -8,500 | 8,500 | 0 | 0 | 0 |
| Energy efficiency measures Total | | 60,000 | 51,500 | -8,500 | 8,500 | 0 | 0 | 0 |
| Financial System upgrade - E-series | | | | | | | | |
| | Drawdown of cash investments | 0 | 5,400 | 5,400 | 0 | 0 | 0 | 0 |
| Financial System upgrade - E-series Total | | 0 | 5,400 | 5,400 | 0 | 0 | 0 | 0 |
| Grange Recreation Ground Improvements | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | S106 Funding | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grange Recreation Ground Improvements Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Food Waste Caddies | | | | | | | | |
| | Drawdown of cash investments | 0 | 132,000 | 132,000 | 0 | 0 | 0 | 0 |
| Food Waste Caddies Total | | 0 | 132,000 | 132,000 | 0 | 0 | 0 | 0 |
| Green Infrastructure implementation (GAF) | | | | | | | | |
| | Government Grant | 0 | 0 | 0 | 185,000 | 0 | 0 | 0 |
| Green Infrastructure implementation (GAF) Total | | 0 | 0 | 0 | 185,000 | 0 | 0 | 0 |
| Hitchin & Royston Fitness Equipment | | | | | | | | |
| | Other Capital Contributions | 520,000 | 490,000 | -30,000 | 0 | 0 | 0 | 0 |
| Hitchin & Royston Fitness Equipment Total | | 520,000 | 490,000 | -30,000 | 0 | 0 | 0 | 0 |
| Lairage Multi Storey Safety and Equalities Act improvements | | | | | | | | |
| | Drawdown of cash investments | 40,000 | 40,000 | 0 | 0 | 0 | 0 | 0 |
| Lairage Multi Storey Safety and Equalities Act improvements Total | | 40,000 | 40,000 | 0 | 0 | 0 | 0 | 0 |
| Hitchin Outdoor Pool Showers and Toilets | | | | | | | | |
| | Drawdown of cash investments | 75,000 | 0 | -75,000 | 75,000 | 0 | 0 | 0 |
| Hitchin Outdoor Pool Showers and Toilets Total | | 75,000 | 0 | -75,000 | 75,000 | 0 | 0 | 0 |
| Hitchin Swim Centre - small paddling pool resurfacing | | | | | | | | |
| | Drawdown of cash investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Hitchin Swim Centre - small paddling pool resurfacing Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Hitchin Swimming Centre Lift | | | | | | | | |
| | Drawdown of cash investments | 100,000 | 100,000 | 0 | 0 | 0 | 0 | 0 |
| Hitchin Swimming Centre Lift Total | | 100,000 | 100,000 | 0 | 0 | 0 | 0 | 0 |
| Hitchin Swimming Pool Car Park extension | | | | | | | | |

| Project | Funding Source | 2017/18 Working Budget | 2017/18 Revised Budget | Movement £ | 2018/19 Funding £ | 2019/20 Funding £ | 2020/21 Funding £ | 2021/22 Funding £ |
|---|------------------------------|------------------------|------------------------|------------|-------------------|-------------------|-------------------|-------------------|
| | Capital Receipt | 50,000 | 28,200 | -21,800 | 497,700 | 0 | 0 | 0 |
| Hitchin Swimming Pool Car Park extension Total | | 50,000 | 28,200 | -21,800 | 497,700 | 0 | 0 | 0 |
| Improvements to fixing systems to glazed walkway, Lairage Car Park, Hitchin | | | | | | | | |
| | Drawdown of cash investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Improvements to fixing systems to glazed walkway, Lairage Car Park, Hitchin Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Infrastructure: Back-Up Diesel 40 KVA Generator DCO | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Infrastructure: Back-Up Diesel 40 KVA Generator DCO Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Installation of trial on-street charging (GAF) | | | | | | | | |
| | Government Grant | 0 | 0 | 0 | 50,000 | 0 | 0 | 0 |
| Installation of trial on-street charging (GAF) Total | | 0 | 0 | 0 | 50,000 | 0 | 0 | 0 |
| Introduce a Traffic Regulation Order and Car park ticket machines into the 2 car parks at Norton Common | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Introduce a Traffic Regulation Order and Car park ticket machines into the 2 car parks at Norton Common Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Jackmans Central Play Area Renovation | | | | | | | | |
| | Capital Receipt | 75,000 | 75,000 | 0 | 0 | 0 | 0 | 0 |
| Jackmans Central Play Area Renovation Total | | 75,000 | 75,000 | 0 | 0 | 0 | 0 | 0 |
| Jackmans Creamery, Letchworth | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Jackmans Creamery, Letchworth Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| John Barker Place, Hitchin | | | | | | | | |
| | Drawdown of cash investments | 0 | 0 | 0 | 825,600 | 0 | 0 | 0 |
| | S106 Funding | 0 | 0 | 0 | 270,400 | 0 | 0 | 0 |
| John Barker Place, Hitchin Total | | 0 | 0 | 0 | 1,096,000 | 0 | 0 | 0 |
| Lairage Multi-Storey Car Park - Structural wall repairs | | | | | | | | |
| | Drawdown of cash investments | 5,700 | 5,700 | 0 | 120,000 | 0 | 0 | 0 |
| Lairage Multi-Storey Car Park - Structural wall repairs Total | | 5,700 | 5,700 | 0 | 120,000 | 0 | 0 | 0 |
| Laptops - Refresh Programme | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 6,000 | 0 | 6,000 | 0 |
| Laptops - Refresh Programme Total | | 0 | 0 | 0 | 6,000 | 0 | 6,000 | 0 |
| Letchworth Multi Storey Enhancements | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Letchworth Multi Storey Enhancements Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Letchworth Multi Storey Safety Edge Protection Fencing | | | | | | | | |
| | Drawdown of cash investments | 120,000 | 0 | -120,000 | 0 | 0 | 0 | 0 |
| Letchworth Multi Storey Safety Edge Protection Fencing Total | | 120,000 | 0 | -120,000 | 0 | 0 | 0 | 0 |
| Letchworth Multi Storey Structural Investigations | | | | | | | | |
| | Drawdown of cash investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Letchworth Multi Storey Structural Investigations Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Letchworth Multi_storey Car Park - parapet walls, soffit & decoration | | | | | | | | |
| | Capital Receipt | 146,500 | 146,500 | 0 | 0 | 0 | 0 | 0 |
| Letchworth Multi_storey Car Park - parapet walls, soffit & decoration Total | | 146,500 | 146,500 | 0 | 0 | 0 | 0 | 0 |
| Letchworth multi-storey car park - lighting | | | | | | | | |
| | Drawdown of cash investments | 22,700 | 0 | -22,700 | 22,700 | 0 | 0 | 0 |
| Letchworth multi-storey car park - lighting Total | | 22,700 | 0 | -22,700 | 22,700 | 0 | 0 | 0 |
| Letchworth Outdoor Pool safety surface | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 60,000 | 0 | 0 | 0 |
| Letchworth Outdoor Pool safety surface Total | | 0 | 0 | 0 | 60,000 | 0 | 0 | 0 |
| Letchworth Outdoor Pool Showers and Toilets | | | | | | | | |
| | Drawdown of cash investments | 75,000 | 0 | -75,000 | 75,000 | 0 | 0 | 0 |
| Letchworth Outdoor Pool Showers and Toilets Total | | 75,000 | 0 | -75,000 | 75,000 | 0 | 0 | 0 |
| Making Good Trip Hazards, Hitchin Town Centre | | | | | | | | |
| | Drawdown of cash investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Making Good Trip Hazards, Hitchin Town Centre Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mandatory Disabled Facility Grants | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Drawdown of cash investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Government Grant | 600,000 | 600,000 | 0 | 745,000 | 745,000 | 745,000 | 745,000 |
| Mandatory Disabled Facility Grants Total | | 600,000 | 600,000 | 0 | 745,000 | 745,000 | 745,000 | 745,000 |
| New Blade Enclosure | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 32,000 | 0 | 0 |
| New Blade Enclosure Total | | 0 | 0 | 0 | 0 | 32,000 | 0 | 0 |
| NH Museum & Community Facility | | | | | | | | |
| | Drawdown of cash investments | 146,600 | 101,300 | -45,300 | 45,300 | 0 | 0 | 0 |
| | Other Capital Contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NH Museum & Community Facility Total | | 146,600 | 101,300 | -45,300 | 45,300 | 0 | 0 | 0 |
| North Herts Leisure Centre Development | | | | | | | | |
| | Capital Receipt | 1,024,900 | 892,400 | -132,500 | 0 | 0 | 0 | 0 |
| | Drawdown of cash investments | 831,740 | 964,240 | 132,500 | 0 | 0 | 0 | 0 |
| | S106 Funding | 65,560 | 65,560 | 0 | 0 | 0 | 0 | 0 |
| North Herts Leisure Centre Development Total | | 1,922,200 | 1,922,200 | 0 | 0 | 0 | 0 | 0 |
| Norton Common Wheeled Sports improvements | | | | | | | | |
| | S106 Funding | 159,000 | 146,200 | -12,800 | 12,800 | 0 | 0 | 0 |
| Norton Common Wheeled Sports improvements Total | | 159,000 | 146,200 | -12,800 | 12,800 | 0 | 0 | 0 |
| Off Street Car Parks resurfacing and enhancement | | | | | | | | |
| | Capital Receipt | 60,000 | 60,000 | 0 | 91,200 | 0 | 0 | 0 |

| Project | Funding Source | 2017/18 Working Budget | 2017/18 Revised Budget | Movement £ | 2018/19 Funding £ | 2019/20 Funding £ | 2020/21 Funding £ | 2021/22 Funding £ |
|---|------------------------------|------------------------|------------------------|------------|-------------------|-------------------|-------------------|-------------------|
| Off Street Car Parks resurfacing and enhancement Total | | 60,000 | 60,000 | 0 | 91,200 | 0 | 0 | 0 |
| PC Refresh Programme | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 17,000 | 17,000 | 17,000 | 17,000 |
| | Drawdown of cash investments | 17,000 | 17,000 | 0 | 0 | 0 | 0 | 0 |
| PC Refresh Programme Total | | 17,000 | 17,000 | 0 | 17,000 | 17,000 | 17,000 | 17,000 |
| Permit gateway Citizen - to enable customers to renew permits on line | | | | | | | | |
| | Capital Receipt | 10,700 | 10,700 | 0 | 0 | 0 | 0 | 0 |
| Permit gateway Citizen - to enable customers to renew permits on line Total | | 10,700 | 10,700 | 0 | 0 | 0 | 0 | 0 |
| Pool filter refurb and UV system at North Herts Leisure Centre | | | | | | | | |
| | Drawdown of cash investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pool filter refurb and UV system at North Herts Leisure Centre Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Premises compliance enhancements | | | | | | | | |
| | Drawdown of cash investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Premises compliance enhancements Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Private Sector Grants | | | | | | | | |
| | Capital Receipt | 30,000 | 30,000 | 0 | 60,000 | 60,000 | 60,000 | 60,000 |
| | Drawdown of cash investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Private Sector Grants Total | | 30,000 | 30,000 | 0 | 60,000 | 60,000 | 60,000 | 60,000 |
| Provide housing at market rents | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 2,150,000 | 150,000 | 0 | 0 |
| | Drawdown of cash investments | 200,000 | 0 | -200,000 | 700,000 | 0 | 0 | 0 |
| Provide housing at market rents Total | | 200,000 | 0 | -200,000 | 2,850,000 | 150,000 | 0 | 0 |
| Purchase of 14 & 15 Brand Street | | | | | | | | |
| | Drawdown of cash investments | 550,000 | 550,000 | 0 | 0 | 0 | 0 | 0 |
| Purchase of 14 & 15 Brand Street Total | | 550,000 | 550,000 | 0 | 0 | 0 | 0 | 0 |
| Recording of Council Meetings | | | | | | | | |
| | Capital Receipt | 64,000 | 64,000 | 0 | 0 | 0 | 0 | 0 |
| Recording of Council Meetings Total | | 64,000 | 64,000 | 0 | 0 | 0 | 0 | 0 |
| Refurbishment and improvement of community facilities | | | | | | | | |
| | Capital Receipt | 200,000 | 200,000 | 0 | 636,000 | 250,000 | 120,000 | 0 |
| | Drawdown of cash investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Refurbishment and improvement of community facilities Total | | 200,000 | 200,000 | 0 | 636,000 | 250,000 | 120,000 | 0 |
| Refurbishment of DCO | | | | | | | | |
| | Drawdown of cash investments | 5,268,000 | 5,268,000 | 0 | 0 | 0 | 0 | 0 |
| Refurbishment of DCO Total | | 5,268,000 | 5,268,000 | 0 | 0 | 0 | 0 | 0 |
| Refurbishment of Harkness Court | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Refurbishment of Harkness Court Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Refurbishment of lifts at Lairage Car Park | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 360,000 | 0 | 0 | 0 |
| Refurbishment of lifts at Lairage Car Park Total | | 0 | 0 | 0 | 360,000 | 0 | 0 | 0 |
| Relay concrete slabs that surround the Hitchin outdoor pool | | | | | | | | |
| | Capital Receipt | 35,400 | 32,000 | -3,400 | 1,500 | 0 | 0 | 0 |
| Relay concrete slabs that surround the Hitchin outdoor pool Total | | 35,400 | 32,000 | -3,400 | 1,500 | 0 | 0 | 0 |
| Renew pathways at Bancroft Recreation Ground, Hitchin | | | | | | | | |
| | Capital Receipt | 50,000 | 50,000 | 0 | 0 | 0 | 0 | 0 |
| Renew pathways at Bancroft Recreation Ground, Hitchin Total | | 50,000 | 50,000 | 0 | 0 | 0 | 0 | 0 |
| Renovate play area Howard Park, Letchworth | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 0 | 75,000 | 0 |
| Renovate play area Howard Park, Letchworth Total | | 0 | 0 | 0 | 0 | 0 | 75,000 | 0 |
| Renovate play area King George V Recreation Ground, Hitchin | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 75,000 | 0 | 0 |
| Renovate play area King George V Recreation Ground, Hitchin Total | | 0 | 0 | 0 | 0 | 75,000 | 0 | 0 |
| Renovate play area, District Park, Gt. Ashby | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 75,000 | 0 | 0 | 0 |
| Renovate play area, District Park, Gt. Ashby Total | | 0 | 0 | 0 | 75,000 | 0 | 0 | 0 |
| Replace and enhance lighting at St Mary's Car Park | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 60,000 | 0 | 0 | 0 |
| Replace and enhance lighting at St Mary's Car Park Total | | 0 | 0 | 0 | 60,000 | 0 | 0 | 0 |
| Replace items of equipment, Brook View, Hitchin | | | | | | | | |
| | Capital Receipt | 10,000 | 10,000 | 0 | 0 | 0 | 0 | 0 |
| Replace items of equipment, Brook View, Hitchin Total | | 10,000 | 10,000 | 0 | 0 | 0 | 0 | 0 |
| Replace items of play equipment Holroyd Cres, Baldock | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 0 | 10,000 | 0 |
| Replace items of play equipment Holroyd Cres, Baldock Total | | 0 | 0 | 0 | 0 | 0 | 10,000 | 0 |
| Replace items of play equipment Wilbury Recreation Ground, Letchworth | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 10,000 | 0 | 0 |
| Replace items of play equipment Wilbury Recreation Ground, Letchworth Total | | 0 | 0 | 0 | 0 | 10,000 | 0 | 0 |
| Replace items of play equipment, Chiltern Road, Baldock | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 10,000 | 0 | 0 | 0 |
| Replace items of play equipment, Chiltern Road, Baldock Total | | 0 | 0 | 0 | 10,000 | 0 | 0 | 0 |

| Project | Funding Source | 2017/18 Working Budget | 2017/18 Revised Budget | Movement £ | 2018/19 Funding £ | 2019/20 Funding £ | 2020/21 Funding £ | 2021/22 Funding £ |
|---|------------------------------|------------------------------|---------------------------|------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Replace main pool grating and overflow gullies at Hitchin Swim Centre | Capital Receipt | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Replace main pool grating and overflow gullies at Hitchin Swim Centre Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Replace seating at Hitchin Swimming Centre | Drawdown of cash investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Replace seating at Hitchin Swimming Centre Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Replacement of neighbourhood CCTV equipment | Capital Receipt | 35,000 | 21,700 | -13,300 | 0 | 0 | 0 | 0 |
| Replacement of neighbourhood CCTV equipment Total | | 35,000 | 21,700 | -13,300 | 0 | 0 | 0 | 0 |
| Replacement of Walsworth Common Access Bridge | Drawdown of cash investments | 120,000 | 120,000 | 0 | 0 | 0 | 0 | 0 |
| Replacement of Walsworth Common Access Bridge Total | | 120,000 | 120,000 | 0 | 0 | 0 | 0 | 0 |
| Replacement SAN | Capital Receipt | 0 | 0 | 0 | 0 | 110,000 | 0 | 0 |
| Replacement SAN Total | | 0 | 0 | 0 | 0 | 110,000 | 0 | 0 |
| Royston Civic Centre Site redevelopment (GAF) | Government Grant | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Royston Civic Centre Site redevelopment (GAF) Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Royston Leisure Centre extension | Drawdown of cash investments | 0 | 0 | | 1,000,000 | 0 | 0 | 0 |
| Royston Leisure Centre extension Total | | 0 | 0 | 0 | 1,000,000 | 0 | 0 | 0 |
| Rural Community Halls Grant Scheme | Other Capital Contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rural Community Halls Grant Scheme Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| S106 Projects | S106 Funding | 67,400 | 67,400 | 0 | 0 | 0 | 0 | 0 |
| S106 Projects Total | | 67,400 | 67,400 | 0 | 0 | 0 | 0 | 0 |
| Security - Firewalls | Capital Receipt | 0 | 0 | 0 | 14,000 | 0 | 0 | 14,000 |
| | Drawdown of cash investments | 10,000 | 10,000 | 0 | 0 | 0 | 0 | 0 |
| Security - Firewalls Total | | 10,000 | 10,000 | 0 | 14,000 | 0 | 0 | 14,000 |
| Serby Avenue Play Area renovation, Royston | Capital Receipt | 7,800 | 7,800 | 0 | 0 | 0 | 0 | 0 |
| Serby Avenue Play Area renovation, Royston Total | | 7,800 | 7,800 | 0 | 0 | 0 | 0 | 0 |
| Server / Infrastructure Refresh | Capital Receipt | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Server / Infrastructure Refresh Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Smithsons Recreation Ground | Capital Receipt | 1,800 | 1,800 | 0 | 0 | 0 | 0 | 0 |
| | S106 Funding | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Smithsons Recreation Ground Total | | 1,800 | 1,800 | 0 | 0 | 0 | 0 | 0 |
| Software Asset Management | Capital Receipt | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Software Asset Management Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Software for personalised bills and annual billing | Capital Receipt | 6,000 | 6,000 | 0 | 0 | 0 | 0 | 0 |
| Software for personalised bills and annual billing Total | | 6,000 | 6,000 | 0 | 0 | 0 | 0 | 0 |
| Splash Park at Bancroft Recreation Ground | Drawdown of cash investments | 10,900 | 10,900 | 0 | 0 | 0 | 0 | 0 |
| | S106 Funding | 800 | 800 | 0 | 0 | 0 | 0 | 0 |
| Splash Park at Bancroft Recreation Ground Total | | 11,700 | 11,700 | 0 | 0 | 0 | 0 | 0 |
| Splash Park at Priory Memorial, Royston | Drawdown of cash investments | 15,000 | 15,000 | 0 | 0 | 0 | 0 | 0 |
| Splash Park at Priory Memorial, Royston Total | | 15,000 | 15,000 | 0 | 0 | 0 | 0 | 0 |
| St John's Chapel Hitchin, Re-roofing | Capital Receipt | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| St John's Chapel Hitchin, Re-roofing Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| St Mary's car park. Structural repairs to steps | Capital Receipt | 35,000 | 0 | -35,000 | 35,000 | 0 | 0 | 0 |
| St Mary's car park. Structural repairs to steps Total | | 35,000 | 0 | -35,000 | 35,000 | 0 | 0 | 0 |
| Storage Facilities | Capital Receipt | 40,000 | 6,800 | -33,200 | 33,200 | 0 | 0 | 0 |
| Storage Facilities Total | | 40,000 | 6,800 | -33,200 | 33,200 | 0 | 0 | 0 |
| Tablets - Android Devices | Capital Receipt | 500 | 500 | 0 | 0 | 8,000 | 8,000 | 8,000 |
| | Drawdown of cash investments | 7,500 | 7,500 | 0 | 10,000 | 0 | 0 | 0 |
| Tablets - Android Devices Total | | 8,000 | 8,000 | 0 | 10,000 | 8,000 | 8,000 | 8,000 |
| Telephony system | Drawdown of cash investments | 10,600 | 10,600 | 0 | 0 | 0 | 0 | 0 |
| Telephony system Total | | 10,600 | 10,600 | 0 | 0 | 0 | 0 | 0 |
| Town Centre pay & display machines for on-street charging | Capital Receipt | 0 | 0 | 0 | 235,000 | 0 | 0 | 0 |
| Town Centre pay & display machines for on-street charging Total | | 0 | 0 | 0 | 235,000 | 0 | 0 | 0 |
| Town Lodge - Various patch repairs to the roof | Drawdown of cash investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Town Lodge - Various patch repairs to the roof Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transport Plans implementation (GAF) | Government Grant | 0 | 0 | 0 | 250,000 | 0 | 0 | 0 |
| Transport Plans implementation (GAF) Total | | 0 | 0 | 0 | 250,000 | 0 | 0 | 0 |
| Ultra Violet water disinfection system | Capital Receipt | 50,000 | 50,000 | 0 | 0 | 0 | 0 | 0 |
| Ultra Violet water disinfection system Total | | 50,000 | 50,000 | 0 | 0 | 0 | 0 | 0 |
| New changing rooms, Walsworth Common, Hitchin | Capital Receipt | 0 | 0 | 0 | 0 | 0 | 13,000 | 0 |
| | Other Capital Contributions | 0 | 0 | 0 | 0 | 0 | 250,000 | 0 |
| | S106 Funding | 0 | 0 | 0 | 0 | 0 | 37,000 | 0 |

| Project | Funding Source | 2017/18 Working Budget | 2017/18 Revised Budget | Movement £ | 2018/19 Funding £ | 2019/20 Funding £ | 2020/21 Funding £ | 2021/22 Funding £ |
|---|------------------------------|------------------------------|---------------------------|------------|-------------------------|-------------------------|-------------------------|-------------------------|
| New changing rooms, Walsworth Common, Hitchin Total | | 0 | 0 | 0 | 0 | 0 | 300,000 | 0 |
| Walsworth Common Pitch Improvements | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 15,000 | 0 | 0 | 0 |
| | Other Capital Contributions | 0 | 0 | 0 | 83,000 | 0 | 0 | 0 |
| | S106 Funding | 0 | 0 | 0 | 5,000 | 0 | 0 | 0 |
| Walsworth Common Pitch Improvements Total | | 0 | 0 | 0 | 103,000 | 0 | 0 | 0 |
| Walsworth Common Reconstruction of Car Park | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 30,000 | 0 | 0 | 0 |
| Walsworth Common Reconstruction of Car Park Total | | 0 | 0 | 0 | 30,000 | 0 | 0 | 0 |
| Warren Car Park redevelopment | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Warren Car Park redevelopment Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Waste and Street Cleansing Data Mgmt | | | | | | | | |
| | Drawdown of cash investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Waste and Street Cleansing Data Mgmt Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Waste and Street Cleansing Vehicles | | | | | | | | |
| | Drawdown of cash investments | 3,600,000 | 0 | -3,600,000 | 3,600,000 | 0 | 0 | 0 |
| Waste and Street Cleansing Vehicles Total | | 3,600,000 | 0 | -3,600,000 | 3,600,000 | 0 | 0 | 0 |
| Westmill Community Centre Design Work | | | | | | | | |
| | Capital Receipt | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Westmill Community Centre Design Work Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | Grand Total | 15,069,800 | 10,903,200 | -4,166,600 | 16,649,400 | 1,827,600 | 1,425,000 | 1,312,000 |

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| CABINET 27 MARCH 2018 |
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| PART 1 – PUBLIC DOCUMENT | AGENDA ITEM No. 10 |
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TITLE OF REPORT: TREASURY MANAGEMENT THIRD QUARTER 2017/18

REPORT OF THE HEAD OF FINANCE, PERFORMANCE AND ASSET MANAGEMENT

EXECUTIVE MEMBER: CLLR JULIAN CUNNINGHAM

COUNCIL PRIORITY: RESPONSIVE AND EFFICIENT

1. EXECUTIVE SUMMARY

- 1.1 To inform Cabinet of the Treasury Management activities in the third quarter of 2017/18 to the end of December. The current forecast is that the amount of investment interest expected to be generated during the year is £0.324 million. This is an increase of £0.004 million on the working budget.
- 1.2 To inform Cabinet of the performance against the Prudential and Treasury indicators detailed in the appendix to this report. During the third quarter the Council has operated within the treasury and prudential indicators as set out in the Treasury Management Strategy Statement and in compliance with the Council's approved Treasury Management Practices.

2. RECOMMENDATIONS

- 2.1 Cabinet is asked to note the position of Treasury Management activity as at the end of December 2017.

3. REASONS FOR RECOMMENDATIONS

- 3.1 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.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The primary principle governing the Council's investment criteria is the security of its investments, which includes credit, liquidity and market risk (see section 8 below). After this the return (or yield) is then considered, which provides an income source for the Council. The Council's appetite for risk is determined by the Treasury Strategy, which is reviewed each year. In general, greater returns can be achieved by taking on greater risk. Our current strategy has meant that we have been able to achieve a yield that is above the average achieved by the Link Hertfordshire and Buckinghamshire Investment Benchmarking Group.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 There is ongoing dialogue with the Authority's Cash Manager, Tradition and regular meetings with Treasury advisors (Link).

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 2 February 2018.

7. BACKGROUND

- 7.1 Members adopted the 2017/18 Treasury Strategy at the meeting of full Council on the 9 February 2017.

- 7.2 Link Asset Services Ltd were first contracted to provide Treasury advice for the financial year 2012/13 and this arrangement has been extended until 2017/18, taking advantage of a reduced annual contract cost. The service includes:

- Regular updates on economic and political changes which may impact on the Council's borrowing and investment strategies
- Information on investment counterparty creditworthiness
- Technical updates
- Access to the Technical Advisory Group.

8. RELEVANT CONSIDERATIONS

- 8.1 In summary, during the third quarter the Council has operated within the treasury and prudential indicators as set out in the Treasury Management Strategy Statement and in compliance with the Treasury Management Practices.

- 8.2 The Council generated £0.255 million of interest during the first nine months of 2017/18. There were no new Tradition deals during the third quarter but the average interest rate agreed on in house new deals was 0.36%. The average interest rate on all outstanding investments at the 31 December was 1.00%.

- 8.3 The Council's activities expose it to a variety of risks (credit, liquidity and market). The Treasury Strategy sets out the Authority's appetite for the level of exposure to these risks.

- 8.4 **Credit Risk** is the possibility that other parties fail to pay back amounts that have been invested by the Council. This risk is mitigated by assessing the counterparties with whom the Council invests. For banks and building societies that are credit rated by Fitch, they must have a rating greater than BBB. Where building societies do not have a credit rating, then the level of investment is assessed against the overall assets of the institution. Due to the different risks that they are exposed to, the Council splits its investments between banks and building societies and can have a maximum of 75% invested in each.

- 8.5 The Council also invests with other Local Authorities and Public Corporations (when appropriate opportunities are available) and in Money Market Funds. Money Market Funds are limited to 25% of total investments. A Money Market Fund is a regulated,

stand-alone pooled investment vehicle which actively invests its assets in a diversified portfolio of mainly high grade, short-term money market instruments.

8.6 As at 31 December the split of investments was:

| | |
|--------------------|-----|
| Banks | 31% |
| Building Societies | 58% |
| Local Authorities | 2% |
| Money Market Funds | 9% |

8.7 **Liquidity Risk** is the possibility that the Authority may not have funds available to meet its commitments to make payments.

8.8 Cash flow forecasts are prepared to determine the level of funds required to meet the day to day commitments with investments split between the Cash Manager and the In-House team. The In-House investments cover the day to day cash flow activity of the Council whilst the Cash Managers' investments take advantage of higher interest rates for longer term investments when they become available. The level of funds made available to the Cash Manager, currently a total balance of £28.5 million, is primarily determined by the level of expenditure on the Council's Capital programme. The average In-House balance of investments for the first nine months was £14.3 million.

8.9 **Market Risk** is the possibility that financial loss might arise as a result of changes in interest rates.

8.10 Investing long term (greater than one year) currently achieves higher interest rates than short term deals. The risk of long term deals are two fold:

- (i) The longer the time period the longer the investment is exposed to default.
- (ii) If the investment has a fixed interest rate, interest rates could rise and the potential to invest at a higher rate will be lost until the investment matures.

8.11 Members have indicated that they are prepared to accept the market risk within the limits expressed in the Treasury Strategy, which allows up to 40% of investments to be invested for longer than 364 days at any one time. At the end of the third quarter the Council had 7.9% (£3.5 million) invested for longer than 364 days. During the third quarter, no new deals were placed for longer than a year.

8.12 The **return (or yield)** that the Council achieves is affected by both the level of risk as well as general market conditions. It continues to prove challenging to find acceptable counterparties willing to pay a reasonable return on cash investments, either long or short term. This issue is expected to continue during 2017/18 and beyond.

8.13 The Council has a negative **Capital Financing Requirement** (CFR) of £16.6 million (as at 31st March 2017), which reflects that it has a high level of cash investments and only £466k of borrowing. This is expected to reduce to approximately £11.0 million by the end of the year. The Council currently only has historic borrowing which is not cost effective to repay early.

9. LEGAL IMPLICATIONS

9.1 The Cabinet has a responsibility to keep under review the budget of the Council and any other matter having substantial implications for the financial resources of the Council.

- 9.2 Section 151 of the Local Government Act 1972 states that:
“every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs.”

- 9.3 The Prudential Indicators comply with the Local Government Act 2003.

10. FINANCIAL IMPLICATIONS

- 10.1 The amount of investment interest expected to be generated during the year is £0.324 million.
- 10.2 Potential options for inclusion in the Treasury Strategy are considered as and when identified. Any proposals to amend the Strategy are reported to Full Council, via Cabinet, for approval.

11. RISK IMPLICATIONS

- 11.1 Risks associated with treasury management and procedures to minimise risk are outlined in the Treasury Management Practices document, TMP1, which was adopted by Cabinet in July 2003 and is revisited annually as part of the Treasury Strategy review. The risk on the General Fund of a fall of investment interest below the budgeted level is dependant on banks and building societies need for borrowing. The introduction of the Funding for Lending Scheme which allows financial institutions access to low cost funding from Government for an extended period has impacted on their need to borrow and the rates at which they are prepared to borrow.

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 no direct equalities implications arising from this report.

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 direct human resource or equality implications.

15. CONTACT OFFICERS

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16. BACKGROUND PAPERS

Treasury Strategy 2017/18
CIPFA Prudential Code for Capital Finance in Local Authorities

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CABINET

27 MARCH 2018

***PART 1 – PUBLIC DOCUMENT**

AGENDA ITEM No.

11

TITLE OF REPORT: INFLATIONARY INCREASE IN OFF-STREET CAR PARKING TARIFFS 2018-19

REPORT OF THE HEAD OF PLANNING AND BUILDING CONTROL
EXECUTIVE MEMBER: COUNCILLOR RAY SHAKESPEARE-SMITH
COUNCIL PRIORITY: PROSPER AND PROTECT

1. EXECUTIVE SUMMARY

- 1.1 This report requests that Cabinet agrees the proposed car parking tariffs in North Hertfordshire District Council's off street car parks, in order to effectively manage their use and in accordance with the Council's fees and charges policy as set out in the Medium Term Financial Strategy (MTFS) 2018-2023, which was agreed by Full Council on 31 August September 2017.

2. RECOMMENDATIONS

- 2.1 That Cabinet agrees to adopt the proposed off-street car park tariffs for 2018/19 as set out in Tables 1 to 5 at Appendix B.
- 2.2 That Cabinet agrees to the proposed increase in season tickets prices of 5.1%, for 2018/19, as set out in Table 6 at paragraph 9.2 of this report, for each of its long stay car parks in Hitchin, Letchworth Garden City and Royston.
- 2.3 That Cabinet agrees not to increase the charges for resident permits, visitor permits, business permits or visitor tickets for resident permit zones for 2018/19.
- 2.4 That Cabinet agree that the proposed tariff changes, as recommended in paragraphs 2.1 and 2.2 above, are implemented as soon as practicable, and that officers in consultation with the Executive Member for Policy, Transport & Green Issues proceed with the implementation as required.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To implement an increase in car parking tariffs and season ticket prices in order to effectively manage their use and in accordance with the Council's fees and charges policy as set out in its Medium Term Financial Strategy (MTFS).

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 See Section 8 of the report.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 The Executive Member for Policy, Transport and Green Issues has been kept informed on the matters set out above.

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 23 February 2018.

7. BACKGROUND

- 7.1 The Council's approved Medium Term Financial Strategy for 2018-2023, under its Income Policy states that, as a minimum, where legally possible, the Council should increase discretionary fees and charges annually in line with inflation, as measured by CPI plus 2% (at November). Parking tariffs fall within this policy and the budget estimates for 2018/19 include the expectation that income from parking will increase accordingly.
- 7.2 Paragraph 5.6.30 of the Council's Constitution (approved 11 April 2017), states '*it is for cabinet to determine charges for car parking*'. The proposals for car parking tariffs and season ticket increases are set out sections 8 and 9 below.

8. CAR PARKING TARIFF PROPOSALS

- 8.1 The Council's approach to car parking tariff increases in 2017/18 is summarised in the Technical Note prepared by consultants, Markides Associates, attached at Appendix A to this report.
- 8.2 The approach adopted in 2017/18 took into consideration the distinctive characteristics in the way each of the four town centres within North Hertfordshire function and was based on the findings from a Phase 1 report produced in February 2017 as part of a wider piece of work involving a full review of the Council's Parking Strategy. This included:
- Introducing a greater differentiation between more and less popular car parks in Hitchin, which included an increase in short stay tariffs in the town centre car parks, discounted rates in the Lairage multi-storey car park and a discounted offer to encourage more people to park in the quiet late afternoon period after 3pm; and
 - Harmonisation of the short stay tariffs in Royston town centre, and discounted rates in the under-utilised Civic Centre/Town Hall car park.

The car park tariffs in Baldock, Letchworth and Knebworth were not changed as part of the 2017/18 tariff proposals. Some changes to long stay tariffs in these towns were implemented a year earlier in May 2016.

- 8.3 The Technical Note at Appendix A summarises the change in car park use and revenue observed in the seven-month period from June to December 2017 compared to the previous year, across all the NHDC owned car parks. The note also produces an interim 2017/18 annual revenue estimate which is used as the basis for testing inflationary increases for 2018/19 and is presented across a range of forecasts allowing for a level of uncertainty, changes in the economic climate and customer parking behaviour.

8.4 These forecasts are as follows:

- *high estimate* – assuming no change in the number of parking transactions (i.e. people simply adapt to the inflationary increase with no shift in demand);
- *central case* – calculated based on the short stay and long stay price elasticity previously calculated for each of the towns;
- *low estimate* – short-term response calculated based on the short stay and long stay price elasticity but baseline sales include an annual downward trend in sales equivalent to that seen in 2017/18 where applicable.

8.5 The budget estimate for 2018/19 is £1,656,700 for the pay-as-you-use parking charges. The consultant's recommendations for the proposed tariff changes to effectively manage car park usage and meet the estimate is set out at paragraph 8.1 of the Technical Note and are as follows:

- Applying the 5.1% inflationary increases to all tariff bands and rounded to the nearest 10p.
- Increasing those tariffs under £1.00 that were not increased in 2017/18 by 10p.
- Retaining the tariff structure as implemented in Hitchin in 2017/18 except for two changes:
 - Removal of the cheaper after 3 policy in Hitchin on Saturdays; and
 - A steeper graduation of 3hr and 4hr tariff bands to push users from the short stay to the long stay car parks, and the more price sensitive users to the Lairage MSCP where there is still spare capacity.

These proposals would be applied to all NHDC car parks in Baldock, Hitchin, Letchworth Garden City, Royston and Knebworth as listed in Tables 8.2 to 8.10 in the Technical Note. It is intended to retain the subsidised full 'free after 3pm' policy in all Royston car parks.

The impact of these recommendations is shown at the Total figure row at Table 8.1, which is approximately £9,900 under the budget estimate for the high estimate, £44,000 under for the central estimate and £123,000 for the low estimate.

8.6 Two further options were then investigated as shown in Table 8.1 as Test 1 and Test 2.

8.7 *Test one* - includes revenue estimates as per the consultant's recommended tariff changes set out at paragraph 8.5 above but with the retention of the cheaper tariff after 3pm on Saturday in the Hitchin car parks. This increases the shortfall for the high estimate scenario to approximately £18,000 under the budget estimate.

8.8 *Test two* - includes revenue estimates as per the consultant's recommended tariff changes set out at paragraph 8.5 above but with the retention of the cheaper tariff after 3pm on Saturday in the Hitchin car parks but with an increase in the 2 hour tariff band by 20p in all NHDC car parks for that tariff band across all the four towns and Knebworth with the exception of the Lairage MSCP and Norton Common. This test seeks to manage the demand for parking in the 2 hour band. This test results in a marginal shortfall of approximately £600 for the high estimate scenario.

8.9 This report to Cabinet is concerned with presenting a tariff structure that seeks to manage car park usage and reflect inflationary cost pressures as determined by the budget estimates for 2018/19 and its implementation as soon as possible in the new financial year. Following discussion with the Executive Member for Policy, Transport and Green Issues it is the officer recommendation that Cabinet consider and agree the tariff increases

as proposed at *Test Two* in the Technical Note. These proposed tariff increases are set out in Tables 1 to 5 for each town at Appendix B attached to this report. It is to be noted that evening and Sunday charging are not considered within this report and will be investigated and reported on later in the year.

9. SEASON TICKETS AND RESIDENT PERMIT ZONES

- 9.1 Over the last few years, the Council has increased season ticket prices in each of its long stay car parks in Hitchin, Letchworth and Royston in accordance with its fees and charges policy.
- 9.2 Following discussion with the Executive Member for Policy, Transport & Green Issues and in accordance with managing demand, maintaining differentiations between pay-as-you-use and season ticket prices and the Council's Medium Term Financial Strategy (MTFS), it is proposed to increase Season Ticket prices by CPI (November 2017) plus 2% in the Council's long stay car parks in Hitchin, Letchworth and Royston for 2018/19. The 12 month movement in the CPI, as measured at November 2017, was 3.1%. The new prices, as proposed in Table 6, are therefore the result of uplifting the present tariffs by 5.1% (November CPI+2%) and then rounding to the nearest pound. This proposed increase would increase income from season tickets by approximately £13,400, assuming demand remains unchanged. This proposed price increase should not deter the use of the long stay car parks, as season ticket holders will still be receiving a reasonable discount over full day pay-as-you-use charging.

Table 6: Proposed Season Ticket Increases for 2018/19.

| Hitchin, Letchworth and Royston In all valid off-street parking places identified in the North Hertfordshire District Council (Off-Street Parking Places) Order 2014 | Existing Season Ticket charges 2017/18 | New Season Ticket charges 2018/19 |
|--|--|--|
| One Month | £78.00 | £82.00 |
| Three Months | £193.00 | £203.00 |
| Six Months | £358.00 | £376.00 |
| Twelve Months | £663.00 | £697.00 |

- 9.3 Following discussion with the Executive Member for Policy, Transport & Green Issues there is no proposal to increase resident, business or visitor permits and visitor ticket books for each of the Council's resident permit parking zones across the District for 2018/19. These were last increased in April 2013 where the subsidy target was met and such zones are considered to be self financing. A review will be undertaken once the current work programme on resident permit parking zones has been completed.

10. LEGAL IMPLICATIONS

- 10.1 Under the Terms of Reference for Cabinet, paragraph 5.6.30 of the Constitution states that the Cabinet should by way of resolution determine charges for car parking.
- 10.2 The proposed tariff changes will be required to be published as a Notice of Variation to the North Hertfordshire District Council (Off-Street Parking Places) Order 2014 in the local papers under Section 35C of the Road Traffic Regulation Act 1984 and in compliance with Section 25 of part V of the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996. Such Notice of Variation will give a minimum of

21 days notice of when the new parking tariffs will be implemented. Site notices will be displayed in all affected car parks.

11. FINANCIAL IMPLICATIONS

- 11.1 The budget for 2018/19, approved by Full Council in February 2018, includes estimated income to the Council of £1.762million from pay-as-you-use parking charges. This figure however includes the delivery of the approved efficiency proposal of £105k from changes to parking arrangements following the Strategic Parking Review and is additional to this exercise. The income budget in relation to the sale of car park season tickets in 2018/19 is £276k.
- 11.2 The Council's policy with regard to discretionary fees and charges is that an inflationary increase equivalent to CPI plus 2%, as measured at November, should be applied annually. For 2018/19 this equated to a 5.1% increase in the relevant parking income budgets, equivalent to an increase in income of £85,500 from pay-as-you-use income charges and £13,400 from the sale of car park season tickets.
- 11.3 The approach taken and assumptions made in estimating the financial impact of the proposed pay-as-you-use tariff structure, as laid out in Tables 1 to-5 at Appendix B, are explained in the body of this report and further technical detail is contained within the consultant's report. While the actual impact on parking activity from the proposed tariff structure is unknown, the income estimates derived by the consultants, based on their analysis and approach as described in their Technical Note, are in line with the income expectation in relation to ad-hoc parking charges within the approved budget for 2018/19. The intended retention of the full 'free after 3pm' policy in all Royston car parks is estimated to have an adverse impact of approximately £13k on the total income estimate, but this will be subsidised by an annual contribution from Royston First BID, Royston Area Committee and County Councillor Hertfordshire Locality Budgets.
- 11.4 There is a budget set-aside for the cost of publishing the notices, advertising the increased car parking tariffs and season ticket prices in the local press, amending tariff boards and making adjustments to the car park payment machines and to the current Traffic Regulation Order.
- 11.5 As detailed in section 8 of this report, the income generated from car parking is highly uncertain as it is dependent on usage. The main reasons for the increases in charges are to manage usage and also to cover inflationary cost pressures (i.e. the CPI + 2% target). As detailed in paragraph 8.5 and 8.8 above the inflation target is only met under the best case (high) estimate.

12. RISK IMPLICATIONS

- 12.1 The risks to car parking income have been identified and include the impact of the 2018/19 tariff review. There is also a financial risk that the review of tariff structure does not produce the estimated income and there continues to be a downward trend in parking sales as observed in 2017/18.

13. EQUALITIES IMPLICATIONS

- 13.1 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.

- 13.2 There are no direct equality issues arising from this report. There is a range of charging/payment options which will still remain available to cater for the widest needs of local car park users. The realignment of the tariffs seeks to improve turnover and usage throughout day thereby supporting the town centre businesses and benefit the economy of North Hertfordshire. Amidst the slight increases, resident permits, visitor permits, business permits or visitor tickets for resident permit zones remain the same and the after 3pm subsidy in Royston continues for their benefit.

14. SOCIAL VALUE IMPLICATIONS

- 14.1 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 13.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are no new human resource implications arising from the contents of this report, although the planning service is carrying a number of vacancies, including specialisms in transport and parking matters. Recruitment to these posts has been unsuccessful and in the short term wherever suitable, subject to existing budgets, consultants will be used to progress projects. Officers will be responsible for implementing the new tariffs.

16. APPENDICES

- 16.1 Appendix A: Consultant's Report: Technical Note – Summary of car park trend data 2017/18 and recommendations for the 2018/19 inflationary adjustment. Markides Associates March 2018.
- 16.2 Appendix B: Proposed 2018/19 Tariff Increases for NHDC Off- Street Car Parks.

16. CONTACT OFFICERS

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17. BACKGROUND PAPERS

17.1 31 August 2017 Full Council: Item referred from Cabinet: 25 July 2017 – Medium Term Financial Strategy 2018-2023.

17.2 February 2018 Full Council: Item Referred From Cabinet: 23 January 2018 – Corporate Business Planning – Budget 2018/19.

17.3 North Hertfordshire District Council Parking Strategy Review: Phase 1 Report: Markides Associates February 2017.

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Technical Note – Summary of car park trend data 2017/18 and recommendations for the 2018/19 inflationary adjustment

NHDC parking strategy

Project No. 16023-01

March 2018

Client NORTH HERTFORDSHIRE DISTRICT COUNCIL

Author Martin Wedderburn (Markides Associates)

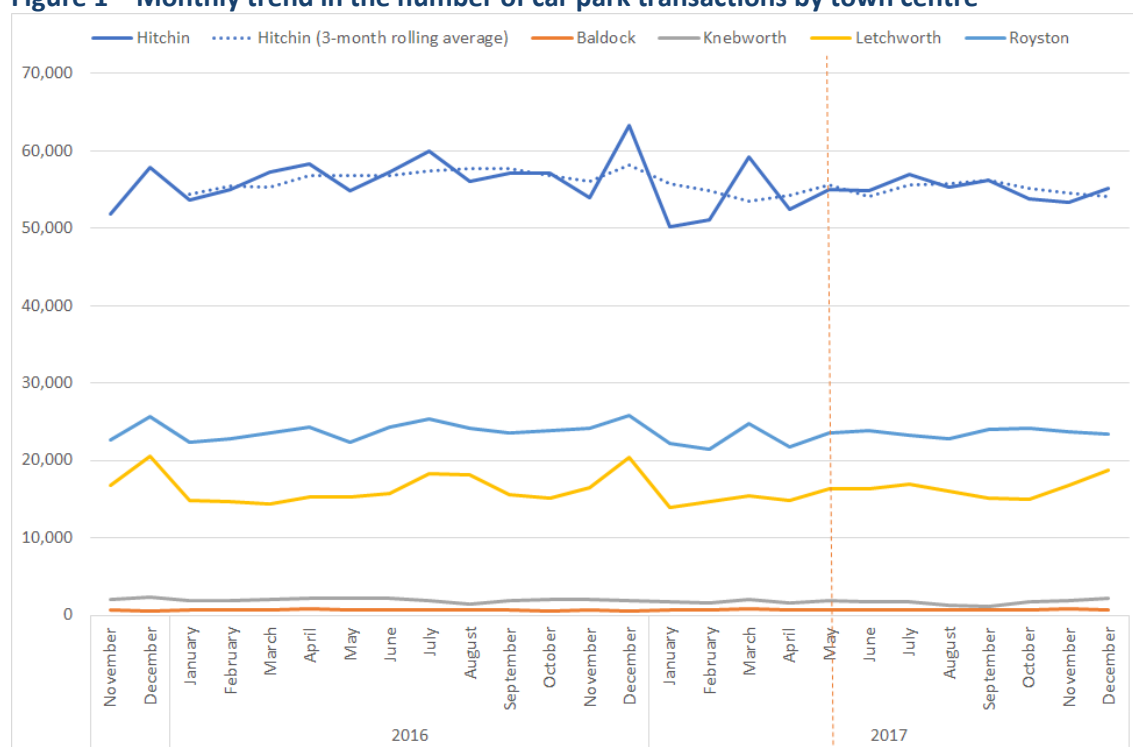
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1. INTRODUCTION

- 1.1 North Hertfordshire District Council (NHDC) commissioned Markides Associates (supported by Civix) to review its Parking Strategy. Phase 1 of this review involved a review of parking tariffs and recommendations.
- 1.2 Several of these recommendations were subsequently implemented in May 2017:
 - Greater differentiation between more and less popular car parks in Hitchin - this included an increase in short stay tariffs in the town centre car parks, discounted rates in the Lairage multi-storey car park and a discounted offer to encourage more people to park in the quiet late afternoon period.
 - Harmonisation of the short stay tariffs in Royston town centre, and discounted rates in the under-utilised Civic Centre car park.
- 1.3 The car park tariffs in Baldock, Letchworth and Knebworth were not changed in May 2017. Some changes to long stay tariffs were implemented a year earlier in May 2016, and therefore within the timeframe of the data used to predict the potential revenue impacts.
- 1.4 Unless otherwise specified, the 'predicted changes' refers to the predictions calculated for the North Hertfordshire District Council Parking Strategy Review Phase 1 report submitted in February 2017.
- 1.5 This technical note summarises the change in car park use and revenue observed in the seven-month period from June to December 2017 compared to the previous year. An interim 2017/18 annual revenue estimate is produced, which can be used as the basis for testing inflationary increases for 2018/19.

- 1.6 All figures in sections 2 to 5 are quoted in nominal prices and are inclusive of VAT. This is because the forecasts of potential behaviour change are based on user-perceived costs, which include any VAT they pay. However NHDC budgeting is done excluding VAT, so in the concluding section, estimates of 2017-18 and 2018-19 income exclusive of VAT are produced.
- 1.7 Figure 1 shows the monthly trend in car park sales by town centre over the last two years. Monthly sales can fluctuate because of daily variation and the number of weekdays and Saturdays that fall within a given month, and therefore a 3-month rolling average is plotted for Hitchin to show the trends more clearly.
- 1.8 In the summer of 2017, no immediate short-term shift in the number of transactions is observed in response to the May 2017 tariff changes.
- 1.9 It is also unexpected that the December peak in 2017 is considerably less pronounced than in 2016 in Hitchin and Royston.

Figure 1 – Monthly trend in the number of car park transactions by town centre¹

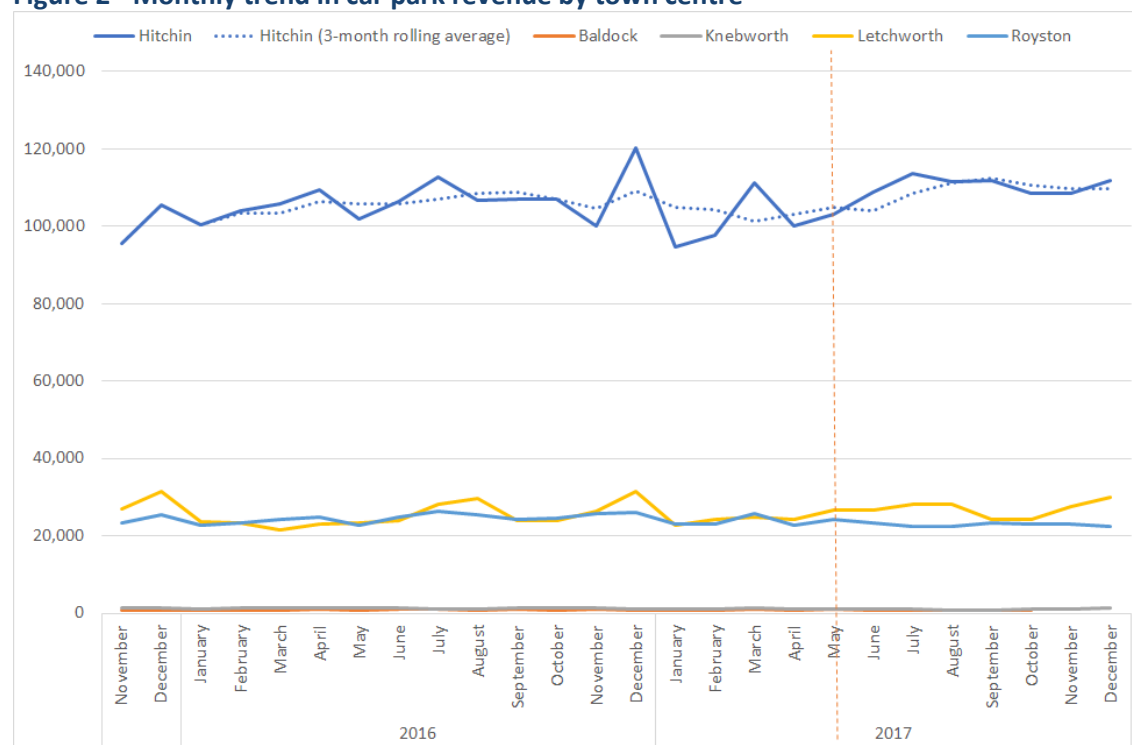


- 1.10 Figure 2 shows the equivalent revenue profile over the same two-year period. No immediate short-term shift in revenue is observed in summer 2017 as a result of the May 2017 tariff changes.
- 1.11 The observed data should be considered in the context of the background trends set out in the recent Parking Strategy Review. The town centres have experienced a longer-term decline in daily shopping activity, although in some cases this is offset by increased leisure and hospitality activity. Recent National Travel Survey data confirms that there is a longer-

¹ Excluding Hitchin Swim Centre and Letchworth Norton Common

term decline in the number of short trips that people make nationally, including local shopping and personal business trips. However, the long-term decline in the number of trips per person needs to be seen in the context of a growing population in North Herts.

Figure 2 - Monthly trend in car park revenue by town centre¹



1.12 Sections 2 to 5 will illustrate how the elasticity-based approach used previously predicted some of the responses to tariff changes reasonably well. In other cases, predictions were out, probably where unforeseen external factors affected demand temporarily during the year. Yet in several car parks a downward trend in parking sales was observed that appears to be indicative of a longer-term trend.

1.13 In light of these findings, it is proposed that a range of forecasts is presented for 2018/19 to reflect the uncertainty about these trends:

- High estimate – assuming no change in the number of parking transactions (i.e. people simply adapt to the inflationary increase with no shift in demand).
- Central case – calculated based on the short stay and long stay price elasticity previously calculated for each of the towns
- Low estimate – short-term response calculated based on the short stay and long stay price elasticity but baseline sales include an annual downward trend in sales equivalent to that seen in 2017/18 where applicable.

2. BALDOCK

2.1 The long stay tariff in the Twitchell in Baldock had an inflationary increase in May 2016 from £1.30 to £1.50. No change to tariffs was implemented in May 2017.

Table 2.1 – Baldock – change in car park transactions

| Car park | Transactions Jun-Dec 2016 | Transactions Jun-Dec 2017 | Change | Change % | Predicted change % |
|------------------|------------------------------|------------------------------|--------|----------|-----------------------|
| The Twitchell | 4,550 | 4,669 | 119 | +3% | -3% |

Table 2.2 – Baldock – change in car park revenue

| Car park | Revenue (£) Jun-Dec 2016 | Revenue (£) Jun-Dec 2017 | Change (£) | Change % | Predicted change % |
|------------------|-----------------------------|-----------------------------|------------|----------|-----------------------|
| The Twitchell | 6,252 | 6,400 | 147 | +2% | +8% |

- 2.2 It was predicted that the increase in long stay tariffs in May 2016 would lead to a slight reduction in transactions and an increase in revenue. In practice both the number of transactions and revenue have increased more slightly. However, the total change over the 7-month period evaluated is very small and equates to less than a single vehicle per day.

3. HITCHIN

- 3.1 Hitchin saw a relatively radical overhaul of the tariff structure in the short stay car parks, with an increase in all tariff bands. By contrast, a discounted 'cheaper after 3' tariff structure was introduced.
- 3.2 Additional discounts were implemented in the Lairage offering up to 4 hours parking for £2 to attract medium stay users to this MSCP to free up space in the higher turnover short stay car parks.
- 3.3 Additionally, the long stay tariff in Bancroft, Lairage and Woodside had an inflationary increase in May 2016, which was predicted to lead to a small reduction in long stay transactions and a small revenue increase.
- 3.4 The 'predicted change' in this case only includes the 'cheaper after 3' tariff on weekdays and not on Saturday as subsequently implemented.

Table 3.1 – Hitchin – change in car park transactions

| Car park | Transactions Jun-Dec 2016 | Transactions Jun-Dec 2017 | Change | Change % | Predicted change % |
|-----------------------------|------------------------------|------------------------------|----------------|------------|-----------------------|
| Bancroft | 39,055 | 38,660 | -395 | -1% | -3% |
| Biggin Lane | 19,718 | 18,827 | -891 | -5% | -4% |
| Christchurch | 21,479 | 20,346 | -1,133 | -5% | -1% |
| Lairage | 46,147 | 46,460 | 313 | +1% | -4% |
| Portmill East | 70,282 | 66,357 | -3,925 | -6% | -7% |
| Portmill West | 68,683 | 63,683 | -5,000 | -7% | -7% |
| St Mary's Square | 103,295 | 96,997 | -6,298 | -6% | -7% |
| Woodside | 36,073 | 34,358 | -1,715 | -5% | -8% |
| Total | 404,732 | 385,688 | -19,044 | -5% | -6% |
| Swim Centre ² | 23,965 | 21,869 | -2,096 | -9% | 0% |

Table 3.2 – Hitchin – change in car park revenue

| Car park | Revenue (£) Jun-Dec 2016 | Revenue (£) Jun-Dec 2017 | Change (£) | Change % | Predicted change % |
|---------------------|-----------------------------|-----------------------------|---------------|------------|-----------------------|
| Bancroft | 82,296 | 83,010 | 713 | +1% | -1% |
| Biggin Lane | 34,448 | 36,197 | 1,749 | +5% | +8% |
| Christchurch | 37,534 | 40,189 | 2,654 | +7% | +10% |
| Lairage | 84,805 | 78,665 | -6,140 | -7% | 0% |
| Portmill East | 121,080 | 128,219 | 7,139 | +6% | +9% |
| Portmill West | 114,605 | 117,878 | 3,273 | +3% | +9% |
| St Mary's Square | 191,117 | 198,849 | 7,731 | +4% | +9% |
| Woodside | 94,329 | 91,756 | -2,572 | -3% | 0% |
| Total | 760,215 | 774,763 | 14,548 | +2% | +6% |
| Swim Centre | 32,454 | 30,403 | -2,052 | -6% | 0% |

3.5 The predicted reduction in parking transactions in Hitchin is slightly less than predicted in most of the car parks. However, while the average revenue per transaction has increased, the predicted increase in revenue has only partially materialised.

3.6 Further analysis of the data from the short stay car parks shows the following:

- The 'cheaper after 3' concept was intended to encourage visitors to dwell longer when the short stay car parks were under-utilised, and the policy has been very successful in this respect. In 2016, 69% of visits purchased after 3 were for 1 hour, while in 2017 over 83% of visits purchased were for 2 or 3 hours. The same pattern is observed on Saturdays (from 55% 1-hour visits to 87% 2-3 hour visits).

² Swim centre shown separately since the revenue is accounted for separately

- The lower than expected increase in revenue is predominantly due to the greater than predicted uptake of the 'cheaper after 3' offer, and in particular its introduction on Saturdays.
- Conversely, there has been no significant shift in the proportion of trips at different times of the day and week. This means that the 'cheaper after 3' policy does not seem to have shifted the time of day that people visit the town centre. The same number of people visit at this time of day, but they stay for longer.
- The exception to this is that the proportion of tickets purchased after 3pm on Saturday has fallen slightly relative to the rest of day. There was previously less spare capacity on Saturdays, and the introduction of the 'cheaper after 3' policy on Saturday appears to be reducing car park turnover more than is desirable. It is therefore recommended that it is strongly in the interest of the town centre to remove the 'cheaper after 3' policy on Saturdays in Hitchin.

3.7 Further analysis of the data from the short stay car parks shows the following:

- The effort to improve utilisation in the Lairage MSCP has partially been successful with a small increase in transactions.
- As intended the new 4-hour time band and discount offer is attracting medium stay visitor to the Lairage, with 35% of transactions now made up of 4-hour tickets (previously 28% were 3-hour tickets). Yet this means that the remaining increase in medium stay use is at the expense of the long stay tariff band. This explains the larger than expected fall in revenue.
- Demand at the other long stay car parks has been reasonably stable. The tariff structure was amended to align with the 'cheaper after 3' policy in the short stay car parks. The same pattern can be seen with no shift in demand between times of the day and week, but a shift to longer visits after 3pm. Across all of the long stay car parks, the shift in transactions after 3pm was from 55% 1-hour visits to 52% 2-3 hour visits on weekdays, and no significant change on Saturdays with 2-3 hour visits remaining at 77%.

3.8 In terms of potential changes in 2018/19 or thereafter, some of the long stay tariff bands were not changed in 2017 and could be prioritised for an incremental increase. Changes to the 3- and 4-hour bands would create a further incentive to move more medium and long stay users to the Lairage MSCP.

4. LETCHWORTH

4.1 The long stay tariff in the Hillshot and multi-storey car parks had an inflationary increase in May 2016. No change to tariffs was implemented in May 2017.

Table 4.1 – Letchworth – change in car park transactions

| Car park | Transactions Jun-Dec 2016 | Transactions Jun-Dec 2017 | Change | Change % | Predicted change % |
|-------------------------|------------------------------|------------------------------|---------------|------------|-----------------------|
| Hillshot | 19,969 | 17,827 | -2,142 | -11% | +1% |
| MSCP - Long L4 - L9 | 8,727 | 9,566 | 839 | +10% | +1% |
| MSCP - Short L1 - L3 | 39,486 | 36,999 | -2,487 | -6% | +1% |
| Town Hall | 51,327 | 50,628 | -699 | -1% | +1% |
| Norton Common | 23,965 | 21,869 | -2,096 | -9% | 0% |
| Total | 129,095 | 123,768 | -5,327 | -4% | +1% |

Table 4.2 – Letchworth – change in car park revenue

| Car park | Revenue (£) Jun-Dec 2016 | Revenue (£) Jun-Dec 2017 | Change (£) | Change % | Predicted change % |
|-------------------------------|-----------------------------|-----------------------------|--------------|------------|-----------------------|
| Hillshot | 35,779 | 32,018 | -3,760 | -11% | +2% |
| MSCP - Long L4 - L9 | 23,363 | 27,081 | 3,718 | +16% | +2% |
| MSCP - Short L1 - L3 | 43,742 | 42,988 | -753 | -2% | +1% |
| Town Hall | 83,995 | 86,770 | 2,775 | +3% | +1% |
| Norton Common ³ | 4,150 | 2,879 | -1,271 | -31% | 0% |
| Total | 188,538 | 190,009 | 1,471 | +1% | +1% |

- 4.2 Contrary to predictions, there has been a fall in parking transactions in Letchworth. Yet revenue projections across the car parks have seen a very small increase as predicted.
- 4.3 The significant changes in demand have occurred between the car parks. The Hillshot car park has lost some patronage and the multi-storey car park has picked up additional demand. It is unclear what exactly has driven these shifts in demand within the town centre. The NHDC offices attract a number of visitors and the refurbishment may be responsible for some of this shift. Furthermore, the Heritage Foundation continues to follow its own objectives, announcing in November the opening of Broadway Gardens Car Park targeted at commuters.

5. ROYSTON

- 5.1 In May 2017 the central car parks in Royston (Angel Pavement, Market Place, Priory Gardens and Market Hill) were converted to short stay only to increase turnover. Furthermore, the free parking offer in Angel Pavement was removed to reduce confusion.
- 5.2 The 2-hour tariffs in the Warren and Civic Centre car parks were cut to encourage users staying longer than an hour out of the central car parks.

³ 40% revenue accruing to NHDC car parks

- 5.3 The 'free after 3' policy supported by Royston First was retained.
- 5.4 Additionally, the long stay tariff in the Warren and Civic Centre car parks had an inflationary increase previously in May 2016.
- 5.5 The 'predicted change' in this case differs slightly from the original Strategy Review Phase 1 report because they take into account the effect of the continued 'free after 3' policy financed through the external contribution.

Table 5.1 – Royston – change in car park transactions

| Car park | Transactions Jun-Dec 2016 | Transactions Jun-Dec 2017 | Change | Change % | Predicted change % |
|-------------------|------------------------------|------------------------------|---------------|------------|-----------------------|
| Angel Pavement | 7,373 | 9,224 | 1,851 | +25% | -25% |
| Civic Centre | 48,897 | 50,115 | 1,218 | +2% | -1% |
| Market Hill | 13,305 | 12,009 | -1,296 | -10% | -6% |
| Market Place | 17,756 | 17,263 | -493 | -3% | -6% |
| Princes Mews | 48,747 | 44,981 | -3,766 | -8% | +1% |
| Priory Gardens | 8,123 | 8,446 | 323 | +4% | -3% |
| The Warren | 26,928 | 23,108 | -3,820 | -14% | +3% |
| Total | 171,129 | 165,146 | -5,983 | -3% | -2% |

Table 5.2 – Royston – change in car park revenue

| Car park | Revenue (£) Jun-Dec 2016 | Revenue (£) Jun-Dec 2017 | Change (£) | Change % | Predicted change % |
|-------------------|-----------------------------|-----------------------------|----------------|-------------|-----------------------|
| Angel Pavement | 2,635 | 7,184 | 4,549 | +173% | -78% |
| Civic Centre | 55,084 | 48,738 | -6,346 | -12% | -7% |
| Market Hill | 9,679 | 8,912 | -767 | -8% | -9% |
| Market Place | 17,020 | 15,508 | -1,512 | -9% | -9% |
| Princes Mews | 45,269 | 39,901 | -5,368 | -12% | +1% |
| Priory Gardens | 7,721 | 7,865 | 144 | +2% | -19% |
| The Warren | 39,574 | 31,691 | -7,883 | -20% | 0% |
| Total | 176,981 | 159,799 | -17,183 | -10% | -1% |

- 5.6 Resurfacing works were undertaken in much of Royston town centre in autumn 2017. There appears to have been some impact on the town centre with a small shift from the central car parks to the Civic Centre during these months.
- 5.7 Overall the tariff changes in the central car parks appear to be achieving their objectives with an increase in transactions. Contrary to expectations, the loss of long stay users has not lead to a fall in revenue and total revenue from the central car parks has increased

marginally. Moreover, the 2-hour offer in the Civic Centre car park has been successful at attracting some additional demand, but the fall in revenue is greater than expected.

- 5.8 There has been a continued fall in demand for the Princes Mews and the Warren car parks, resulting in a large fall in revenue. While these two car parks were least affected by the tariff changes implemented, they may be picking up additional long stay usage at the expense of short stay visitors or the trends are linked to wider external factors.

6. KNEBWORTH

- 6.1 No change to tariffs in the St Martin's Road car park in Knebworth was implemented in May 2017.

Table 6.1 – Knebworth – change in car park transactions

| Car park | Transactions Jun-Dec 2016 | Transactions Jun-Dec 2017 | Change | Change % | Predicted change % |
|---------------------|------------------------------|------------------------------|--------|----------|-----------------------|
| St Martin's Road | 13,399 | 11,641 | -1,758 | -13% | 0% |

Table 6.2 – Knebworth – change in car park revenue

| Car park | Revenue (£) Jun-Dec 2016 | Revenue (£) Jun-Dec 2017 | Change (£) | Change % | Predicted change % |
|---------------------|-----------------------------|-----------------------------|------------|----------|-----------------------|
| St Martin's Road | 8,523 | 6,707 | -1,816 | -21% | 0% |

- 6.2 There has been a surprising drop in usage and transactions in this car park, although the tariffs have not changed. The monthly figures reveal that demand is stable but there was an unexpected sharp drop in the months of August and September, which is probably the result of external factors affecting trips to the High Street during this time.

7. SUMMARY OF 2017/18 TRENDS

- 7.1 Interim estimates for 2017/18, based on the first three quarters of data, are presented in Table 7.1. Estimates of revenue for the last quarter are based on the 2016 profile and the Jun-Dec 17 revenue trend (with two months data excluded in Knebworth due to the impact of external factors).

Table 7.1: Interim revenue estimates for 2017-18

| Car parks | Interim 2017/18 revenue estimate (gross) | Interim 2017/18 revenue to NHDC (net of VAT) | Predicted 2017/18 revenue to NHDC (net of VAT) | Change | Change % |
|--------------------------|--|--|--|---------|-------------|
| Baldock | 11,213 | 9,391 | 9,065 | 326 | 4% |
| Hitchin short stay | 859,319 | 718,959 | 767,572 | -48,613 | -6% |
| Hitchin long stay | 427,724 | 357,737 | 349,807 | 7,929 | 2% |
| Letchworth short stay | 216,526 | 181,218 | 177,167 | 4,050 | 2% |

| | | | | | |
|-------------------------|------------------|------------------|------------------|----------------|------------|
| Letchworth long stay | 95,987 | 80,257 | 81,078 | -821 | -1% |
| Royston short stay | 131,436 | 33,482 | 32,876 | 606 | 2% |
| Royston long stay | 139,807 | 117,078 | 123,123 | -6,045 | -5% |
| Knebworth | 11,690 | 9,773 | 12,735 | -2,962 | -23% |
| Other sports facilities | 53,906 | 3,171 | 9,146 | -5,975 | -65% |
| Total | 1,947,608 | 1,511,066 | 1,562,570 | -51,504 | -3% |

- 7.2 The interim results indicate that 2017/18 net revenue to NHDC will fall short of the predicted amount by around £50k or 3%. These figures do not include payments made by Royston First for the 'free after 3' scheme, which reduces the shortfall by some £5k.
- 7.3 The largest difference in revenue is observed in the short stay parking in Hitchin. As described above, the number of transactions is in line with predictions, but revenue has fallen. Further investigation shows that this is predominantly the result of the high take-up of the 'cheaper after 3' offer, and its introduction on Saturdays that was not included in the predictions.
- 7.4 The tariff changes in Royston have been a success in generating more turnover and revenue in the central car parks. However, the decline in revenue at Princes Mews and the Warren is surprisingly large and may indicate both a shift of long stay to users to these car parks and/or that there are external factors affecting demand for the adjacent retail offerings.
- 7.5 The downward trend in Knebworth is partially but not completely related to external factors in the months of August and September.

8. RECOMMENDATIONS FOR THE 2018/19 INFLATIONARY INCREASE

- 8.1 The following changes to tariffs are recommended in 2018/19:
- The 5.1% inflationary increases is applied to all tariff bands and rounded to the nearest 10p.
 - All tariffs under £1.00 were not increased in 2017/18 and are therefore all increased by 10p.
 - Several tariff changes were implemented following the parking strategy review. The resulting tariff structure should remain unchanged in 2018/19 except for two changes:
 - Removal of the cheaper after 3 policy in Hitchin on Saturdays; and
 - A steeper graduation of 3- and 4-hr tariff bands to push users from the short stay to the long stay car parks, and the more price sensitive users to the Lairage MSCP where there is still spare capacity.
- 8.2 The impact of these tariff changes has been calculated as high, central and low estimate as justified in section 1:
- High estimate – assuming no change in the number of parking transactions (i.e. people simply adapt to the inflationary increase with no shift in demand).

- Central case – calculated based on the short stay and long stay price elasticity previously calculated for each of the towns
- Low estimate – short-term response calculated based on the short stay and long stay price elasticity, but baseline sales include an annual downward trend in sales equivalent to that seen in 2017/18 where applicable.

8.3 The resulting estimates of net revenue to NHDC are shown in Table 8.1. Additional revenue of £275,900 is predicted from the 5.1% increase in season tickets.

Table 8.1: Revenue estimates (accruing to NHDC, net of VAT)

| Car parks | Interim 2017/18 revenue estimate | High estimate 2018/19 | Central estimate 2018/19 | Low estimate 2018/19 |
|--|---|-----------------------------|--------------------------------|----------------------------|
| Baldock | 9,391 | 9,998 | 9,910 | 9,536 |
| Hitchin short stay | 718,959 | 782,303 | 782,303 | 726,578 |
| Hitchin long stay | 357,737 | 394,758 | 379,295 | 374,491 |
| Letchworth short stay | 181,218 | 186,634 | 186,634 | 179,904 |
| Letchworth long stay | 80,257 | 82,483 | 81,977 | 79,928 |
| Royston short stay | 33,482 | 40,257 | 35,135 | 33,333 |
| Royston long stay | 117,078 | 124,926 | 122,700 | 117,311 |
| Knebworth | 9,773 | 12,165 | 11,351 | 9,535 |
| Other sports facilities | 3,171 | 13,271 | 3,234 | 3,234 |
| Total | 1,511,066 | 1,646,796 | 1,612,540 | 1,533,851 |
| Test 1: retain Hitchin cheaper after 3pm on Saturday | - | 1,638,680 | 1,604,809 | 1,526,621 |
| Test 2: retain Hitchin cheaper after 3pm on Saturday and increase all car parks with 2hr tariffs by 20p for that tariff, with the exception of the Lairage. | - | 1,656,080 | 1,617,694 | 1,538,646 |

8.4 The following tables show the proposed tariff changes for all car parks in the core recommendations.

Table 8.2: Baldock - proposed tariffs

| | The Twitchell | |
|---------------|-----------------|------------------|
| | Current 2017/18 | Proposed 2018/19 |
| Up to 3 hours | £1.00 | £1.10 |
| Over 3 hours | £1.50 | £1.60 |

Table 8.3: Hitchin short stay – proposed tariffs

| | St Mary's Square, Portmill East and West, Biggin Lane and Christchurch | | | |
|-----------------------|--|---------------------|--------------------|---------------------|
| | Monday-Friday | | Saturday | |
| | Current 2017/18 | Proposed 2018/19 | Current 2017/18 | Proposed 2018/19 |
| Up to 1 hour | £1.20 | £1.30 | £1.20 | £1.30 |
| Up to 2 hours | £2.20 | £2.30 | £2.20 | £2.30 |
| Up to 3 hours | £3.50 | £4.00 | £3.50 | £4.00 |
| Up to 4 hours | £5.00 | £5.50 | £5.00 | £5.50 |
| After 3pm: up to 1hr | £1.20 | £1.30 | £1.20 | £1.30 |
| After 3pm: up to 2hrs | £1.20 | £1.30 | £1.20 | £2.30 |
| After 3pm: up to 3hrs | £1.20 | £1.30 | £1.20 | £4.00 |

Table 8.4: Hitchin long stay – proposed tariffs

| | Lairage MSCP | | | | Bancroft and Woodside | | | |
|--------------------------|--------------------|---------------------|--------------------|---------------------|-----------------------|---------------------|--------------------|---------------------|
| | Monday-Friday | | Saturday | | Monday-Friday | | Saturday | |
| | Current 2017/18 | Proposed 2018/19 | Current 2017/18 | Proposed 2018/19 | Current 2017/18 | Proposed 2018/19 | Current 2017/18 | Proposed 2018/19 |
| Up to 1hr | £1.00 | £1.10 | £1.00 | £1.10 | £1.00 | £1.10 | £1.00 | £1.10 |
| Up to 2hrs | £1.00 | £1.10 | £1.00 | £1.10 | £2.00 | £2.20 | £2.00 | £2.20 |
| Up to 3hrs | £2.00 | £2.20 | £2.00 | £2.20 | £2.50 | £3.00 | £2.50 | £3.00 |
| Up to 4hrs | £2.00 | £2.20 | £2.00 | £2.20 | £4.70 | £5.00 | £4.70 | £5.00 |
| Over 4hrs | £4.20 | £4.40 | £4.20 | £4.40 | £4.70 | £5.00 | £4.70 | £5.00 |
| After 3pm: up to 1hr | £1.00 | £1.10 | £1.00 | £1.10 | £1.00 | £1.10 | £1.00 | £1.10 |
| After 3pm: up to 2hrs | £1.00 | £1.10 | £1.00 | £1.10 | £1.20 | £1.30 | £1.20 | £2.20 |
| After 3pm: up to 3hrs | £1.20 | £1.30 | £1.20 | £2.20 | £1.20 | £1.30 | £1.20 | £3.20 |

Table 8.5: Letchworth short stay – proposed tariffs

| | MSCP L1 to L3 | | Town Hall | |
|---------------|--------------------|---------------------|--------------------|---------------------|
| | Current 2017/18 | Proposed 2018/19 | Current 2017/18 | Proposed 2018/19 |
| Up to 1 hour | 60p | 70p | £1.00 | £1.10 |
| Up to 2 hours | £1.20 | £1.30 | £1.70 | £1.80 |
| Up to 3 hours | £2.30 | £2.40 | £3.00 | £3.20 |
| Up to 4 hours | £4.20 | £4.40 | £4.70 | £4.90 |

Table 8.6: Letchworth short stay – proposed tariffs

| | MSCP L1 to L3 | | Town Hall | | Norton Common | |
|---------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|
| | Current 2017/18 | Proposed 2018/19 | Current 2017/18 | Proposed 2018/19 | Current 2017/18 | Proposed 2018/19 |
| Up to 1 hour | 60p | 70p | £1.00 | £1.10 | £0.00 | £0.00 |
| Up to 2 hours | £1.20 | £1.30 | £1.70 | £1.80 | £0.00 | £0.00 |
| Up to 3 hours | £2.30 | £2.40 | £3.00 | £3.20 | £1.50 | £1.70 |
| Up to 4 hours | £4.20 | £4.40 | £4.70 | £4.90 | £1.50 | £1.70 |
| Up to 5 hours | - | - | - | - | £4.50 | £4.70 |

Table 8.7: Letchworth long stay - proposed tariffs

| | MSCP L4 to L9 | | Hillshot | |
|---------------|--------------------|---------------------|--------------------|---------------------|
| | Current 2017/18 | Proposed 2018/19 | Current 2017/18 | Proposed 2018/19 |
| Up to 1 hour | 60p | 70p | 60p | 70p |
| Up to 2 hours | £1.20 | £1.30 | £1.20 | £1.30 |
| Up to 3 hours | £2.30 | £2.40 | £2.30 | £2.40 |
| Over 3 hours | £4.70 | £4.90 | £4.70 | £4.90 |

Table 8.8: Royston short stay – proposed tariffs

| | Angel Pavement / Market Place / Priory Gardens | | Princes Mews | |
|---------------|---|---------------------|--------------------|---------------------|
| | Current 2017/18 | Proposed 2018/19 | Current 2017/18 | Proposed 2018/19 |
| Up to 1 hour | 50p | 60p | 60p | 70p |
| Up to 2 hours | £1.20 | £1.30 | £1.20 | £1.30 |
| Up to 3 hours | £3.50 | £3.70 | £4.70 | £4.90 |
| Over 3 hours | - | - | £7.00 | £7.40 |

Table 8.9: Royston long stay – proposed tariffs

| | The Warren | | Civic Centre / Town Hall | |
|---------------|--------------------|---------------------|--------------------------|---------------------|
| | Current 2017/18 | Proposed 2018/19 | Current 2017/18 | Proposed 2018/19 |
| Up to 1 hour | 50p | 60p | 50p | 60p |
| Up to 2 hours | £1.00 | £1.10 | 50p | 60p |
| Up to 3 hours | £1.70 | £1.80 | £1.00 | £1.10 |
| Over 3 hours | £3.60 | £3.80 | £3.20 | £3.40 |

Table 8.10: Knebworth – proposed tariffs

| | St Martin's Road | |
|---------------|------------------|------------------|
| | Current 2017/18 | Proposed 2018/19 |
| Up to 30mins | 20p | 30p |
| Up to 1 hour | 50p | 60p |
| Up to 2 hours | £1.20 | £1.30 |
| Up to 3 hours | £2.00 | £2.10 |
| Up to 4 hours | £4.00 | £4.20 |

8.5 Table 8.1 also shows 2 variants of the core option. These are as follows:

- Test 1 retains the Hitchin 'cheaper after 3' on Saturday – the estimates indicate that this scenario will result in an expected revenue range of £1,526,600 to £1,638,700, with a 'central' estimate of £1,604,800.
- Test 2 retains the Hitchin 'cheaper after 3' on Saturday and increases all car parks with 2hr tariffs by 20p for that tariff, with the exception of the Lairage⁴. The estimates indicate that this scenario will result in an expected revenue range of £1,538,600 to £1,656,100, with a 'central' estimate of £1,617,700.

⁴ Baldock – no change; Knebworth St. Martins Road – 2 hour tariff up from £1.20 to £1.40; Letchworth MSCP L1-3 and L4-9 - 2 hour tariff up from £1.20 to £1.40; Town hall 2 hr £1.70 to £1.90; Hillshott £1.20 to £1.40; Hitchin – 2 hr tariffs St. Marys and Portmill Lane, Biggin Lane and Christchurch £2.20 to £2.40, Woodside & Bancroft car parks £2.00-£2.20; Royston – 2 hour tariff up £1.20 to £1.40 in Princes Mews, Angel Pavement, Market Place and Priory Gardens; The Warren £1 to £1.20; Civic Centre 0.50 to 0.70.

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Tables 1 to 5 Showing Proposed Car Park Tariff Increases for 2018/19

Table 1: Baldock - proposed tariffs

| | The Twitchell | |
|---------------|-----------------|------------------|
| | Current 2017/18 | Proposed 2018/19 |
| Up to 3 hours | £1.00 | £1.10 |
| Over 3 hours | £1.50 | £1.60 |

Table 2.1: Hitchin short stay – proposed tariffs

| | St Mary's Square, Portmill East and West, Biggin Lane and Christchurch | |
|-----------------------|--|------------------|
| | Current 2017/18 | Proposed 2018/19 |
| Up to 1 hour | £1.20 | £1.30 |
| Up to 2 hours | £2.20 | £2.40 |
| Up to 3 hours | £3.50 | £4.00 |
| Up to 4 hours | £5.00 | £5.50 |
| After 3pm: up to 1hr | £1.20 | £1.30 |
| After 3pm: up to 2hrs | £1.20 | £1.30 |
| After 3pm: up to 3hrs | £1.20 | £1.30 |

Table 2.2: Hitchin long stay – proposed tariffs

| | Lairage MSCP | | Bancroft and Woodside | |
|-----------------------|--------------------|-----------------------------|-----------------------|-----------------------------|
| | Monday-Saturday | | Monday-Saturday | |
| | Current 2017/18 | Proposed 2018/19 | Current 2017/18 | Proposed 2018/19 |
| Up to 1hr | £1.00 | £1.10 | £1.00 | £1.10 |
| Up to 2hrs | £1.00 | £1.10 | £2.00 | £2.20 |
| Up to 3hrs | £2.00 | £2.20 | £2.50 | £3.00 |
| Up to 4hrs | £2.00 | £2.20 | £4.70 | £5.00 |
| Over 4hrs | £4.20 | £4.40 | £4.70 | £5.00 |
| After 3pm: up to 1hr | £1.00 | £1.10 | £1.00 | £1.10 |
| After 3pm: up to 2hrs | £1.00 | £1.10 | £1.20 | £1.30 |
| After 3pm: up to 3hrs | £1.20 | £1.30 | £1.20 | £1.30 |

Table 3.1: Letchworth short stay – proposed tariffs

| | MSCP L1 to L3 | | Town Hall | | Norton Common | |
|---------------|--------------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| | Current 2017/18 | Proposed 2018/19 | Current 2017/18 | Proposed 2018/19 | Current 2017/18 | Proposed 2018/19 |
| Up to 1 hour | 60p | 70p | £1.00 | £1.10 | £0.00 | £0.00 |
| Up to 2 hours | £1.20 | £1.40 | £1.70 | £1.90 | £0.00 | £0.00 |
| Up to 3 hours | £2.30 | £2.40 | £3.00 | £3.20 | £1.50 | £1.70 |
| Up to 4 hours | £4.20 | £4.40 | £4.70 | £4.90 | £1.50 | £1.70 |
| Up to 5 hours | - | - | - | - | £4.50 | £4.70 |

Table 3.2: Letchworth long stay - proposed tariffs

| | MSCP L4 to L9 | | Hillshot | |
|---------------|--------------------|---------------------|--------------------|---------------------|
| | Current 2017/18 | Proposed 2018/19 | Current 2017/18 | Proposed 2018/19 |
| Up to 1 hour | 60p | 70p | 60p | 70p |
| Up to 2 hours | £1.20 | £1.40 | £1.20 | £1.40 |
| Up to 3 hours | £2.30 | £2.40 | £2.30 | £2.40 |
| Over 3 hours | £4.70 | £4.90 | £4.70 | £4.90 |

Table 4.1: Royston short stay – proposed tariffs

| | Angel Pavement / Market Place / Priory Gardens | | Princes Mews | |
|---------------|---|---------------------|--------------------|---------------------|
| | Current 2017/18 | Proposed 2018/19 | Current 2017/18 | Proposed 2018/19 |
| Up to 1 hour | 50p | 60p | 60p | 70p |
| Up to 2 hours | £1.20 | £1.40 | £1.20 | £1.40 |
| Up to 3 hours | £3.50 | £3.70 | £4.70 | £4.90 |
| Over 3 hours | - | - | £7.00 | £7.40 |

Table 4.2: Royston long stay – proposed tariffs

| | The Warren | | Civic Centre / Town Hall | |
|---------------|--------------------|-----------------------------|--------------------------|-----------------------------|
| | Current 2017/18 | Proposed 2018/19 | Current 2017/18 | Proposed 2018/19 |
| Up to 1 hour | 50p | 60p | 50p | 60p |
| Up to 2 hours | £1.00 | £1.20 | 50p | 70p |
| Up to 3 hours | £1.70 | £1.80 | £1.00 | £1.10 |
| Over 3 hours | £3.60 | £3.80 | £3.20 | £3.40 |

Table 5: Knebworth – proposed tariffs

| | St Martin's Road | |
|---------------|------------------|-------------------------|
| | Current 2017/18 | Proposed 2018/19 |
| Up to 30mins | 20p | 30p |
| Up to 1 hour | 50p | 60p |
| Up to 2 hours | £1.20 | £1.40 |
| Up to 3 hours | £2.00 | £2.10 |
| Up to 4 hours | £4.00 | £4.20 |

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| *PART 1 – PUBLIC DOCUMENT | AGENDA ITEM No. 12 |
|----------------------------------|---|

TITLE OF REPORT: DISTRICT WIDE SURVEY 2017 – KEY FINDINGS AND ACTIONS

REPORT OF THE CHIEF EXECUTIVE

EXECUTIVE MEMBER: COUNCILLOR LYNDIA NEEDHAM, LEADER OF THE COUNCIL

COUNCIL PRIORITY: RESPONSIVE AND EFFICIENT

1. EXECUTIVE SUMMARY

To advise Cabinet of the key findings and action points arising from the 2017 District Wide Survey.

2. RECOMMENDATIONS

2.1 That Cabinet comment on and note the key findings and observations from the District Wide Survey.

2.2 That Cabinet note how the results will be used by Senior Management Team in conjunction with Executive Members, to inform the service planning process and to update relevant performance measures.

3. REASONS FOR RECOMMENDATIONS

3.1 To ensure that Cabinet is aware of the results and any trends from previous surveys and how the results will be used to inform future service delivery.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 None.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1 The biennial District Wide Survey is one of the Council's key mechanisms for seeking the views and opinions of North Hertfordshire residents on a range of services and issues. The Leader of the Council with responsibility for consultation and the Senior Management Team, have been briefed on the key findings from the report.

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 14 September 2017.

7. BACKGROUND

- 7.1 The 2017 District Wide Survey was carried out in line with the Council's agreed Consultation Strategy. The survey is carried out every two years in order to capture residents' views and perceptions of services and facilities provided by the Council.
- 7.2 BMG Research, an independent research agency, was commissioned by the Council to carry out the research on our behalf. They conducted 1001 telephone interviews of North Hertfordshire residents between October and November 2017. The results were weighted by area, age, gender, working status and ethnicity to ensure they were representative of the North Hertfordshire population.
- 7.3 The question set remains largely consistent from one survey exercise to the next (with some minor variations) to allow benchmarking from year to year. Comparisons with previous results are made at appropriate points in the survey. Prior to 2011 the survey was carried out face to face rather than on the telephone and therefore those results are not directly comparable.
- 7.4 The results of the survey will be used by the Senior Management Team in conjunction with Executive Members to inform the Council's service delivery plan and service action plans and to update relevant performance measures.
- 7.5 The figures and tables in the report are extracted directly from the full research report prepared by BMG Research. As only a selection of the figures and tables appear in this report, the numbering is not always in sequential order.

8. RELEVANT CONSIDERATIONS

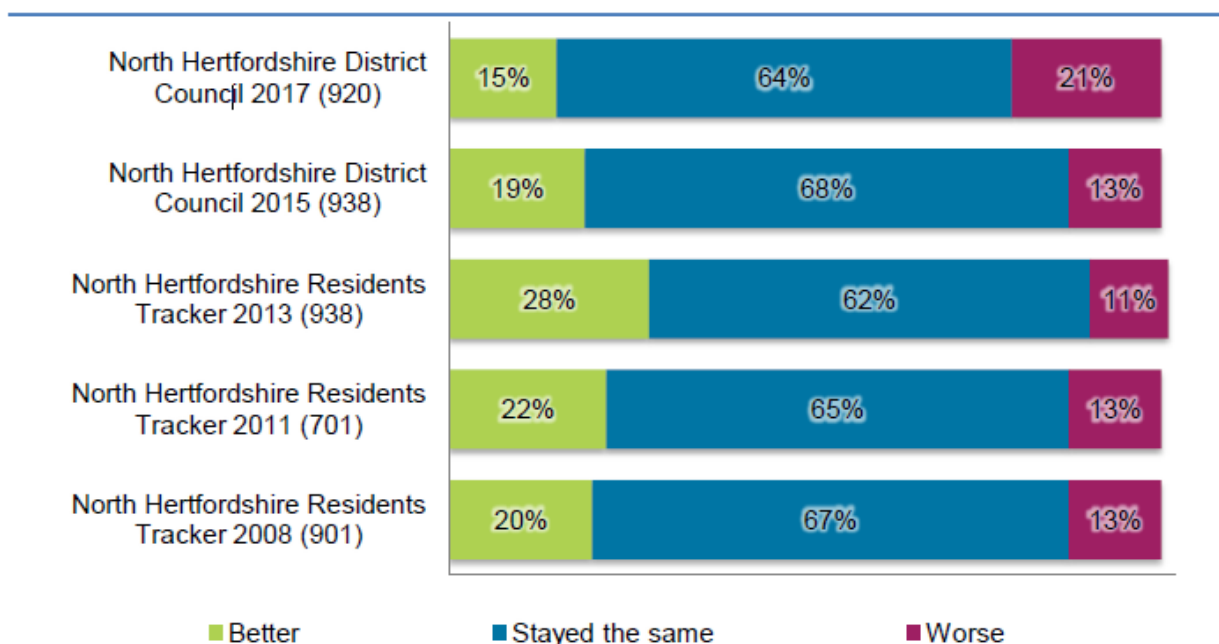
8.1 Overall satisfaction and perceptions of the Council

- 8.1.1 The vast majority of residents (95%) are satisfied with their area as a place to live, including 63% who are very satisfied. This compares favourably to the latest national telephone polling carried out by the Local Government Association (LGA) in October 2017, where the proportion expressing satisfaction with their local area was 82%, 13 percentage points lower than North Hertfordshire residents. There is limited variation in satisfaction with the areas as a place to live by area, although Royston residents are more likely than Southern Rural residents to state they are dissatisfied (5% cf. 1%).
- 8.1.2 When considering the performance of the Council, 75% of residents express satisfaction with the way the Council runs things. There has been a 7% drop in satisfaction since 2015 (82%). However this satisfaction level is still well above the latest LGA benchmark figure which is 65%. As also found in 2015, those who have seen a copy of the Council's Outlook magazine are more likely than those who have not, to be satisfied with the Council overall (77% cf. 69%). Southern Rural residents are most likely to state they are dissatisfied with the way the Council runs things, more so than those in Hitchin and Letchworth (20% cf. 12% and 11% respectively).
- 8.1.3 Those residents who expressed dissatisfaction with the way the Council runs things were invited to say how they feel the Council could improve the running of North Hertfordshire. These comments are coded into themes. The top themes are that dissatisfied residents feel the Council should:
- Listen / consult more (19%)
 - Reduce planning permissions / stop building houses (18%)
 - Improve refuse / recycling (incl timings / tip and recycle centre opening times) (16%)

- Improve communication (16%).

8.1.4 Residents were asked whether they think the way North Hertfordshire District Council runs things has got better, stayed the same, or got worse over the last two years. The proportion of residents who feel that the way the Council runs things has worsened in the last two years has increased significantly (21% cf. 13%). Residents in Hitchin are significantly more likely to say the way the Council runs things has got better than the total average (20% cf. 15%).

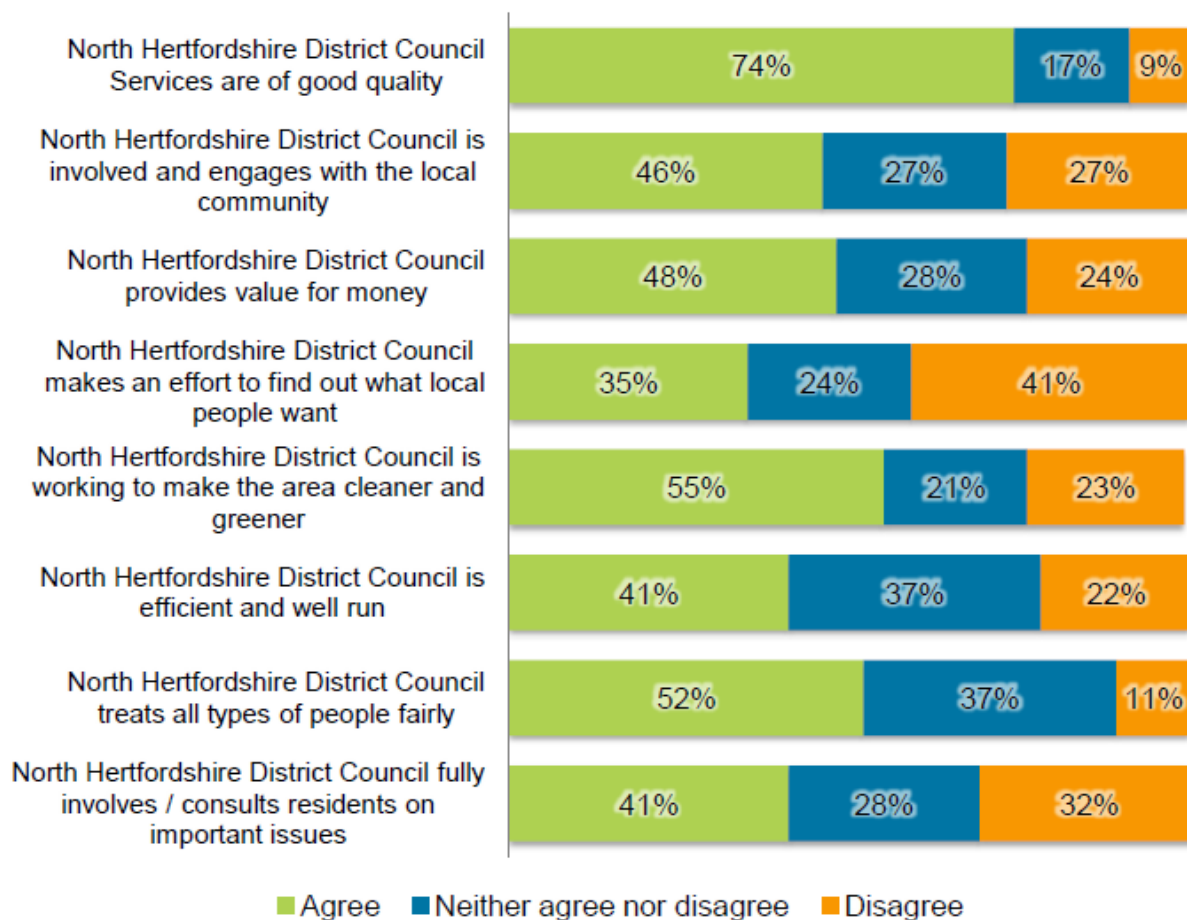
Figure 4: Thinking about the way North Hertfordshire District Council runs things, do you think it has got better, stayed the same or got worse over the last two years? (All valid responses)



Unweighted sample bases shown in parentheses

8.1.5 Residents were asked to what extent they agree or disagree with various perceptions of the Council. The highest proportion of residents agree that NHDC services are of good quality (74%). The lowest level of agreement is in relation to the statement NHDC makes an effort to find out what local people want (35%), and 41% disagree with this statement. Agreement that North Hertfordshire Council provides value for money at 48% is 2 percentage points below the October 2017 LGA Benchmark of 50%. There has been a significant decrease in agreement with every measure since 2015, with the biggest being a 13-point decrease in those who agreed that NHDC makes an effort to find out what local people want.

**Figure 5: Agreement with key statements about North Hertfordshire District Council
(All valid responses)**



Unweighted sample base: 1001

8.1.6 Table 4 below shows residents living in Baldock and District are significantly more likely to agree that NHDC provides value for money. Those in Southern Rural share the lowest level of agreement in every measure compared to the other areas.

Table 4: Agreement with key statements about North Hertfordshire District Council by area (All valid responses)

| | Baldock & District (118) | Hitchin (264) | Letchworth (259) | Royston (150) | Southern Rural (210) |
|---|-----------------------------|------------------|---------------------|------------------|-------------------------|
| Services are of good quality | 73% | 75% | 74% | 74% | 72% |
| Is involved and engages with the local community | 51% | 45% | 49% | 49% | <u>38%</u> |
| Provides value for money | 57% | 50% | 52% | 42% | <u>41%</u> |
| Makes an effort to find out what local people want | 37% | 34% | 37% | 34% | 34% |
| Is working to make the area cleaner and greener | 54% | 56% | 61% | 57% | <u>46%</u> |
| Is efficient and well run | 45% | 37% | 47% | 39% | 37% |
| Treats all types of people fairly | 56% | 50% | 53% | 54% | 50% |
| Fully involves / consults residents on important issues | 45% | 42% | 43% | 38% | 35% |

*For tables, figures significantly higher than the total are displayed in bold, whilst those significantly lower than the total are displayed underlined.

8.1.7 Observations on overall satisfaction: Overall satisfaction with the Council and with North Hertfordshire as a place to live remains very high and well above the national LGA Benchmark. However, there has been a significant drop in satisfaction with the way the Council runs things and a significant increase in those people who think that the way the Council runs things has worsened in the last two years. There are a number of factors which are likely to have contributed to the drop in satisfaction. The key ones are the impact of the Council having made ongoing savings of £6.6 million in the last seven years, meaning some unpopular and difficult decisions have had to be made. Another possible factor is the timing of the telephone survey. The fieldwork was carried out in October / November 2017, following a consultation on charging for green waste and a subsequent decision to introduce the charge on 16 October. While there is no direct evidence that this decision has impacted on satisfaction levels, there has been a sustained period of negative feedback both during and after the consultation period, particularly on social media, which may have adversely affected people's views of the Council. Similarly, other high profile projects such as the Local Plan and Hitchin Town Hall and Museum have generated sustained negative press interest. Despite this, it is worth putting the result into context, as the 75% of residents who are satisfied with the Council is well above the LGA national benchmark of 65%.

8.1.8 Observations on perceptions of the Council: With 41% of people disagreeing that the Council makes an effort to find out what local people want and 32% of people disagreeing that the Council fully involves or consults residents on important issues, this has the potential to have a serious impact on the Council's reputation and on resident satisfaction with services. However, the results do not necessarily mean the Council needs to increase the volume of consultation undertaken. The Council's agreed Consultation Strategy 2015-2020 emphasises the need to ensure that consultation opportunities are widely publicised and available via accessible means. As an example, the recent waste contract consultation was widely publicised via social media, website, press release and a flyer to all households. The survey was available online, but also paper copies were made available where people did not have access to the internet. One area of improvement also identified in the Consultation Strategy is around the need to publicise how we have utilised the feedback from consultations, including any suggestions or comments which are not adopted in the final policy or service change (you said we did approach), so that residents understand how they

have played a role in the process. It is worth pointing out that two of the most high profile recent consultations are around the Local Plan and introducing charging for green waste. Both consultations are sensitive or contentious and we are aware that some residents were not happy with the outcome of the consultations. This in itself could mean that while we have carried out adequate and appropriate consultation, people are unhappy with the ultimate decision taken, which could influence their views on consultation activity.

- 8.1.9 Agreement levels on all statements about the Council have dropped and Senior Management Team will need to consider how to address these issues, particularly around engagement and consultation with the community, as part of the service planning process. Specifically on the low levels of agreement from Southern Rural residents, this could be explained in part by the timing of the survey in relation to local campaigns around proposed sites for development in the Local Plan.

8.2 Council services

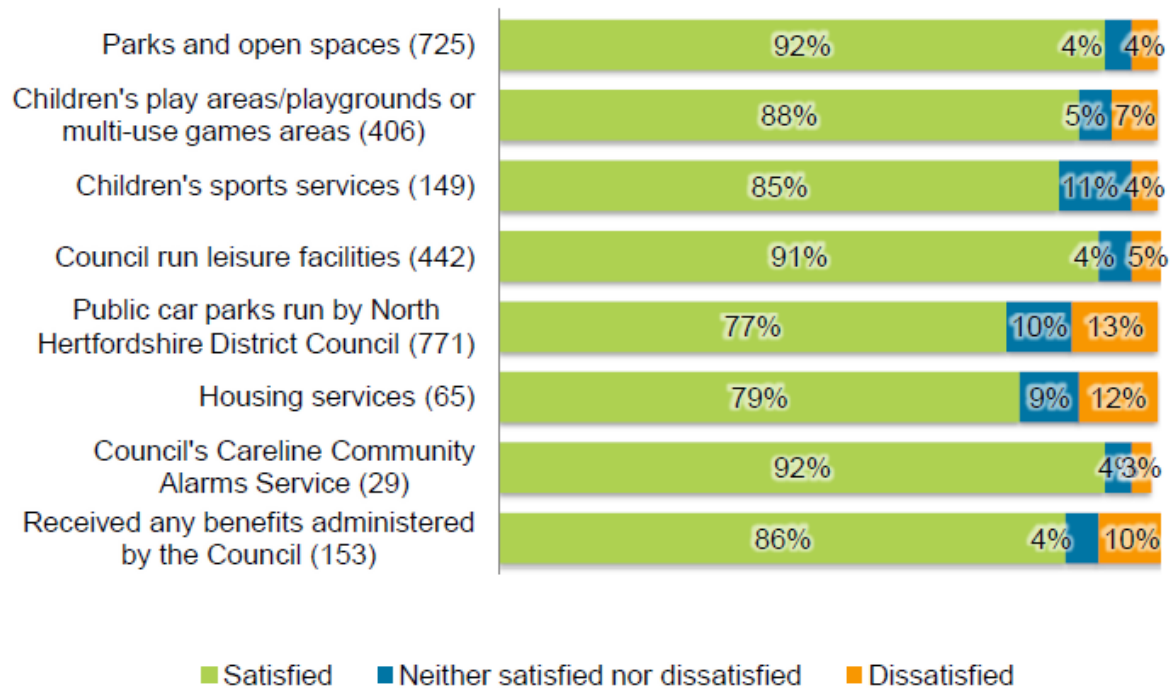
- 8.2.1 Universal services: Satisfaction with the administration of Council Tax (82%) and the general waste and recycling collection (79%) is high. Satisfaction with street cleaning is slightly lower at 72%, however this is above the LGA benchmark of 70%. There are no significant variations in satisfaction with street cleansing or waste and recycling by geographical area. However, satisfaction with general waste and recycling collection at 79% is significantly lower than in 2015 (86%), and satisfaction with street cleaning has also dropped from 78% in 2015 to 72% in 2017.
- 8.2.2 Usage of services: Residents were asked if they have used various services within the last year – see Figure 8 below. As per previous surveys, the most used services are public car parks (78%) and parks and open spaces (73%).

Table 6: Service use 2011-2017 (All valid responses)

| Service/facility | % users 2011 | % users 2013 | % users 2015 | % users 2017 | % point change 2015-17 |
|--|-----------------|-----------------|-----------------|-----------------|------------------------------|
| Parks and open spaces | 78% | 79% | 75% | 73% | -2% |
| Public car parks run by North Hertfordshire District Council | 77% | 78% | 78% | 78% | 0% |
| Council run leisure facilities | 55% | 48% | 46% | 44% | -2% |
| Children's Play Areas/ playgrounds or multi-use games areas | 41% | 46% | 41% | 40% | -1% |
| Children's sports services | 22% | 21% | 12% | 16% | +4% |
| Housing services | 6% | 4% | 5% | 7% | +2% |

- 8.2.3 Those people who indicated they had used a service were then asked to indicate how satisfied they were with that service. See Figure 9 below. Satisfaction is generally very high, with satisfaction levels being fairly consistent with 2015. In particular over 90% of users are satisfied with parks and open spaces, Council run leisure facilities and Carline's Community Alarms service.

Figure 9: Service satisfaction among users (Where used in the last year)



Unweighted sample bases in parenthesis

- 8.2.4 The majority of residents (57%) feel that waste and recycling collection is the most important service the Council provides. 15% said that housing services were the most important, followed by 10% who said parks and open spaces. These were also the three services cited (in the same order of importance) in 2015 and 2013.
- 8.2.5 **Observations on satisfaction with Council services:** Satisfaction with the waste and recycling service remains high at 79%, although this is 7 percentage points lower than in 2015. Satisfaction with street cleaning has also dropped from 78% in 2015 to 72% in 2017. With a new Waste, Recycling and Street Cleansing contract coming into force in May 2018, it is hoped the use of in-cab technology and real time reporting will introduce significant improvements for customers. It is also worth noting that as a percentage of waste collections, the level of complaints is very low, at 0.01% for April 2016 to March 2017.
- 8.2.6 Although 12% of residents are dissatisfied with the Council's housing services, this could be partly anticipated. Due to the nature of the service, some residents may not be satisfied with the advice given or options available, rather than the quality of the service itself. It should also be noted that the sample size was only 65 respondents. Dissatisfaction with public car parks run by NHDC was at 13% of users, but this could be expected in part due to the enforcement activity associated with this service.

8.3 Information and Communication

- 8.3.1 Respondents were asked how they normally obtain information about NHDC. The highest proportion of residents obtain information from the NHDC website (59%), followed by local newspapers (22%) and Outlook magazine (16%). The top three sources have consistently made up the top three since 2011, however for the first time local newspapers have become a more common choice for people to obtain information about NHDC than the Outlook magazine. Use of Outlook as an information source increases with age and local newspapers are mentioned more commonly by residents aged 55 and over. Using the Council website to obtain information is most commonly done by residents aged 25-34 (74%) and 35-44 (70%).
- 8.3.2 Residents were asked how well informed they feel about a range of issues. Approximately four in ten residents feel informed about how to get involved in local decision making (39%), what the Council spends its money on (39%) and being informed of how well NHDC is performing (41%). There have been significant drops in how well informed residents feel about these measures since 2015, see Table 13 below.

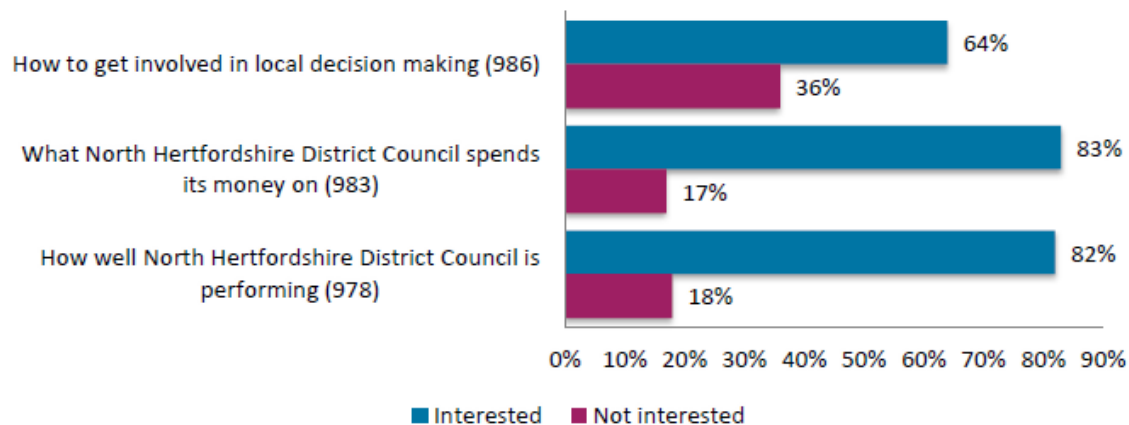
Table 13: Residents feeling informed 2008-2017 (All valid responses)

| | Informed 2008 | Informed 2011 | Informed 2013 | Informed 2015 | Informed 2017 | % point change 2015-17 |
|---|------------------|------------------|------------------|------------------|------------------|------------------------------|
| How well NHDC is performing | 78% | 51% | 57% | 54% | 41% | -13% |
| What NHDC spends its money on | 79% | 52% | 54% | 55% | 39% | -16% |
| How to get involved in local decision making | 81% | 37% | 40% | 44% | 39% | -5% |

Those aged 75+ are significantly more likely to feel informed about how well NHDC is performing and how to get involved in local decision making, whilst those aged 16-24 are significantly more likely to feel uninformed about all three measures.

- 8.3.3 Residents were also asked how interested they were in being informed about the three measures. Over eight in ten residents were interested in being informed about how NHDC spends its money (83%) and how well they were performing (82%). Around two-thirds (64%) were interested about getting involved in local decision making. Those living in Hitchin are significantly more likely to want to be informed about what NHDC spends its money on compared to Letchworth residents (89% cf. 77%). Hitchin residents are also the most likely to want to feel informed about how well the Council is performing, with a higher result than the total average (86% cf. 82%).

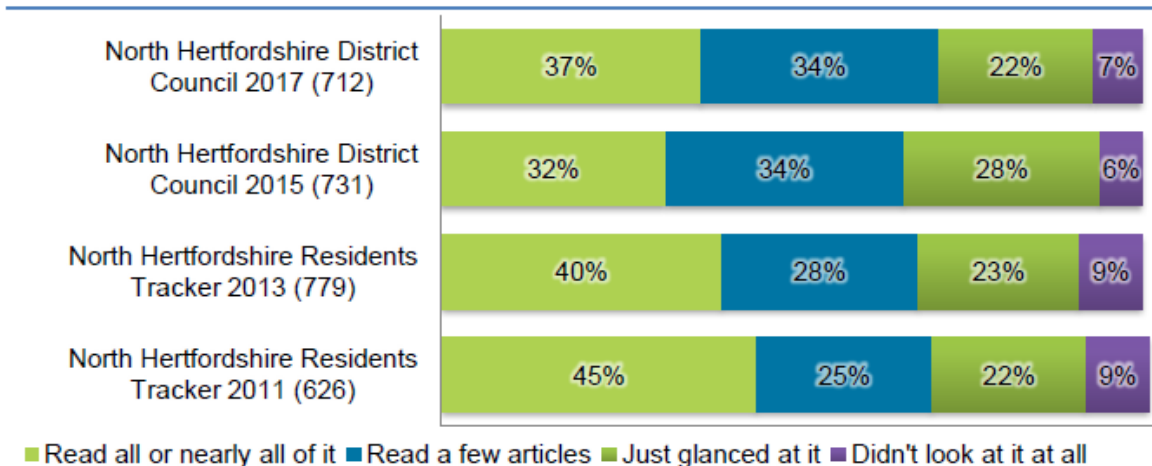
Figure 12: How interested are you in being informed of the following...?



8.3.4 Residents were asked about their opinions of Outlook magazine. Outlook is delivered to all households in the area three times a year. When asked whether they have seen or had a copy of Outlook delivered to their door, 72% of residents said yes. This has dropped from 78% in 2013 and 74% in 2015. Residents in Royston are significantly more likely to say that they have not received or seen a copy of Outlook (41%). This has increased by 7 percentage points since 2015. Those in Southern Rural are more likely than the total average to say they do receive Outlook (78% cf. 72%).

8.3.5 Among those who have seen or received a copy of Outlook significantly more residents said that they read all or nearly all of it than the previous year's finding (37% cf. 32%). Only 7% said they didn't look at it at all.

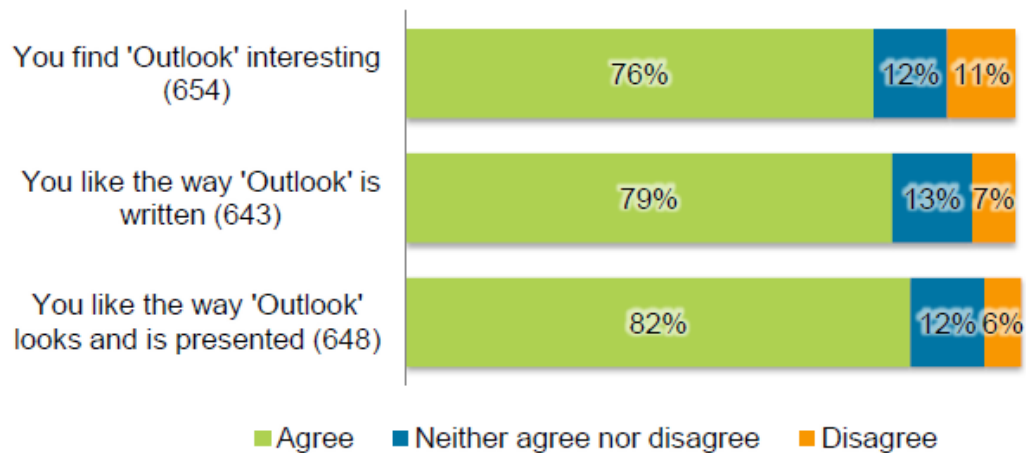
Figure 14: Interaction with Outlook among recipients (Where seen a copy of Outlook or had a copy delivered)



Unweighted sample bases in parenthesis

- 8.3.6 Feedback on the content and format of Outlook is positive. See Figure 15 below. The agreement level that Outlook is interesting at 76% is marginally higher than the 73% observed in 2015. Agreement that residents like the way Outlook is written is around the same (79% in 2017 and 80% in 2015), while agreement with liking the way Outlook is presented falls by 3 percentage points, however this isn't significant. By age group, 25-34 and 45-54 year olds are significantly less likely to find the magazine interesting (62% and 68%), while those 75 years and over are significantly more likely to agree in this regard (91%). 91% of 75 and overs and 88% of 65-74 year olds are in agreement that they like the way the magazine is written. This is compared to 59% of 25-34 year olds.

Figure 15: Views on Outlook content and formatting (Valid responses, those who have read some of Outlook)



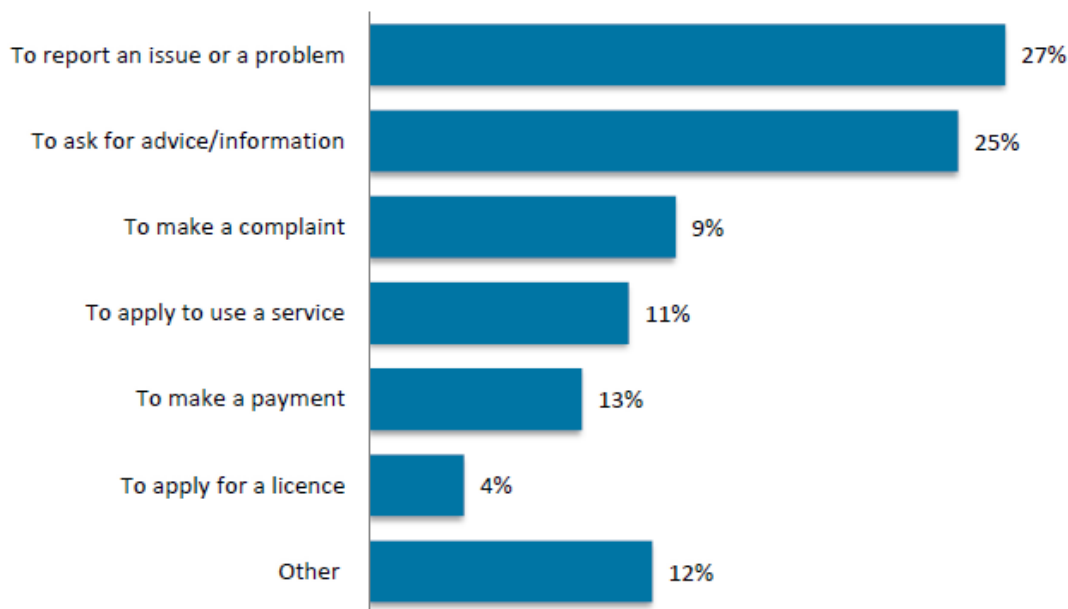
- 8.3.7 **Observations on Information and Communication:** As highlighted in paragraph 8.3.1, the Council's website has become an increasingly important communications tool in the past few years. To reflect this, the Council completely redeveloped the old website in 2015 to ensure it is fit for purpose and meets customers' expectations. Further improvements are planned, including a Find My Nearest facility whereby residents will be able to look up essential services by using their postcode.
- 8.3.8 As stated in paragraph 8.3.2, only around four in ten residents feel informed about how to get involved in local decision making (39%), what the Council spends its money on (39%) and being informed of how well NHDC is performing (41%). There have been significant drops in how well informed residents feel about these measures since 2015. For the first time, residents were also asked how interested they were about receiving information and over 80% were interested in being informed about what the Council spends its money and how well it is performing. The Council does regularly publish information in Outlook magazine, the website, press releases, committee reports etc. on how it is performing, however Senior Management Team will need to consider whether there are any further ways of communicating this information effectively.
- 8.3.9 **Observations on Outlook magazine:** Although recall rates of residents who had seen Outlook magazine have dropped slightly, they are still high. Recall rates also vary according to how frequently a magazine is distributed, for example a survey in a London Borough where the magazine was issued fortnightly achieved an 83% recall rate, compared to a recall rate for Outlook of 72% which is distributed three times a year (at the time of the 2015 survey this was four times a year). In recent years the Council has altered its method of distributing Outlook – from Royal Mail to door to door

distribution. Unfortunately our suppliers advise this does usually have a small impact on distribution recall rates, however door to door distribution is significantly cheaper than Royal Mail. There are certain areas of the district, particularly Royston, with lower distribution recall than others and therefore this will be investigated with our distributors. However, it is worth noting that distributors all wear GPS tracking devices which show the roads they have been down, copies of which are made available to the Council. To date in the contract there have been no significant issues with non-delivery to streets in Royston.

8.4 Contact with the Council

- 8.4.1 In the last 12 months, 56% of residents have contacted NHDC – slightly higher than the 53% observed in 2015. Just over one in ten residents (11%) have contacted the Council five or more times in the past 12 months. Residents age 16-24 are the least likely to say they have contacted the Council in the last 12 months, with 72% saying they haven't done so.
- 8.4.2 Reporting an issue or problem is the most common reason for Council contact (27%), followed by to ask for advice / information (25%). These were also the most common reasons for contact in 2015. Figure 18 shows the reasons for contact.

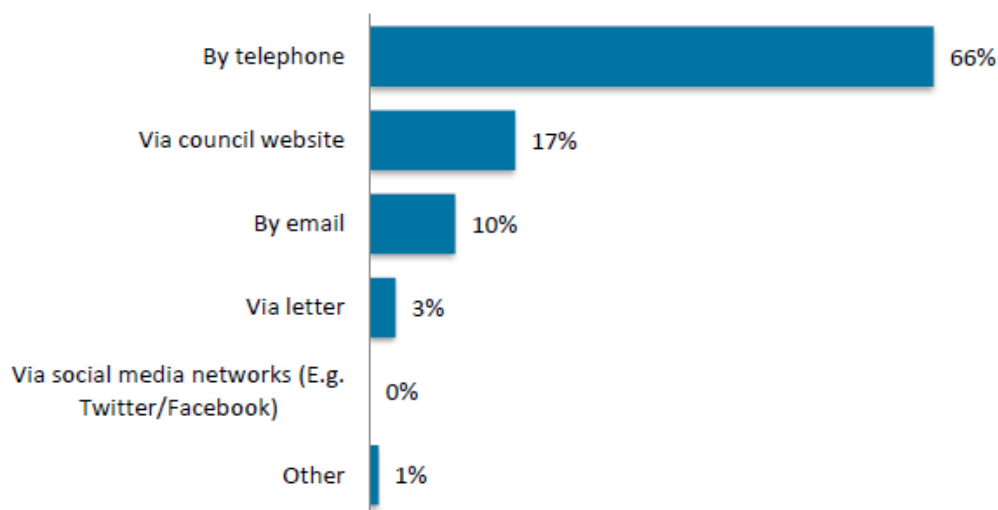
Figure 18: Which of these describes the reason why you made your most recent contact with the Council? (Where contacted the Council in the last 12 months)



Unweighted sample base: 549

- 8.4.3 The majority of residents contacted the Council by telephone (66%), similar to the 2015 level (67%). While this has gone down since the 74% seen in 2013, this cannot by itself be seen as evidence of channel shift, as the question asked in 2015 was a single response one, whereas more than one response was possible in previous years. Figure 19 shows methods of contact.

Figure 19: How did you contact the Council? (Where contacted the Council in the last 12 months)



Unweighted sample base: 551

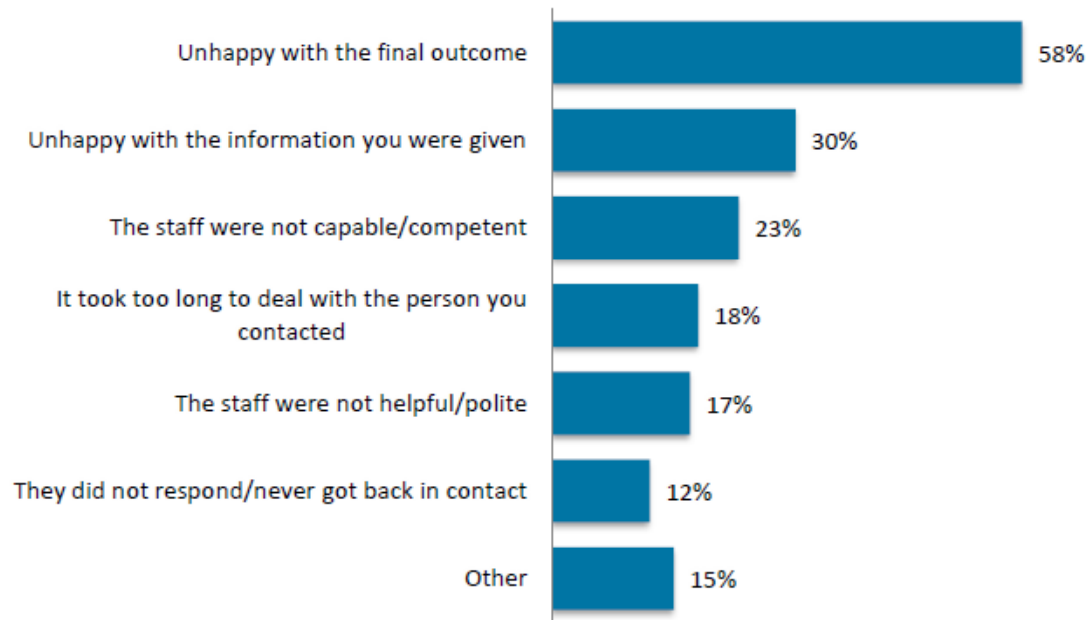
8.4.4 Table 16 shows the reason for contact by channel used. This shows that contact via the NHDC website is more commonly used for transactional activities such as making payments (14%), or applying to use a service (17%). Telephone contact is most commonly used for reporting an issue or problem (31%).

Table 16: Reason for Council contact by channel used (where contact made in the last 12 months)

| | In person | Telephone | Email | Council website |
|---------------------------------|-----------|------------|-----------|-----------------|
| To make a payment | 9% | 9% | 4% | 14% |
| To ask for advice/information | 24% | 25% | 25% | 27% |
| To report an issue or a problem | 14% | 31% | 17% | 22% |
| To make a complaint | 4% | 15% | 18% | 3% |
| To apply to use a service | 11% | 10% | 13% | 17% |
| To apply for a licence | 3% | 2% | 2% | 10% |
| Other | 34% | 9% | 22% | 8% |
| Unweighted Bases | 21 | 352 | 55 | 93 |

8.4.5 Residents were asked how satisfied they were with the level of service they received the last time they contacted the Council. 74% of residents indicated they were satisfied (75% in 2015) with 40% saying they were very satisfied (46% in 2015). Of the 22% of residents who said they were dissatisfied, 58% were unhappy with the final outcome, while 30% said they were unhappy with the information given. See Figure 21 below for the full responses (please note the small sample size of 120 residents). Residents in Letchworth are significantly more likely to feel that the staff were not helpful/polite towards them when contacting the Council (32% cf. 17%). Southern Rural residents were significantly less likely to feel that the staff were not helpful or polite (4% cf. 17%).

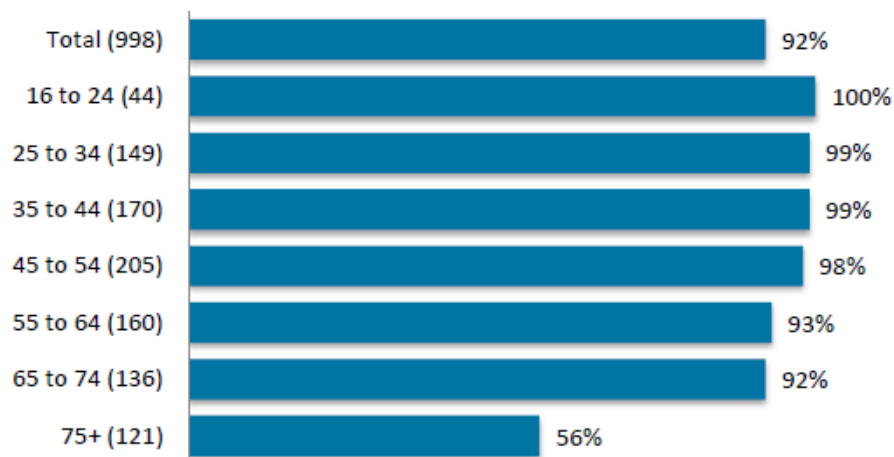
Figure 21: Why were you dissatisfied with the service you received the last time you were in contact with the Council? (Where dissatisfied with the service they received)



Unweighted sample base: 120

8.4.6 92% of residents indicated they have access to the internet. Analysis by age group shows that for all but one age group at least nine in ten have access, the exceptions being those aged 75+ (56%), although this proportion has seen a 10 percentage point increase since 2015.

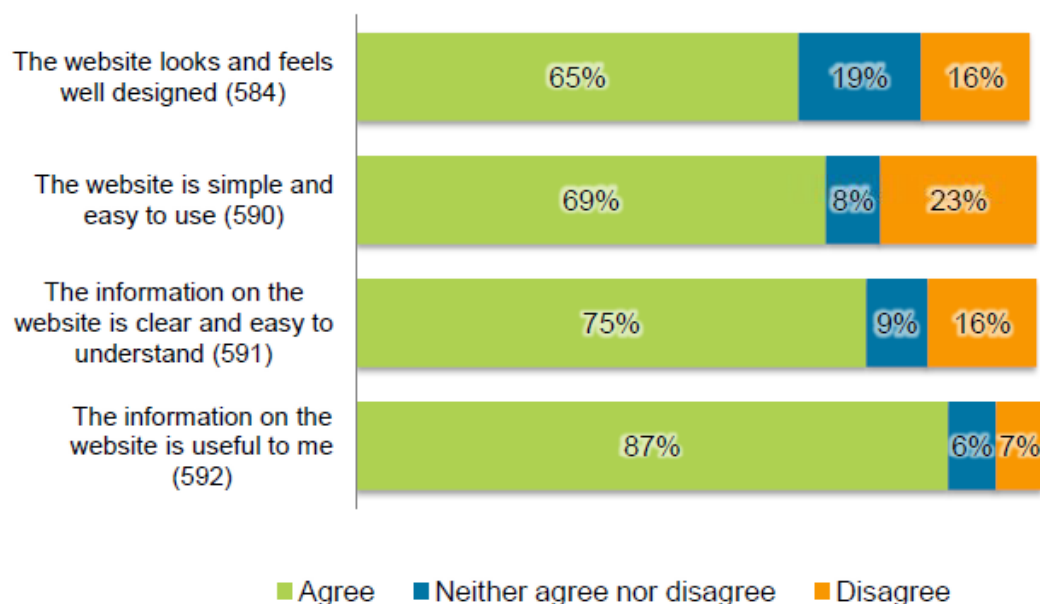
Figure 22: Do you have access to the Internet? (All valid responses)



Unweighted sample bases in parentheses

- 8.4.7 Six in ten (61%) of all respondents have visited NHDC's website over the last 12 months. Around three-quarters (73%) of residents aged 35-44 have visited the website in the last 12 months. The lowest proportion is those aged 75+ with just 30% visiting the website. Visitors to the website were then asked a series of questions about how they felt about different aspects of the site. Just under nine in ten visitors (87%) suggest that the information on the website is useful to them; 75% agree that it is clear and easy to understand, while 69% feel it is simple and easy to use. Almost a quarter of respondents (23%) disagreed that the website was easy to use. See Figure 24.

Figure 24: Visitor views on Council website (Where visited North Hertfordshire District Council's website)



Unweighted sample bases in parentheses

- 8.4.8 **Observations on contact with the Council:** Para 8.5.3 shows that telephone is by far the most popular form of contact with the Council, with 66% of people choosing to contact the Council in this way. As telephone contact is costly and often not the quickest and most convenient solution for residents, a Channel Shift project has been set up with the aim of driving people to use digital channels wherever possible. Initiatives being considered under the project include improving e-forms, introducing telephone automation and web chat facilities.
- 8.4.9 Figure 18 shows that 9% of those residents who had contacted the Council in the last 12 months did so to make a complaint. This figure far exceeds the actual number of complaints recorded by the Council. In 2016/2017 the Council received approximately 414,000 contacts, of which only 0.04% resulted in a complaint being logged. The difference is probably partly due to the perception by some people that when they contact us they are complaining, when actually their contact may be recorded as a comment rather than a complaint, or it may be a request for action, such as dealing with a noisy neighbour issue.
- 8.4.10 **Observations on Council website:** The results for the website are largely positive. The main area for attention is the 23% of respondents who disagreed that the website is simple and easy to use. There are some areas of the site which are maintained by third party providers, however both the committee and Council meetings section of the site and the planning portal are due to be, or have been recently upgraded (or changed

suppliers) and it is hoped that this may address previous issues with these parts of the site. A project is also underway to look at all of the e-forms on the site to check they are easy to use. Also to be implemented in 2018/19 is a new Find My Nearest facility which will allow residents to view key information about Council services relevant to them and their area on one page.

9. LEGAL IMPLICATIONS

9.1 Cabinet has under 5.6.1 of its terms of reference the function to prepare and agree to implement policies and strategies other than those reserved to Council. It oversees the provision of all the Council's services other than those reserved to the Council, and therefore can consider the outcome of the District Wide Service report.

9.2 There are no legal implications arising from this report. If actions are identified as a result of the findings of the District Wide Survey then the legal implications of those will be considered at the time.

10. FINANCIAL IMPLICATIONS

10.1 There are no direct financial implications from this report. The cost of the research undertaken was funded from the existing budget provision for corporate consultation.

11. RISK IMPLICATIONS

11.1 The District Wide Survey is important for shaping the Council's Objectives. There is a risk however, that should this survey not be acted upon, that public satisfaction with the Council will reduce and this would have a negative impact on the Council's reputation. In order to reduce this risk, Heads of Service/Corporate Managers are prompted to address the outcome from the survey in their service planning.

12. EQUALITIES IMPLICATIONS

12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of its 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 report usefully highlights a few areas where satisfaction levels could be improved. Broadly though, the services that NHDC provides to residents are well received. Any mitigating actions may be incorporated into the formulation of the relevant Service Plans to improve service provision. These will be proportionate and reflect the authority's duty under the public Sector Duty. Identified service improvements may require an analysis of equality impact prior to the point of implementation.

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 Where actions are agreed to be followed up, those will form part of the relevant department's service action plan and any employee resources and training will be considered as part of that planning.

15. APPENDICES

15.1 None.

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17. BACKGROUND PAPERS

- 17.1 The full report from BMG Research can be found under the 'publications and consultations' section of the NHDC website: www.north-herts.gov.uk/home/customer-services/publications-and-consultations/district-wide-survey
- 17.2 NHDC Consultation Strategy 2016-2020: www.north-herts.gov.uk/home/customer-services/publications-and-consultations/consultation-strategy-2016-2020

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| CABINET 27 MARCH 2018 |
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| *PART 1 – PUBLIC DOCUMENT | AGENDA ITEM No. 13 |
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TITLE OF REPORT: GREEN SPACE MANAGEMENT STRATEGY

REPORT OF THE HEAD OF LEISURE AND ENVIRONMENTAL SERVICES

EXECUTIVE MEMBER: COUNCILLOR JANE GRAY

COUNCIL PRIORITY: RESPONSIVE AND EFFICIENT

1. EXECUTIVE SUMMARY

On the 24th January 2017 Cabinet resolved that, prior to removing facilities identified in the Green Space Management Strategy (GSMS), the Council shall allow up to 1 March 2018 for interested parties to put forward sustainable proposals that would fund both the capital and revenue requirements to safely continue to provide such facilities.

This report updates Cabinet on the proactive approach adopted in identifying and assisting interested parties to take on the management and maintenance of the thirteen small play areas listed for removal of formal play equipment and the four football pavilions identified for closure as per the GSMS. The aim is to continue to meet the needs of the local community.

A proposal to manage three play areas has been received from Great Ashby Community Council. Possible solutions at nil cost to the Council have been found for an additional four play areas. It is proposed that the remaining six will have equipment removed and landscaped back to green space.

With regards to pavilions, Templars Football Club has provided an initial business case to refurbish and manage Bakers Close pavilion, Baldock. The business case needs further officer evaluation to determine if it is sustainable.

No business cases have been received for the remaining three pavilions and it is proposed that these are demolished and returned to green space.

2. RECOMMENDATIONS

- 2.1 A three month period of time is given for the evaluation of the business case submitted by Templars Football Club for the football changing pavilion at Bakers Close, Baldock.
- 2.2 That subject to the sustainability of the business case the decision to enter into a lease with Templars Football Club or to demolish the building be delegated to the Head of Finance, Performance & Asset Management and the Head of Leisure & Environmental Services.
- 2.3 The football changing rooms at St. Johns Road, Cadwell Lane and Walsworth Common, Hitchin be demolished and returned to green space.

- 2.4 That the Council enter into a contract with Great Ashby Community Council for them to fund the maintenance and replacement of equipment for the play areas at Chilterns, Cleveland Way and Merrick Close, Gt. Ashby.
- 2.5 The Council continues to maintain the play equipment at Rosehill, Hitchin up to April 2022 or an earlier date if a new play area is provided in the locality by an independent provider at nil cost to the Council. The existing Rosehill play area will then be decommissioned.
- 2.6 For Betjeman Road and Farrier Court play areas Royston, the Council allow a period of time of up to three months for confirmation of funding sources from third parties.
- 2.7 That the equipment be removed from play areas at Ivel Road Baldock, Dacre Road and Symonds Rd, Hitchin, Linnet Close, Jackmans Recreation Ground and Oaktree Close, Letchworth. Sites to be landscaped as green space and where appropriate include elements of natural play such as grass mounds, logs and benches.
- 2.8 The play area at Fairfield Crescent, Great Ashby will no longer be considered and managed as a formal play area. The existing facilities will be monitored and managed as part of the overall green space.

3. REASONS FOR RECOMMENDATIONS

To enable the retention of the green space within the budgets available to the Council.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 To increase capital expenditure by up to £150,000 pa to retain and continue to directly maintain and invest in all NHDC's 47 equipped play areas.
- 4.2 To provide capital investment in the region of £350,000 in total to refurbish four football changing pavilions.
- 4.3 Not to make the estimated revenue savings of £28,000 pa by retaining all NHDC's 47 equipped play areas.
- 4.4 Not to make the estimated revenue saving of £7,900 pa by retaining all NHDC's football changing pavilions.
- 4.5 In order to ensure the GSMS meets the requirements of the Council's Medium Term Financial Strategy (MTFS) the alternative options listed above were rejected as per the Cabinet meeting of the 24th January 2017.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 The GSMS as adopted by Cabinet in January 2017 underwent a period of consultation. This included three focus groups and wide publicity in the local press.
- 5.2 The communication plan at Appendix A details the agreed consultation process between January 2017 – March 2018. This included update reports to Overview and Scrutiny, reports to Area Committees, press releases and contact with local football leagues and clubs and community groups such as Parent Teacher Associations.

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 1st January 2018.

7. BACKGROUND

- 7.1 In January 2016 a Project Board was formed to review the GSMS. In November 2016 the findings of the Project Board were reported to Cabinet and resulted in the adoption of a new GSMS for the period 2017 – 2021 that protected green space and complied with the Council's MTFS.
- 7.2 This report has been written to seek Cabinet's approval for the implementation of actions for play areas and football changing pavilions as detailed in the Council's adopted GSMS.
- 7.3 The most relevant decision relating to this report is Cabinet's resolution 8.3 of the 24th January 2017:

'That it be noted that, prior to removing facilities identified in the Strategy, the Council shall allow up to 1 March 2018 for interested parties to put forward sustainable proposals that would fund both the capital and revenue requirements to safely continue to provide such facilities, and that a proactive approach be adopted in seeking community groups to take on facilities, including advertising that support would be offered to guide groups through the process, particularly through use of social media'

- 7.4 Appendix B lists other relevant committee discussions or decisions relevant to this report.

8. RELEVANT CONSIDERATIONS

8.1 Pavilions

- 8.1.1 As per the agreed actions in 7.3 above and the Council's adopted GSMS 2017-2021 pavilions identified as being beyond economic repair were closed (Bakers Close, Baldock, St. Johns Road, Cadwell Lane and Walsworth Common, Hitchin). Prior to removing pavilions there is a period of time until 1st March 2018 for interested parties to put forward sustainable proposals.
- 8.1.2 Officers have been very proactive in contacting and assisting interested parties take on the responsibility of pavilions. 8.3.1 provides a summary of actions taken and Appendix D provides full details.
- 8.1.3 The Sunday Football League made a formal complaint relating to the Council's proposed closure of pavilions to the Local Government Ombudsman. The Ombudsman found no fault with the Council and endorsed our method of consultation with the use of focus groups.

8.2 Play Areas

- 8.2.1 As per the agreed actions in the Council's adopted GSMS 2017-2021, Local neighbourhood play areas identified as lower usage had until 1st March 2018 for interested parties to put forward sustainable proposals (13 sites).

8.2.2 Officers have been very proactive in reaching out to a wide range of community groups, contacting over 130 individual groups. Officers have also been looking at alternative ways to retain play equipment at nil cost to the Council. Information signs have been placed at each of the thirteen affected play areas and a play area guide shown at Appendix C has been produced to assist community groups. Appendix D provides a time line of all the actions taken since November 2016. The table at 8.3.2 provides a summary of these actions.

8.3 Summary of Actions Taken

8.3.1 Pavilions

| Date | Action |
|------------|---|
| Nov 2016 | Received expression of interest from local group to refurbish Bakers Close pavilion as a social club. Later withdrawn. |
| Feb 2017 | Current users of football pavilions contacted seeking expressions of interest for asset transfer. |
| Feb 2017 | Received expression of interested from local group for use of Bakers Close pavilion as a base for beer festival. Later withdrawn. |
| Feb 2017 | Contacted Hertfordshire Football Association for interest in asset transfer of pavilions. They had no interest in pavilions for single pitch sites. |
| Feb 2017 | Met with Hitchin Sunday Football League to discuss their proposals for pavilions. |
| Feb 2017 | Produced detailed information sheet for maintenance and repairs required for pavilions. Sent to all interested parties. |
| Feb 2017 | Expression of interest received for Hitchin pavilions from Hitchin Town Youth FC. Later withdrawn. |
| April 2017 | Formal complaint received from Sunday Football League re closure of pavilions. |
| May 2017 | Received expression of interest from St. Johns FC to take on St. Johns pavilion. Later withdrawn |
| June 2017 | Received expression of interest from Albion FC to take on Cadwell pavilion. Later withdrawn. |
| Aug 2017 | Private company expressed interest in Bakers Close pavilion as fitness centre. Later withdrawn. |
| Sept 2017 | Local Government Ombudsman response to a complaint from Sunday Football League found no fault with Council and endorsed use of focus groups. |
| Nov 2017 | Met with Sunday football league. They were working on a business case to take on St. Johns & Cadwell pavilions. Later withdrawn. |
| Dec 2017 | Met with Templars FC who expressed interest in Bakers Close Pavilion. |
| Jan 2018 | Approached by Hitchin Lacrosse team re possibility of them taking on St. Johns & Cadewll pavilions. Later withdrawn. |
| Feb 2018 | Reminder email sent to interested parties re needs to submit business case by 1 st March 2018. |
| Feb 2018 | Received business case from Templars FC for Bakers Close pavilion. |

8.3.2 Play Areas

| Date | Action |
|-----------|---|
| Jan 2017 | Article in local paper requesting asset transfer of play areas. |
| Feb 2017 | Contacted 38 residents who expressed an interest in play areas seeking expressions of interest for asset transfer. |
| Feb 2017 | Contacted 46 PTA's and 85 community groups seeking expressions of interest for asset transfer. |
| Feb 2017 | Play area information sheet produced and on web site |
| Feb 2017 | Contacted Royston Town Council and North Herts Homes seeking interest in asset transfer. No interest. |
| Feb 2017 | Met with Gt. Ashby Council re options for play area. |
| Feb 2017 | Tweeted offer of support for community groups. |
| Mar 2017 | Articles in local papers requesting community groups to run play areas. |
| Mar 2017 | Contacted Town Centre managers for possible funding for play areas. No interest. |
| Mar 2017 | New sponsorship page produced and on web site. |
| Mar 2017 | Met with planning to discuss future options for new play areas. |
| Apr 2017 | Signs erected in 13 play areas seeking community management. |
| May 2017 | Met with resident who expressed interest in taking on Jackmans Recreation Ground play area. Later withdrawn. |
| May 2017 | Petition received to save Rosehill play area and reported to Cabinet. |
| Sept 2017 | Gt. Ashby Community Council agreed to take on 3 play areas and funding new equipment for those listed as minimal investment. |
| Oct 2017 | Contacted Hitchin Members with proposal for Rosehill play area. |
| Nov 2017 | Articles in local papers requesting community groups to run play areas. |
| Jan 2018 | Produced template for business case to take on play areas and sent to interested parties. |
| Feb 2018 | Reminder email sent to interested parties re needs to submit business case by 1st March 2018. |
| Mar 2018 | Received business case from two local district Councillors who are working with a third party for the continued funding of Betjeman Road and Farrier Court play areas Royston |

8.4 Progress Made

8.4.1 Pavilions

There has been interest in the pavilions from nine different community groups and the Council has tried to support these groups. One has come forward with a business case to take on Bakers Close pavilion in Baldock. There have been no business cases submitted for the other pavilions. Table 8.4.3.1 provides full details.

- 8.4.1.1 Templars Football Club are long standing users of the Bakers Close site and have submitted the business case which is currently being evaluated by officers. In summary they intend to invest £88,500 to bring the building back into use. They intend to use the pavilion as a sporting base for their club. They also plan to make the changing facilities

and club house available to other sporting clubs. To generate income they intend to operate a bar and host a range of entertainment including discos and live bands.

8.4.2 Play Areas

Interest was received from three different groups for the management of play areas and two have submitted business cases to provide funding for five play areas. Of the thirteen play areas listed for potential decommissioning sustainable solutions have been found for seven sites to continue to maintain them as play areas in the short to medium term. There were no business cases put forward for the remaining six sites. Full details of proposals are shown in the table at 8.4.3.2

8.4.3 The tables below identify progress made on site by site basis and contains officer recommendations for each site.

8.4.3.1 Pavilions

| Site | Progress | Officer Recommendations |
|--------------------------------------|---|---|
| Bakers Close Pavilion, Baldock | Four community groups expressed an interest in taking on the pavilion. Templars Football Club submitted the business case which is currently being evaluated by officers. | To allow three months to evaluate the business case. If found to be sustainable lease the building to Templars Football Club. If found not to be sustainable demolish the building. |
| St. Johns changing rooms, Hitchin | Four community groups expressed an interest in the pavilion. However no business cases provided. | To remove the pavilion and reinstate to green space. |
| Cadwell Lane changing rooms, Hitchin | Four community groups expressed an interest in the pavilion. However no business cases provided. | To remove the pavilion and reinstate to green space. |
| Walsworth changing rooms, Hitchin | No expressions of interest received for existing building. Aiming to secure section 106 money for new build in 2020/21. | To remove the pavilion and reinstate to green space. |

8.4.3.2 Play Areas

| Site | Progress | Officer Recommendations |
|------------------------|---|--|
| Generic | Seeking sponsorship of some of our larger play area sites, which may generate additional income. No offers yet received. | Continue to promote opportunities for sponsorship. |
| Betjeman Road, Royston | No interest from Royston Town Council. Business case received from two local District Councillors who are working with an external agency for continued funding of NHDC's grounds contractor to maintain the play area. | Allow a period of time of up to three months for confirmation of funding sources from third parties. |

| Site | Progress | Officer Recommendations |
|--|---|--|
| Farrier Court, Royston | No interest from Royston Town Council. Business case received from two local District Councillors who are working with an external agency for continued funding of NHDC's grounds contractor to maintain the play area. | Allow a period of time of up to three months for confirmation of funding sources from third parties. |
| Ivel Road, Baldock | No expressions of interest received. | Remove formal play equipment and return to green space. |
| Dacre Road, Hitchin | No expressions of interest received. | Remove formal play equipment and return to green space. |
| Rosehill, Hitchin | Lots of community support to retain play area. Officers have potentially found a long term sustainable solution to retain a children's play area for the residents of Rosehill. | The Council continues to maintain the play equipment at Rosehill, Hitchin up to April 2022 or an earlier date if a new play area is provided in the locality by an independent provider at nil cost to the Council. The existing Rosehill play area will then be decommissioned. |
| Symonds Rd, Hitchin | No expressions of interest received. | Remove formal play equipment and return to green space. |
| Jackmans Recreation Ground, Letchworth | Expression of interest received from community group to fund play area. Later withdrawn with no business case provided. | Remove formal play equipment and return to green space. |
| Linnet Close, Letchworth | Some community support to retain play area. No offers of funding. | Remove formal play equipment and return to green space. |
| Oaktree Close, Letchworth | No expressions of interest received. | Remove formal play equipment and return to green space. |
| Chilterns, Gt. Ashby | Gt. Ashby Community Council have agreed to take on responsibility of play area. They intend to continue to use NHDC's grounds contractor to maintain the play area. | Enter into a contract with Great Ashby Community Council to fund play area. |
| Cleveland Way, Gt. Ashby | Gt. Ashby Community Council have agreed to take on responsibility of play area. They intend to continue to use NHDC's grounds contractor to maintain the play area. | Enter into a contract with Great Ashby Community Council to fund play area. |
| Fairfield Crescent, Gt. Ashby | Play area reclassified as not having formal play equipment. Therefore not requiring daily inspections or other play area maintenance expenses. | Continue to maintain as green space. |

| Site | Progress | Officer Recommendations |
|--------------------------|---|---|
| Merrick Close, Gt. Ashby | Gt. Ashby Community Council have agreed to take on responsibility of play area. They intend to continue to use NHDC's grounds contractor to maintain the play area. | Enter into a contract with Great Ashby Community Council to fund play area. |

9. LEGAL IMPLICATIONS

- 9.1 Within Cabinet's terms of reference are "to prepare and agree to implement policies and strategies other than those reserved to Council" and "to approve those major service developments or reductions which also constitute Key Decisions." The Green Space Management Strategy falls within Cabinet's remit and this project has been noted on the Council's Forward Plan as a key decision.
- 9.2 The Council provides parks, recreation grounds and open spaces under its discretionary powers.
- 9.3 Where the Council proposes that play areas or pavilions may be 'adopted' by a third party, this would be achieved by granting that party a long lease which would include an obligation on the Tenant to maintain the play equipment and/or building.
- 9.4 Legal Services are currently developing a contract Great Ashby Community Council to fund the maintenance and replacement equipment for 3 play areas in Great Ashby.
- 9.5 If approved by Cabinet Legal services will produce a lease for Bakers Close pavilion, Baldock.

10. FINANCIAL IMPLICATIONS

- 10.1 With the proposal that 13 small play areas will no longer be funded by NHDC (either as a result of external funding or equipment removal) there will, subject to negotiations with the Grounds Maintenance contractor, be revenue savings.
- 10.2 The proposals for asset transfer / demolition of pavilions will also facilitate the achievement of revenue savings.
- 10.3 The GSMS Capital investment programme includes the £310k cost to decommission pavilions and equipped play areas. These costs could be funded by capital receipts under the Capital Receipts Direction.
- 10.4 The proposals for the management and development of Green Space as detailed in the GSMS conform to the requirements of the Council's current MTFS in relation to capital and revenue investment.

10.5 Summary of potential revenue savings:

| Item | Est. revenue saving pa | Year | Comments |
|--|------------------------|--------------------|--|
| Close 4 pavilions identified as beyond economic repair | *£7,900 | 2017/18 | If not transferred to a third party would require £120k to demolish and return 4 pavilions to green space. |
| Transfer to third party or remove equipment from 13 play areas | **£26,400 **£2,200 | 2018/19 2022/23 | If not transferred to a third party would require £130k to demolish and return to green space. |
| Total est. revenue savings | £36,500 | | |

* Based on 2015/16 actuals

** Subject to contractual negotiations

11. RISK IMPLICATIONS

- 11.1 If a strategic approach is not adopted to reduce expenditure on green space there will be insufficient funds to maintain the current infrastructure and this will lead to a gradual decline in the entire green space infrastructure.
- 11.2 Those areas which are well used and valued by the community will be the first to wear out and require decommissioning, while other areas that are little used and have limited value will survive and continue to command ongoing revenue expenditure for maintenance despite their lower community value and use.
- 11.3 Where equipment is installed in parks and open spaces, it is important it is regularly inspected and maintained to prevent any injuries to users. NHDC should ensure appropriate procedures are in place prior to transferring play areas.
- 11.4 The risks associated with green space sustainability were reviewed in 2017 and updated on the Council's performance and risk management software.
- 11.5 Effective communication will help to mitigate any reputational risks associated with the Council's recommended approach.
- 11.6 Risk of ensuring closed pavilions are still monitored prior to demolition.

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 impact assessment of the Green Space Strategy 2017–2021 was included in the January 2017 report to Cabinet and is shown at Appendix E.

13. SOCIAL VALUE IMPLICATIONS

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

14. HUMAN RESOURCE IMPLICATIONS

None contained within this report.

15. APPENDICES

Appendix A: Communication plan

Appendix B: Relevant committee discussions or decisions

Appendix C: Play Area guide

Appendix D: Time line of actions

Appendix E: Impact assessment

16. CONTACT OFFICERS

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17. BACKGROUND PAPERS

Green Space Management Strategy 2017-2021.

Appendix A:

**COMMUNICATION PLAN
OUTLINE TIMELINE FOR COMMUNICATIONS – GSMS**

| Timing | Action | Who is responsible? | Complete |
|---------------|--|----------------------------|-----------------|
| Jan 2017 | Article in local press seeking interested parties for asset transfer | Comms | Yes |
| Feb | Contact residents who expressed an interest in play areas | SG | Yes |
| Feb | Contact local football clubs advising of closure of pavilions and seeking interest in asset transfer | SG | Yes |
| Feb | Contact Herts FA seeking interest in asset transfer | SG | Yes |
| Monthly | Inform Chairman of Overview and Scrutiny Committee | SG | ongoing |
| Feb | Meet with Gt. Ashby Community Council re asset transfer of play areas | SG | Yes |
| Feb | Meet with Sunday Football League seeking interest in asset transfer | SG | Yes |
| Feb | Contact PTA's of all Schools in District seeking interest in asset transfer | SG | Yes |
| Feb | Produce information pack/toolkit for asset transfer of play areas | SG | Yes |
| Feb | Publish information pack/toolkit on a web page on NHDC website | SG | Yes |
| Feb | Contact community groups who may have an interest in asset transfer | SG | Yes |
| Feb | Press release | Comms | Yes |

| Timing | Action | Who is responsible? | Complete |
|---------------|--|----------------------------|-----------------|
| Feb | Social media | Comms | Yes |
| March/April | Erect notices in play areas seeking interest in asset transfer | SG | Yes |
| April | Contact local companies for sponsorship of play areas | SG | Yes |
| June | Article in Summer Outlook seeking interest in asset transfer | Comms | Yes |
| June/July | Social media | Comms | Yes |
| July | Progress report to Overview & Scrutiny | SG | Yes |
| Oct/Nov | Press release – last chance | Comms | Yes |
| Oct/Nov | Social media – last chance | Comms | Yes |
| Oct/Nov | Briefing note for Area Committees | SG | Yes |
| March 2018 | Progress report to Overview & Scrutiny | SG | |
| March | Report to Cabinet on any completed or proposed asset transfers | SG | |
| April | Erect removal of equipment notices at play areas not transferred explaining what will happen to the site | SG | |
| April/May | Remove equipment and landscape sites not transferred | SG | |
| March/April | Article in Spring Outlook promoting importance of green space | Comms | |

Appendix B: Relevant Committee discussions or decisions

| Committee | Date | Minute | Actions |
|---------------------------|----------|---|--|
| Cabinet | 22/11/16 | 88: Review of Green Space Management Strategy | That the findings of the Green Space Project Board be noted, and based on their recommendations, the production of a draft new Green Space Management Strategy for the period 2017–2021, which aligns with the principles of the Council's Medium Term Financial Strategy, be agreed. |
| Overview and Scrutiny | 17/01/17 | 85: Review of Green Space Management Strategy | That the Parks and Countryside Manager be requested to provide Cabinet, at the meeting to be held on 24 January 2017, with details of the demographics of the focus groups. |
| Cabinet | 24/01/17 | 102: Review of Green Space Management Strategy | That the draft new Green Space Management Strategy (GSMS) 2017 – 2021, as attached at Appendix A to the report, be formally adopted. Prior to removing facilities identified in the Strategy, the Council shall allow up to 1 March 2018 for interested parties to put forward sustainable proposals that would fund both the capital and revenue requirements to safely continue to provide such facilities. |
| Overview and Scrutiny | 15/02/17 | 92: Call-In of Decisions Made by Cabinet on 24 January 2017 – Review of Green Space Management Strategy | That the decisions made by Cabinet on 24 January 2017 regarding the Review of the Green Space Management Strategy not be referred back to Cabinet. Progress report be provided to Overview and Scrutiny in July 2017 and March 2018. |
| Overview and Scrutiny | 18/07/17 | 28: Information Note – Green Space Strategy | That the Parks and Countryside Development Manager be requested to bring a further update regarding progress made in respect of play areas to the meeting of this Committee due to be held on 20 March 2018. |
| Southern Rural Area | 30/11/17 | 49: Information Note – Green Space Management Strategy | Members were supportive of the strategy, which would result in non-parished areas paying for the upkeep of play areas in the same way as Parishes do. They commented that funding was available from other organisations such as BIFFA and Section 106 funding. |
| Baldock and District Area | 04/12/17 | 40: Green Space Management Strategy – Progress: Information Note | That the Parks and Countryside Manager be requested to write to Committee Members with further details on progress in respect of the Business Case for Bakers Road pavilion and any expressions of interest by community groups to take over the Ivel Road play area. (Information provided) |
| Hitchin Area | 05/12/17 | 55: Information Note – Green Space | That the Parks and Countryside Development Manager be requested to investigate and take forward the ideas and suggestions made at the meeting held on 5 September 2017 (Minute 35 |

| Committee | Date | Minute | Actions |
|-----------------------|----------|---|--|
| | | Management Strategy | refers) and that of the relevant Cabinet meeting. (Information provided to show that ideas had been taken forward) |
| Letchworth Area | 06/12/17 | 35: Information Note – Green Space Management Strategy | Noted update report |
| Overview and Scrutiny | 20/03/18 | Verbal update to be given at Cabinet meeting on the 27/03/18. | |

Managing a play area

In order to ensure continued investment in its major play areas, the Council is looking for interested parties to put forward viable proposals that would fund both the maintenance and as required the replacement of the equipment for some small play areas.

These play areas include:

Dacre Road, Rosehill and Symons Rd play areas in Hitchin;

Jackmans Recreation Ground, Linnet Close and Oaktree Close play areas in Letchworth;

Ivel Road play area in Baldock;

Betjeman Road & Farriar Court play areas in Royston; and

Chilterns, Cleveland Way, Fairfield Crescent and Merrick Close play areas in Gt. Ashby

Firstly, if not already established you will need to form a legally recognised body such as a registered Friends of Group or Residents Association. Our Community Development team will be happy to assist you in this. Please contact our Community Manager, Stuart Izzard on 01462 474854 or email stuart.izzard@north-herts.gov.uk.

What we will do

The Council will transfer the play area to the group in the form of a 25 year lease. The lease will be legally binding and it is recommended that you obtain your own legal advice to ensure you are happy with it. The lease will stipulate what the Council expects from you and what you can expect from the Council.

The Council will continue to maintain the grass and any trees or shrubs that may be present along with litter picking the area and emptying the bins.

What you will do

In summary you will become responsible for the regular inspection and maintenance of the play area including the equipment, safety surfacing, litter bins, seat, fencing etc. You will also be responsible for the replacement of equipment as and when required.

You will need to take out your own public liability insurance. This [charity insurance page](#) provides useful information on insurance and other information of interest to community groups.

Inspections and risk assessments

The play area must remain open for general public use and the Council expects you to maintain it in a safe and clean condition for use.

Currently the Council inspects its play areas on a daily basis and you may wish to contact our grounds maintenance contractor for a quote to do this on your behalf. Our contractor can be contacted via andrew.mills@north-herts.gov.uk. We have found that these recorded daily inspections pay dividends in defending insurance claims. If you wish to do the inspections yourself The Royal Society for the Prevention of Accidents (RoSPA) can arrange suitable training. RoSPA can be contacted at enquiries@rospa.com.

Each year you will be required to undertake an independent risk assessment of the play area and send a copy to the Council. The Council will expect you to undertake any remedial work highlighted in the report. If any highlighted work identified as a risk to users is not undertaken, the Council may have no option but to remove the item of equipment; if there are regular failures, the Council will need to consider whether to terminate the lease.

The Council has negotiated a reduced rate with a specialist playground inspection company for these annual inspections and you may wish to take advantage of this service. The current charge is £50.00. If you prefer to make your own arrangements RoSAP will be able to provide a suitable list of companies.

Considerations when taking on a play area

The check list below is not exhaustive but identifies some of things that you will need to consider prior to taking on a play area:

| | |
|--|--|
| Becoming qualified to undertake play area inspections. | Retaining records of safety inspections. |
| Routine maintenance of the equipment such as replacement swing seats and chains. | Arranging public liability insurance. |
| How to respond to public / media enquiries | Training for routine maintenance for example how to safely replace a swing seat. |
| Who will paint the equipment | Arranging annual risk assessment |
| What to do if you find hazardous waste such as needles from drug users. | What contact number to have displayed at the play area in case of emergencies or complaints. |
| How to quickly make safe a dangerous item of play equipment. | How to clean noxious substances from play equipment e.g. dog mess, sick etc. |

Further help and information

This may all sound rather daunting but it is important to realise upfront what is involved in managing a play area. This information may help prevent future unexpected surprises.

If you google 'Community Playgrounds' you will see that a number of Councils have adopted a similar approach. You will also be able to contact a number of community groups that already manage play areas.

There are also a number of playground companies that will be able to offer help and guidance especial on funding opportunities for community playgrounds. Below is a brochure from Wicksteed Playgrounds that you may find of use.

If you wish to proceed with taking on the responsibility of your local play area, please contact Steve Geach, Parks & Countryside Development Manager, steve.geach@north-herts.gov.uk, or call 01462 474553.

Attachment

Size

[Wicksteed Playgrounds Funding Brochure](#)

1.02 MB

Appendix D: Time Line of Actions

Time line for asset transfer of pavilions and play areas

VW: Vaughan Watson, Head Leisure & Environmental Services NHDC

SG: Steve Geach, Parks & Countryside Development Manager NHDC

AM: Andrew Mills, Service Manager Grounds Maintenance NHDC

JS: Joanna Softly, Communications Manager NHDC

MS: Marie Searle, Property Solicitor NHDC

TR: Tom Rea, Hitchin Planning Officer NHDC

DH: David Hill Strategic Planning and Enterprise Officer NHDC

SI Community Development Manager NHDC

CM: Clair Morgan Community Development Officer NHDC

LD: Les Davison Health & Safety Officer NHDC

FT: Fiona Timms, HCC insurance officer

DC: David Charlton, Senior Estates Surveyor

AL: XXXXX Hitchin Sunday Football League

GL: XXXXXX Hitchin Sunday Football League

JDS: XXXXXX Hitchin Town Youth

JOC: John O'Conner Grounds Maintenance Ltd

| Date | Person | Action |
|--------------------------------|---------------|---|
| 22 nd November 2016 | VW | A Mr XXXX contacted the Council with a request to use Bakers Close pavilion as a XXXX club. |
| 30 th November 2016 | VW / AM / SG | Showed Mr XXXX around Bakers Close Pavilion. He agreed to produce a business case. |
| 22 nd December 2016 | VW | Invited to meet with the Sunday Football League to discuss future of pavilions. |
| 17 th January 2017 | SG | Followed up invite for meeting with Sunday Football League. |
| 17 th January 2017 | AL | Advised he was ill but would come back us to arrange a meeting. |
| 25 th January 2017 | Mercury Paper | Article in paper requesting interested parties in running play areas to contact NHDC. |
| 26 th January 2017 | AM | Emailed GT. Ashby Community Council with list of dates to meet to discuss play areas. |
| 30 th January 2017 | SG | Draft reply to residents produced sent to Cllr Gray for approval |

| Date | Person | Action |
|--------------------------------|---------|---|
| 30 th January 2017 | SG | Emailed Legal and Community Development to meet to discuss asset transfer. |
| 31 st January 2017 | AM | Instructed JOC to contact all football clubs with covering letter about asset transfer of pavilions. |
| 1 st February 2017 | JOC | Confirmed letters sent to ten football clubs asking for expressions of interest for asset transfer. |
| 2 nd February 2017 | SG | Contacted Cllr Henry for a list of Gt. Ashby schools |
| 2 nd February 2017 | SG | Contacted 38 residents who expressed an interest in play areas asking for expressions of interest for asset transfer. |
| 2 nd February 2017 | SG | Contacted 44 PTA's asking for expressions of interest for asset transfer of play areas. |
| 2 nd February 2017 | VW | Received expression of interest from XXXX to use Bakers Close pavilion as a venue for Baldock beer festival and to make changing rooms available for footballers. |
| 2 nd February 2017 | SG / AM | Met with Mr XXXXX on site. He agreed to submit a business case. |
| 3 rd February 2017 | SG / AM | Met with Legal and Community development to discuss options for asset transfer of play areas. It was agreed a lease would be required. |
| 10 th February 2017 | SG | Produced draft information pack for community groups taking on play areas. |
| 13 th February 2017 | SG | Contacted Herts FA to see if they were interested in asset transfer of pavilions. |
| 13 th February 2017 | SG | Arranged a meeting with Sunday Football League on Monday 20 th February to discuss asset transfer of pavilions. |
| 15 th February 2017 | SG | Contacted Community Development for list of community groups who may be interested in asset transfer. |
| 15 th February 2017 | VW/SG | Presented information to Overview & Scrutiny call-in for Green Space strategy. Agreement reached to proceed with no referral back to Cabinet or Council. |
| 15 th February 2017 | SG | Emailed DC & MS draft heads of terms for play areas lease. |
| 16 th February 2017 | SG | Contacted 2 PTA's in Gt. Ashby asking for expressions of interest for asset transfer of play areas. |
| 16 th February 2017 | SG | Emailed 67 community groups/ resident associations seeking interest in asset transfer of play areas. |
| 17 th February 2017 | SG | Contacted Royston Town Council seeking interest in asset transfer of play areas. |
| 17 th February 2017 | SG | Contacted North Hertfordshire Homes seeking interest in asset transfer of play areas. |
| 17 th February 2017 | SG | Wrote to 18 community groups seeking interest in asset transfer of play areas. |

| Date | Person | Action |
|--------------------------------|--------|---|
| 20 th February 2017 | SG | Emailed AM re possible sponsorship of larger play areas. |
| 20 th February 2017 | SG | Emailed DC & MS draft heads of terms for pavilion leases. |
| 20 th February 2017 | SG | Sent draft play area notice to JS for approval. |
| 20 th February 2017 | SG/VW | Met with AL to discuss Sunday Football League taking on pavilions. SG to provide information on current cost. AL to produce business case |
| 20 th February 2017 | SG | Phone call from Hitchin Town Youth FC expressing interest in pavilions. They intend to email though questions. |
| 21 st February 2017 | SG | Emailed JS for information on expanding opportunities for sponsorship. |
| 21 st February 2017 | SG | Emailed JS with updated design for play area poster. JS approved poster. |
| 21 st February 2017 | SG | Emailed AL running costs of pavilions and work required to bring them up to standard. |
| 21 st February 2017 | SG | Sent adopted GSMS to print room for final grammar corrections prior to publishing on Web. |
| 21 st February 2017 | JS | Produced communication plan. |
| 21 st February 2017 | SG | Emailed Cllr Gray and Cllr Henry, copy of communication plan, information pack and funding brochure. |
| 21 st February 2017 | JS | Looking into routes for advertising for expanding sponsorship opportunities. |
| 21 nd February 2017 | GL | Replied to SG email thanking for financial information which the Hitchin Sunday Football League will consider. |
| 22 nd February 2017 | JS | Drafted press release for play areas, Cllr Gray approved. |
| 22 nd February 2017 | SG | Play area information sheet live on NHDC web site |
| 22 nd February 2017 | JDS | Emailed for more information on asset transfer of pavilions to Hitchin Town Youth. |
| 22 nd February 2017 | AM | AM received business plan from Mr XXXX to use Bakers Close pavilion as a XXXXXX club. |
| 23 rd February 2017 | MS | Finalised generic lease for pavilions |
| 23 rd February 2017 | SG | Emailed JDS at Hitchin Town Youth details on pavilions. |
| 23 rd February 2017 | SG | Emailed Cllr Gray & Henry link to NHDC's web information on managing play areas. |
| 23 rd February 2017 | JS | JS met with Comet paper to discuss play area press release. |
| 23 rd February 2017 | SG/AM | Met with Gt. Ashby Community Council re future of play areas. |
| 24 th February 2017 | AM | Emailed Mr XXXX for more information on plans for pavilion at Bakers Close. |
| 24 th February 2017 | AM | Received email from XXXXX of Baldock Beer festival. Will not be using site this year |
| 24 th February 2017 | JS | Tweeted offer of support to community groups wishing to take on play areas. |

| Date | Person | Action |
|--------------------------------|--------------|---|
| 27 th February 2017 | JS | Responded to 7 year old child on Face book who didn't want Rosehill play area to close. |
| 27 th February 2017 | VW/SG | Met with Cllr Hill & Cllr Hunter to discuss Royston play areas. |
| 27 th February 2017 | AM | Emailed Cllr Hill & Cllr Hunter maintenance costs. |
| 27 th February 2017 | FT | Emailed Cllr Hill & Cllr Hunter details on play area insurance. |
| 2 nd March 2017 | Comet paper | Article requesting community groups to run play areas. |
| 2 nd March 2017 | Royston Crow | Article requesting community groups to run play areas. |
| 8 th March 2017 | Comet online | Article about Rosehill play area. Council requesting community support. |
| 10 th March 2017 | SG | Ordered signs to be erected in play areas requesting community groups to run play areas. |
| 13 th March 2017 | SG | Emailed Hitchin, Letchworth & Royston Town Centre Mangers seeking funding for play areas. |
| 24 th March 2017 | SG | Sponsorship page put on web site. |
| 24 th March 2017 | SG | Contacted Planning to see if proposed Highover Farm development could provide a play area for Rosehill estate. |
| 27 th March 2017 | TR | Planning emailed confirming that potentially a development at Highover Farm could provide a new play provision for Rosehill at nil cost to the Council. |
| 5 th April 2017 | SG | Emailed David Hill, Business development officer link to sponsorship web page to circulate to businesses. |
| 5 th April 2017 | SG | Emailed Town Centre Mangers link to sponsorship web page to circulate to businesses. |
| 6 th April 2017 | DH | David Hill, Business development officer will publicise sponsorship to businesses he has in contacts list and include in a business newsletter. |
| 10 th April 2017 | SG | Requested AM to place order with JOC to erect play area signs at the 13 sites. |
| 13 th April 2017 | SG | Follow up email to Sunday Football League to see if they had any proposals for pavilions. |
| 13 th April 2017 | SG | Follow up email to Hitchin Town Youth to see if they had any proposals for pavilions. |
| 13 th April 2017 | SG | Suggested AM contact XXXXX for update on his plans for Bakers Close pavilion. AM agreed. |
| 21 st April 2017 | JOC | Signs erected in 13 play areas seeking community management of play areas. |
| 24 th April 2017 | N/A | Royston Town Council discussed play areas and resolved not to take on play areas. |
| 24 th April 2017 | SG | Emailed Gt. Ashby Community Council for update on them taking on play areas. |

| Date | Person | Action |
|-----------------------------|------------|---|
| 24 th April 2017 | SG | Reply from Gt. Ashby Community Council they are consulting on taking on some, all or none of the play areas. Results due in July 2017. |
| 25 th April 2017 | SG | Emailed planning about possible retention or new play area near Betjeman Rd play area funded by new development. |
| 25 th April 2017 | SG | Received email from a Mr XXX expressing interest in taking on Jackmans Rec play area |
| 25 th April 2017 | SG | Received Stage 1 complaint from Sunday Football League re closure of pavilons. |
| 26 th April 2017 | SG | Provided pre application advice to planning for new play area at Highover farm development that could serve existing Rose Hill residents. |
| 27 th April 2017 | SG | Responded to Stage 1 complaint from Sunday Football League. |
| 27 th April 2017 | SG | Spoke to Mr XXXXI and provided info on play area costs for Jackmans Rec. |
| 27 th April 2017 | SG | Contacted Stuart Izzard to set up meeting with Mr XXX to assist him form a community group for Jackmans play area. |
| 4 th May 2017 | SG | Sunday Football League make stage 2 complaint re closure of pavilons. |
| 5 th May 2017 | SG /AM /CM | Met with Mr XXXX. He is very interested in retaining Jackmans Playing Fields play and has a history of fund raising. AM to provide details of previous running cost. CM to provide details of local contacts. |
| 8 th May 2017 | SG | Met with Cllr Needham to explain proposal for Rosehill. |
| 12 th May 2017 | VW | Responded to Sunday Football League stage 2 complaint re closure of pavilons. |
| 26 th May 2017 | SG | Received expression of interest from St. Johns FC to take on St. John's pavilion. |
| 30 th May 2017 | SG | Provided St. John's FC costings of St. John's pavilion. |
| 30 th May 2017 | SG | Cllr Gray informed she had received a petition to save Rose hill play area. Sent to Committee Section. |
| June 2017 | | Summer outlook published with article on community |
| 5 th June 2017 | SG | Letter received objecting to the removal of play equipment from Rosehill play area |
| 7 th June 2017 | SG | Sent draft reply re Rosehill letter to Cllr Gray for approval |
| 7 th June 2017 | SG | Expression of interest received from Albion football club to retain Cadwell Lane Pavilion |
| 7 th June 2017 | SG | Provided Albion football club costings of Cadwell pavilion |
| 7 th June 2017 | SG/AM/CM | Mr XXXX emailed with positive proposals to take on responsibility of Jackmans Creamery play area. Arranged to meet on site 14/06/17. |
| 13 th June 2017 | VW | Received email from XXXX not happy with stage 2 response to his complaint re closure |

| Date | Person | Action |
|----------------------------|----------|---|
| | | of pavilions. Intend to complain to Ombudsman. |
| 14 th June 2017 | SG/AM/CM | Met with Mr XXX He intends to form a community group and seek a 3 year sponsorship deal from local businesses for Jackmans play area. |
| 15 th June 2017 | SG | Provided Stuart Izzard contact details of groups expressing an interest in taking on pavilions. Stuart can assist with business case. |
| 16 th June 2017 | SI | Emailed Albion football club set up a meeting 19 th June 2017 on site to discuss business case. |
| 19 th June 2017 | SI | Albion FC failed to turn up for meeting. |
| 20 th June 2017 | SG | Emailed Cllr Hill & Hunter for update on their proposals for Royston play areas. |
| 22 nd June 2017 | SG | Received phone call from XXXX at St. John's FC advising me they were progressing with their business case. |
| 22 nd June 2017 | SG | Emailed Stuart Izzard to see if he could help support St John's FC. |
| 22 nd June 2017 | SG | Received email from local resident wanting to build a house on Dacre Road Play Area. Advised it was not for sale as a building plot. |
| 23 rd June 2017 | SG | Emailed Property Services to see if they could offer St. John's FC advice on maintenance of pavilions. |
| 23 rd June 2017 | SG | Emailed David Charlton re drafting a lease for St. John's pavilion. |
| 23 rd June 2017 | SG | Received email from Cllr Elizabeth Dennis requesting maintenance cost and capital spend for each play area over the past 5 years |
| 26 th June 2017 | SG | Emailed finance requesting spend on play areas. |
| 26 th June 2017 | SG | AM to provide Cllr Hill & Cllr Hunter details of maintenance cost for Betjeman & Farrier Court play areas. |
| 26 th June 2017 | SG | Emailed Cllr Elizabeth Dennis 5 year capital cost of play areas. |
| 26 th June 2017 | AM | Emailed Cllr Elizabeth Dennis 10 year revenue cost of play areas. |
| 14 th July 2017 | VW | Received email request for Baldock Town Youth FC to take on Bakers Close pavilion. |
| 18 th July 2017 | SG | Emailed Baldock Town Youth Stuart Izzards details to help them establish a business case. |
| 18 th July 2017 | SG | Presented update report to Overview & Scrutiny. |
| 19 th July 2017 | SG | Contacted St. John's FC to arrange to met to discuss their progress with taking on St. John's pavilion. Arranged to meet on Friday 21 st July. |
| 19 th July 2017 | SG | Emailed XXXXX for an update on his proposals for Bakers Close Pavilion. |

| Date | Person | Action |
|----------------------------|--------|--|
| 19 th July 2017 | SG | Received email from XXXXX saying he thought the Council wasn't interested in his proposal. |
| 20 th July 2017 | SG | Replied to XXXXX saying AM was awaiting additional information from him. |
| 20 th July 2017 | AM | Emailed XXXXX explaining he needed a more detailed business case where the Council did not have to provide funding. |
| 21 st July 2017 | SG | Met with St. John's FC on site. They are not sure if they will have a football club next season but still keen to take on pavilion. |
| 24 th July 2017 | SG | Emailed St. John's FC additional information on current electrical checks for St. John's pavilion. |
| 24 th July 2017 | SG | Emailed Gt. Ashby Council for update on play area consultation. |
| 25 th July 2017 | VW | XXXXX provided a presentation to Cabinet on the petition of 450 local resident objecting the potential closure of Rosehill Play area. |
| 27 th July 2017 | SG | Received reply from Gt. Ashby Council will be discussing results of survey in Sept and get back to us. |
| 31 st July 2017 | SG | Agreed to set up meeting with Cllr Gray & Cllr Henry once results of Gt. Ashby were known. |
| 14 th Aug 2017 | SG | Received email from XXXXX wanting to use Bakers Close pavilion for fitness and rehabilitation classes. |
| 23 rd Aug 2017 | SG | Met with Cllr Martin Stears-Handsomb, Cllr Simon Harwood, Andrew Mills, Vaughan Watson and Cllr Gray to discuss options for Hitchin play areas. |
| 23 rd Aug 2017 | AM | Set up meeting with XXXXX to view Bakers Close pavilion |
| 25 th Aug 2017 | AM | Met with XXXXX to view Bakers close pavilion. XXXX to produce business case. |
| 4 th Sept 2017 | AM | Received email from XXXXX requesting details on planning status of Bakers Close Pavilion. |
| 6 th Sept 2017 | AM | Provide XXXXX contact in planning. |
| 11 th Sept 2017 | SI | Received email from The Albion FC. They are no longer interested in taking on Cadwell pavilion. |
| 21 st Sept 2017 | SG | Received email from GT. Ashby Council. They will take on 3 play areas scheduled for closure and fund replacement equipment at 4 retained sites listed as limited investment. |
| 21 st Sept 2017 | SG | Received draft Ombudsman response re Sunday football league. Ombudsman found no fault with the Council and endorsed the approach we had taken. |
| 4 th Oct 2017 | SG | Contacted Hitchin Councillors with proposal for Rosehill play area. |
| 16 th Oct 2017 | SG | Emailed St. John's FC for update on business |

| Date | Person | Action |
|---------------------------|--------|--|
| | | case. |
| 16 th Oct 2017 | SG | Emailed XXXXX for update on his proposals for Jackmans play area. |
| 16 th Oct 2017 | AM | Met with Gt. Ashby Council to firm up proposals for transfer of play areas. |
| 17 th Oct 2017 | SG | Received email from XXXXX. He has found 2 other residents to form community group for Jackmans Rec play area. |
| 8 th Nov 2017 | SG/AM | Met with Sunday football league. They informed us that St. Johns FC were no longer interested in taking on St. Johns pavilion. However the Sunday League were working on a business case to take on St. Johns & Cadwell pavilions. |
| 9 th Nov 2017 | SG | Emailed St. Johns FC to confirm that they no longer were able to take on pavilion. They confirmed this was correct. |
| 17 th Nov 2017 | SG | NHDC Tweet for community groups to take on play areas |
| 20 th Nov 2017 | SG | On-line Comet article for community groups to take on play areas |
| 21 st Nov 2017 | SG | Received email from Sunday Football League saying they had an interested party to take on Bakers Close Pavilion and requested details. |
| 21 st Nov 2017 | SG | Provided Sunday League with requested details and asked what the intended use of the pavilion was. |
| 23 rd Nov 2017 | SG | Comet article in paper for community groups to take on play areas |
| 5 th Dec 2017 | SG | As requested emailed Baldock Cllrs with further updates on Bakers Close pavilion and Pryor Way play area. |
| 5 th Dec 2017 | SG | Received email from Committee services advising progress for Farrier Court play area should be identical to that for the Betjeman Road play area. |
| 5 th Dec 2017 | SG | Emailed XXX at Amber Health to see if there was any update on his proposals for Bakers Close Pavilion. |
| 5 th Dec 2017 | SG | Emailed XXX to see if still interested in Bakers Close pavilion. |
| 5 th Dec 2017 | SG | Emailed Sunday League asking for update on his proposals for Bakers Close pavilion. |
| 5 th Dec 2017 | AL | Replied to email saying he would contact them for an update. |
| 5 th Dec 2017 | SG | Emailed Baldock Town Youth for any update on their proposals for Bakers Close Pavilion. |
| 8 th Dec 2017 | SG | Received email from XXXX of Baldock Town Youth asking to meet to discuss Bakers Close pavilion some time next week. |
| 11 th Dec 2017 | SG | Replied to XXX with a suggested date for a meeting. |

| Date | Person | Action |
|---------------------------|--------|--|
| 11 th Dec 2017 | SG | Received email from XXXX at Baldock Town Youth saying can't make a meeting this week. |
| 11 th Dec 2017 | SG | Phone call from XXX at Baldock Templars FC who was contacted by Sunday League, wanting to arrange meeting to look inside Bakers Close Pavilion. Arranged for Mon 18 th Dec. |
| 11 th Dec 2017 | SG | Emailed Sunday League inviting them to meeting with Baldock Templars. |
| 11 th Dec 2017 | SG | Sent updated time line to Cllr Gray & Cllr Henry |
| 11 th Dec 2017 | SG | Received email from XXXX at Amber Health he hasn't made any progress with business case. |
| 12 th Dec 2017 | SG | Emailed Baldock Town Youth with dates next week for a meeting. |
| 12 th Dec 2017 | SG | Received email from Baldock Town Youth saying they may be able to meet next week. I emailed back saying let me know and I'll book a meeting room. |
| 14 th Dec 2017 | SG | As no reply from Baldock Town Youth did a follow up email to see if they were able to meet with us re Bakers Close pavilion. |
| 14 th Dec 2017 | SG | Emailed Cllr Hill to set up meeting with Vaughan and Cllr Gray to discuss Royston play areas. |
| 14 th Dec 2017 | SG | At Cllr Henry's request produced redacted timeline to be sent to members of OS |
| 15 th Dec 2017 | SG | Received reply from Baldock Town Youth they can meet us on Wed 20 th Dec to discuss Bakers Close pavilion. |
| 18 th Dec 2017 | SG/AM | Met with XXX of Baldock Templars FC to show him around Bakers Close Pavilion. He gave us a very draft proposal for the building. |
| 20 th Dec 2017 | SG/AM | Met with XXXX of Baldock Town Youth to hear his proposals for Bakers Close pavilion. Would like to demolish and rebuild on existing foundations but have no money. |
| 8 th Jan 2018 | SG | Emailed XXXX for update on his proposals for Jackmans Play area. |
| 10 th Jan 2018 | SG/AM | Phone call from XXXX of Baldock Templars FC wanting a second visit to Bakers Close Pavilion. |
| 10 th Jan 2018 | SG | Emailed Property Services for them to contact XXXX to arrange a visit to Bakers Close. |
| 10 th Jan 2018 | LD | NHDC's Health & Safety Officer advised no one enters Bakers Close Pavilion until a structural engineers report is undertaken on the safety of the building. |
| 10 th Jan 2018 | SG | Instructed Property Services to undertake a structural survey of Bakers Close Pavilion. |

| Date | Person | Action |
|---------------------------|--------|---|
| 10 th Jan 2018 | SG | Emailed XXXX at Templar FC to advise it was not currently possible to enter Bakers Close pavilion due to health and safety concerns. |
| 10 th Jan 2018 | SG | Follow up email to Cllr Hill to arrange a meeting with Vaughan and Cllr Gray. Asked for update on her proposals. |
| 10 th Jan 2018 | SG | Received email from Property Services advising there was no point in appointing a structural engineer for Bakers Clos. It was obvious the building was dangerous and would cost money to make safe. |
| 10 th Jan 2018 | SG | Received 2013 condition survey of Bakers Close pavilion and forwarded this to XXXX at Templars FC. |
| 11 th Jan 2018 | SG | Meeting arranged for Cllr Hill and Hunter to discuss play areas with Cllr Gray on Monday 15 th Jan. |
| 11 th Jan 2018 | SG | Follow up email to XXX at Sunday football league seeking update on their proposals for ST. John's and Cadwell pavilions. |
| 11 th Jan 2018 | AM | Approached by Hitchin Lacrosse team re possibility of them taking on pavilions. Due to meet on the 19 th Jan. |
| 17 th Jan 2018 | SG | Emailed Cllr Hunter & Hill template for business case to maintain Betjeman & Farrier Court play areas. |
| 18 th Jan 2018 | SG | Emailed Jackmans resident template for business case to maintain Jackmans Playing Field play area. |
| 18 th Jan 2018 | SG | Emailed Cllr Hunter & Hill contact details for costing of play ground repairs. |
| 19 th Jan 2018 | SG/AM | Met with Hitchin Lacrosse team at St. John's Rec. They are not interested but want Swinburne. |
| 19 th Jan 2018 | SG | Jackmans resident emailed saying he would phone on Monday to discuss his proposals for Jackmans play area. (No phone call) |
| 30 th Jan 2018 | SG | Received phone call from XXXXX at the Sunday Football League saying it was ridiculous that Templars FC were not allowed second access to Bakers Close pavilion for safety reasons and called our Health & Safety officer a jobs worth. |
| 31 st Jan 2018 | SG | Spoke to Nafees in property services who confirmed he was not happy for people to enter Bakers Close pavilion and even if the Council got an indemnity from Templars FC to enter the building the Council could still be liable if there was an accident. |

| Date | Person | Action |
|---------------------------|--------|--|
| 31 st Jan 2018 | SG | Received phone call from Jackmans resident who apologised he had not progressed his plans for Jackmans playing fields play area. Explained that we needed business case by 1 st March 2018. |
| 1 st Feb 2018 | SG | Emailed Baldock Cllrs with an update on Bakers Close Pavilion & problems with access. |
| 2 nd Feb 2018 | SG | Provided Baldock Cllr's additional information as to why we could not enter Bakers Close pavilion. |
| 2 nd Feb 2018 | IC | Ian Couper spoke to SG and confirmed he wouldn't be happy with his staff entering Bakers Close Pavilion. |
| 5 th Feb 2018 | SG | Emailed Cllr Gray & Henry copy of time line. |
| 12 th Feb 2018 | SG | Received phone call from XXXX at Templars FC. He will provide a business case for Bakers Close by end of week. |
| 13 th Feb 2018 | SG | Received phone call from XXXX at Sunday football league still annoyed that NHDC would not allow Templars FC access into Bakers close Pavilion and NHDC were allowing this and other buildings to be destroyed whilst happy to fund a new bridge onto Walsworth Common. |
| 13 th Feb 2018 | SG | Received phone call from XXX of Sunday Football League apologising to me for previous call. I agreed to send him time line relating to Templars FC proposals for Bakers Close. |
| 14 th Feb 2018 | SG | Emailed Cllr Hill & Hunter to remind them deadline for submission of business cases for Royston play areas was 1 st March 2018. |
| 14 th Feb 2018 | SG | Emailed Jackmans resident to remind him deadline for submission of business case for Jackmans play areas was 1st March 2018. |
| 14 th Feb 2018 | SG | Emailed XXXX at Templars FC to remind him deadline for submission of business case for Bakers Close pavilion was the 1 st March 2018. |
| 14 th Feb 2018 | SG | Emailed XXXX at Sunday football league to remind him deadline for submission of business cases for St. John's and Cadwell Lane pavilions was the 1st March 2018. |
| 14 th Feb 2018 | SG | Emailed Baldock Town Youth to remind them deadline for submission of business case for Bakers Close pavilion was the 1st March 2018. |
| 14 th Feb 2018 | SG | Received email from XXX at Templars FC thanking me for all my help and confirming he would send a business case. |
| 26 th Feb 2018 | SG | Emailed Jackmans resident to remind him deadline for submission of business case for Jackmans play areas was 1st March 2018. |

| Date | Person | Action |
|---------------------------|--------|---|
| 26th Feb 2016 | SG | Emailed Cllr Hill & Hunter to remind them deadline for submission of business cases for Royston play areas was 1st March 2018. |
| 26th Feb 2016 | SG | Emailed XXXX at Templars FC to remind him deadline for submission of business case for Bakers Close pavilion was the 1st March 2018. |
| 26th Feb 2016 | SG | Emailed XXX at Sunday football league to remind him deadline for submission of business cases for St. John's and Cadwell Lane pavilions was the 1st March 2018. |
| 26th Feb 2016 | SG | Emailed Baldock Town Youth to remind them deadline for submission of business case for Bakers Close pavilion was the 1st March 2018. |
| 26 th Feb 2018 | SG | Received email from XXX at Templars FC. Aim to submit business case for bakers Close this Wed. |
| 27 th Feb 2018 | SG | Received email from Jackmans resident. He has not been able to raise funds for Jackmans play area. |
| 27 th Feb 2018 | SG | Received email from XXX at Templars FC. Will drop off business case for Bakers Close in Council reception. |
| 28 th Feb 2018 | SG | Received email from Cllr Hill requesting how much it would cost NHDC to maintain Betjeman play area for another year. I resent her a copy of Junes email which detailed cost. |
| 28 th Feb 2018 | SG | Received a request from Cllr Hill to meet with Cllr Gray and I to discuss Royston Play areas. |
| 28 th Feb 2018 | SG | Received business case for Bakers Close from XXX at Templars FC. |
| 28 th Feb 2018 | SG | Emailed XXX at Templars FC asking how he was funding start up cost. |
| 28 th Feb 2018 | SG | Received email from XXX at Templars FC confirming he had the funds in the bank. |
| 28 th Feb 2018 | SG | Asked Finance and Property Services to work with Templars Football Club to ensure business case was sustainable. |
| 1 st Mar 2018 | SG | Met with XXXX and XXX who provided a business case to provide funding for Betjeman Road and Farrier Court play areas Royston. |
| 2 nd Mar 2018 | SG | Emailed XXX from Templars Fc advising him that Finance and Property Services were evaluating his business case. |

Appendix E: Impact Assessment

| | | | | |
|--|--|------------------------|------------------------|--|
| 1. Name of activity: | Green Space Management Strategy 2017- 2021 | | | |
| 2. Main purpose of activity: | To ensure the Council is best able to maintain sustainable green space to meet community needs, within available funding | | | |
| 3. List the information, data or evidence used in this assessment: | Review of Green Space Management Strategy & Grounds Maintenance Contract Project board reports 1 – 7. Medium Term Financial Strategy 2016 – 2021, Cabinet Report 22nd November. Green Space Citizen Panel Focus Groups | | | |
| 4. Assessment | | | | |
| Characteristics | Neutral (x) | Negative (x) | Positive (x) | |
| | | | | Negative |
| | | | | Positive The retention of all green space sites with limited investment ensures access to green space and the associated benefits is maintained. |
| | | | | Negative |
| | | | | Positive The proposal to provide a new football changing pavilion at Walsworth Common, Hitchin will mean the Council will have two fully DDA compliant football pavilions. |
| | | | | Negative |
| | | | | Positive |
| | | | | Negative |
| | | | | Positive |

| | | | | |
|---|--------------------------|--------------------------|---|--|
| A person of a particular sex, male or female, including issues around pregnancy and maternity | <input type="checkbox"/> | X | X | Negative |
| | | | | If play areas do not transfer to third parties there would be the potential loss of equipment from up to 13 play areas. |
| | | | | Positive |
| | | | | If 13 play areas are transferred to third parties they would be managed at a more local level meeting the needs of local communities. |
| | | | | Negative |
| | | | | |
| | | | | Positive |
| | | | | |
| | | | | Negative |
| | | | | Young People:- If play areas do not transfer to third parties there would be the potential loss of equipment from up to 13 play areas. |
| | | | | Positive |
| | | | | Young People:- If 13 play areas are transferred to third parties they would be managed at a more local level meeting the needs of local communities. Teenagers / Adults:- The proposal to provide a new football changing pavilion at Walsworth Common, Hitchin will mean the Council will have two fully DDA compliant football pavilions. |
| | | | | Negative |
| | | | | |
| | | | | Positive |
| | | | | |
| 5 Results | | | | |
| | Yes | No | | |
| Were positive impacts identified? | X | <input type="checkbox"/> | With reduced funding the Green Space Strategy 2017 - 2021 best enables the Council to meet community needs for the retention of Green space and associated infrastructure most valued by our communities. | |

| | | | |
|--|-------------------------------------|-------------------------------------|---|
| Are some people benefiting more than others? If so explain who and why. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| Were negative impacts identified (what actions were taken) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | NHDC's Community Development Team will work with local communities to help establish 'Friends of Local Play Area' groups. |

6. Consultation, decisions and actions

If High or very high range results were identified who was consulted and what recommendations were given?

Opinion Research Services (ORS) was commissioned to undertake three focus groups (one in Hitchin, one in Letchworth and one in Royston) with members of NHDC's Citizens' Panel to discuss the Green Space Management Strategy Review. The groups included a total of 29 people: they were recruited by ORS through its social research call centre, with quota controls to ensure a relatively proportional representation of different demographic and socio-economic groups.

Describe the decision on this activity

Where financially viable the recommendations of the Focus groups have been incorporated into the Green Space Strategy.

List all actions identified to address/mitigate negative impact or promote positively

| Action | Responsible person | Completion due date |
|--|--------------------|---------------------|
| Revised the current Green Space management Strategy to include a sustainable investment programme for green space for the period 2017 - 2021. Although negative impacts had been identified by the proposed closure of the pavilions, officers carried out extensive consultation and exploratory meetings but no community groups were identified as able to take on the running of the pavilions. | Stephen Geach | Jan 2017 |

When, how and by whom will these actions be monitored?

Annual review of Strategy by Head of Leisure and Environment

7. Signatures

Assessor

Name: **Stephen Geach**

Signature** Stephen Geach

Validated by

Name: **Reuben Ayavoo**

Signature** Reuben Ayavoo

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| CABINET 27 MARCH 2018 |
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| | |
|----------------------------------|---|
| *PART 1 – PUBLIC DOCUMENT | AGENDA ITEM No. 14 |
|----------------------------------|---|

TITLE OF REPORT: FUTURE MANAGEMENT OF HITCHIN MARKET

REPORT OF THE DEPUTY CHIEF EXECUTIVE

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR FINANCE AND IT AND EXECUTIVE MEMBER FOR LEISURE

COUNCIL PRIORITY: ATTRACTIVE AND THRIVING / PROSPER AND PROTECT

1. EXECUTIVE SUMMARY

- 1.1 This report is a follow up on the report to Full Council of 8 February 2018 regarding the opportunity of a potential regeneration of the Churchgate Centre and accompanying investment in the public realm and Hitchin Market. This report considers the future arrangements for the management of Hitchin Market as the current management contract ends on 31 July 2018.

2. RECOMMENDATIONS

- 2.1 That Cabinet defers a decision on whether to manage Hitchin market in-house until there is greater clarity on the deliverability of the proposals for the Churchgate Centre and Hitchin Market and further consideration has been given to the model for operating the market in-house.
- 2.2 That Cabinet authorises the Deputy Chief Executive, in consultation with the Head of Leisure and Environmental Services, the Executive Member for Finance and IT and the Executive Member for Leisure, to agree with Hitchin Markets Ltd the terms of an extension of their existing management contract in the short term.

3. REASONS FOR RECOMMENDATIONS

- 3.1 The Council has been seeking to regenerate the Churchgate Centre for a number of years and a number of different proposals have been considered during that time, with none of those proposals progressing to a successful conclusion. The proposal approved in principle by Full Council on 8 February 2018 finds a solution to a number of the problems faced by previous proposals and would appear to be achievable in the short term. The proposals would also see significant investment in Hitchin Market and the public realm and in order to be able to fully control that investment to ensure maximum transformative impact it is considered that the Council may wish to operate Hitchin Market in the short-term to deliver the transformation, before then considering potential future operating models. However there remain a number of uncertainties in relation to the deliverability of the regeneration proposals for the Churchgate Centre, Hitchin Market and public realm. Additionally further work needs to be undertaken to properly assess the way the Council could operate the market in-house in order for

Cabinet to make an informed decision. Therefore it is proposed to defer making a decision on the future management of the market and seek to agree an extension of the management contract with Hitchin Markets Ltd in the short, on terms to be agreed.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The Council could extend the existing management contract with Hitchin Market Limited for a longer period, subject to ensuring compliance with the Council's Contract Procurement Rules. The existing management contract includes a break clause that allows the contract to end on three months notice for reason of redevelopment. Any extended contract would need to include the same clause. This option would however mean that the Council did not have full control over the market which could impact upon the deliverability of the investment which is intended to be truly transformative and ensure the market is fit for the 21st century.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 The Council has submitted a bid for funding for the market and public realm proposals to the Hertfordshire Local Enterprise Partnership (see section 8 below). At the time of writing this report the outcome of that bid is not known and a verbal update will be provided at the meeting if an update is available.
- 5.2 Officers met with Hitchin Market Ltd (HML) on 25 January 2018 and informed them of the proposals for the market and its management, as outlined in this report. At that meeting officers extended an invitation to HML to submit to the Council any alternative ideas they had. Hitchin Market Ltd presented to Full Council on 8 February 2018, highlighting some of the challenges facing the market and arguing that as HML had successfully operated in partnership with NHDC for nearly ten years they considered that they were best placed to continue this, under a different contract, for any development period. HML also presented to Hitchin Committee highlighting some concerns with the indicative plan provided to Full Council (size of market area, potential number of stalls and use of demountable stalls) and offering to continue to run the market on a rolling basis. Prior to the Hitchin Committee meeting officers extended the invitation to HML to submit any ideas they wished Cabinet to consider in this report. Officers met with representatives of HML on 12 March 2018 and discussed the points HML had made to Hitchin Committee. In short it was a positive and open discussion with quite a lot of agreement over the type of market Hitchin Market should seek to become and clear alignment on both parties motivation that there continue to be a vibrant market in Hitchin.
- 5.3 Full Council on 8 February 2018

RESOLVED:

(1) That the principle of a joint venture regeneration of the Churchgate Centre, with the Council as funder of the regeneration, be supported;

(2) That the Deputy Chief Executive, in consultation with the Chief Finance Officer, the Leader of the Council and Executive Member for Finance and IT, be authorised to progress negotiations with Shearer Property Group on the terms of a potential joint venture regeneration of the Churchgate Centre, subject to Full Council's final approval of the terms of any proposal; and

(3) That the proposal to allow the contract for the management of Hitchin Market to expire and for the market to be managed in-house, subject to Cabinet's approval, be noted.

REASON FOR DECISION: To progress the potential regeneration of the Churchgate Shopping Centre in Hitchin.

- 5.4 The Council will shortly be launching an online survey on people's use of the current shopping centre and market, what types of operators they would like to see if the regeneration goes ahead and whether they support the principle of regeneration. The survey will run for approximately one month and will be publicised to try to encourage a good rate of response. At this early stage, the Council is seeking the views of people who live and/or work in North Hertfordshire on the broad principles of the proposals in order to inform our thinking. There will be further opportunity for the public to comment on any scheme proposed in the future as things progress.

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 19 January 2018.

7. BACKGROUND

- 7.1 The report to Full Council on 8 February 2018 sets out the full proposals for the regeneration of the Churchgate Centre and investment in the adjacent public realm and market. That report also provides a history of the project – see <http://web.north-herts.gov.uk/aksnherts/users/public/admin/kab12.pl?cmte=COU&meet=111&arc=71>
- 7.2 The Council report identified a number of challenges which have defeated previous attempts to produce a viable scheme for a regeneration, one of which was finding a suitable alternative provision for the market. Previous options considered included re-location of the market to one of Market Place, Portmill Lane West car park or St Mary's car park; different combinations of permanent/demountable stalls; and different combinations of indoor/outdoor market. It is fair to summarise that the previous developers found it difficult to find an acceptable solution. As Members will be aware the Council ceased work on the wider redevelopment scheme and therefore no conclusion was reached on the future provision of the Market.
- 7.3 Hitchin is an historic market town. On 8 April 2008 Cabinet made the decision to outsource the market operations, subject to negotiating suitable agreements with interested operators. The market rights are owned by the Council and it is currently managed by Hitchin Markets Limited. This arrangement started on 1 August 2008 and the management contract includes a break clause that allows the Council to terminate the arrangement (with no liability for costs) for reason of development of the Churchgate Shopping Centre, provided at least three months prior written notice is provided. This contract was initially for a five year term, with a further five year contract agreed in 2013. That second contract is due to expire on 31 July 2018 which provides a timely opportunity to consider the future management of the market, bearing in mind the regeneration proposals.
- 7.4 HML has been operating the market on an "as is" basis, with minimal opportunity for meaningful investment due to the nature of the operating model. As part of the arrangements an annual payment is paid to the Council. Without transformative investment in the infrastructure of the market it is difficult to see how the current situation can be improved and indeed future decline averted.

- 7.5 The Association for Public Service Excellence have recently undertaken a questionnaire to seek Local Authority's thoughts and experiences on insourcing. This demonstrated that Circa 73% have or are considering insourcing.
- 7.6 When asked what were/are the main reasons for insourcing, the top four reason given were:-
- Need to improve efficiency and reduce service cost
 - Need to improve service quality
 - Austerity budgeting / need to reduce spend on external contracts
 - Need to have a more flexible service

8. RELEVANT CONSIDERATIONS

Proposals for Hitchin Market and the Public Realm

- 8.1 As stated in the Full Council report of 8 February 2018 one of the key challenges in attracting retailers is ensuring the surrounding environment is attractive and a vibrant space which supports the investment being made in the shopping centre. The market has been without significant investment for a number of years and there now exists an opportunity to invest in it in order to re-invigorate it and ensure it continues to meet the needs of the community going forward. The proposals being considered include investment in the market and surrounding public realm, with a new public space being created adjacent to the shopping centre and the market broadly in its current location, but with the core of it being at the Queen Street end of the current space. The proposal would include a mix of new stalls, both permanent and demountable, which could spread across the terrace below the St Mary's car park towards Portmill Lane, and could include a covered area over the permanent stalls. The indicative plan appended to the Council report shows a potential layout for stalls, but should not be taken as any indication of the potential number of stalls. The level of investment in the public realm and market is dependent on the cost and funding available.
- 8.2 In order to efficiently and effectively facilitate and manage the investment in the market there could be advantage in allowing the contract for the management of the market to expire, with the Council managing in-house the operation of the market in the short term both before and after the regeneration of it. Consideration will be given to the future management of the market as part of the ongoing assessment of the proposals and any in-house management would not preclude an outsourced arrangement, or other alternative arrangement, at any time in the future. In-house management of the market would of course mean that any direct surplus generated would be retained by the Council. Any surplus could provide a contribution towards the management and regeneration of the market.
- 8.3 There remain a number of key issues relating to an in-house management operation which need to be further investigated before Cabinet could take a fully informed decision. These include:-
- The consequences of potential TUPE of HML staff
 - The line management arrangements for the market operation
 - Concluding investigation of potential cost of in-house management
 - The deliverability of the wider regeneration, which is subject to further detailed investigation
 - Availability of funding for the market and public realm investment

Additionally consideration could still be given to any alternative proposals put forward by HML.

Funding

- 8.4 As explained in the Council report and section 5.1 above the Council has submitted a bid to the Hertfordshire Local Enterprise Partnership (LEP) for grant funding to cover the cost of the investment in the market and public realm. It is believed that the Council's bid meets all the LEP's requirements; however it is known that there are eighteen other bids that have been submitted. Outcomes of this bidding process will be known by the end of March 2018. If this application to the LEP is successful, the level of investment in the public realm and market requested would be transformative creating a vibrant space and would support the delivery of the shopping centre regeneration. If the bid is unsuccessful, or only partially successful, further work would need to be undertaken to consider potential alternative approaches. If the outcome of the bid is known by the time of the Cabinet meeting a verbal update will be provided.
- 8.5 Some Members at Full Council queried the mechanism for approval of the bid prior to its submission. The submission was in line with the requirements of the Council's Constitution which states at paragraph 14.6.4(a) *"The Chief Executive, the Deputy Chief Executive, Strategic Directors, Heads of Service and Corporate Managers are delegated the following functions, powers and duties for their respective service areas: [...] (ix) National Lottery and external funding applications."*

Conclusions

- 8.6 Given the uncertainties listed in paragraph 8.3 above it is premature to make a decision on the management of the market at this time. Given the likely timescales required for further clarity to be obtained on those matters it makes sense to seek to agree with HML an extension of the existing management contract in the short term, on terms to be agreed. It is proposed to delegate responsibility for agreeing the terms of the extension, in order to ensure the terms can be agreed in a timely manner prior to the expiry of the contract on 31 July 2018. If terms for the extension cannot be agreed, which seems unlikely based on discussions with HML to date, then a further report would need to come back to Cabinet before 31 July 2018. In any event a further report will be presented to Cabinet at an appropriate point to consider arrangements for the management of the market once the future of the regeneration proposals is known.

9. LEGAL IMPLICATIONS

- 9.1 The responsibility for the decision on the arrangements for the management of Hitchin Market lies with the Executive. As stated in paragraph 7.3 above Cabinet made the decision to outsource the market operations, subject to negotiating suitable agreements with interested operators. Given the nature of the options on the table and the profile of the Churchgate Centre regeneration it was considered that the most appropriate approach was to report to Cabinet, rather than seek a decision under delegated authority to extend the contract in the short term.
- 9.2 If the Cabinet is asked at a later date to agree to the market being operated in-house the legal implications of that will need to be considered as part of the further work undertaken. In particular this would include the TUPE implications of transferring existing staff from HML to the Council. Any investment in the market would need to comply with the usual procurement and contract requirements, plus conditions

attached to any external funding. If required specific external legal advice will be obtained.

10. FINANCIAL IMPLICATIONS

- 10.1 A budget of £52,500 previously allocated by Full Council for investigating alternative proposals for the Churchgate Centre has been carried forward from previous years. Up to £15,000 of this has been allocated for development consultancy support for the current proposals and it is proposed that the remainder be used for any further specialist advice required.
- 10.2 The Council currently receives a contribution of £24k (exc VAT) per year from HML in relation to running the market. This provides a contribution towards the management of the service and wider town centre maintenance costs and regeneration.

11. RISK IMPLICATIONS

- 11.1 Some of the key risks to the progress of the regeneration proposals are set out in the Council report of 8 February 2018. As part of the LEP bidding process an initial risk log has been created for the wider proposals, which identifies 22 potential risks, their consequences and mitigating action required. This risk log will be developed as formal project management arrangements are considered. If the wider proposals move forward then the project is likely to be proposed as a Top Risk which is then monitored by Finance, Audit and Risk Committee and Cabinet as part of the Council's risk management policy.
- 11.2 Paragraph 8.3 outlines a number of issues which are specific to the insourcing of the market, these are also risks and need to be fully explored before a decision can be made regarding the future management arrangements of the market.

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. To ensure the Council complies with the Public Sector Equality Duty the Council will undertake an equalities impact assessment if the Council decides to insource the market.
- 12.2 Involvement and consultation are crucial to the equality analysis process. By seeking views of those most affected, then both positive and adverse impacts can be collated and inform any future schemes.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 The Social Value Act and "go local" policy do not apply to this report due to the nature of the decisions Full Council is being asked to make.
- 13.2 However, any decision Council may make in the future with regard to the regeneration of Churchgate which could, either in whole or part, constitute a public service contract would need to report on the social value implications of each/any option at the time of consideration. This would, in brief, consider how every £1 spent could best be spent to benefit the local community, which may include award of some aspects of redevelopment or management of the centre etc. by local social enterprises, a contractor offering an apprentice scheme or similar.

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 The current work undertaken to this point has been met from existing resources, with additional external development consultancy expertise sought to support internal skills and knowledge. An internal team of officers including financial, legal, planning and technical expertise has been identified to support the Deputy Chief Executive. The ongoing resourcing requirements will be considered as part of the next phase of work and can be factored into service plans for 2018/19. Additionally the internal resourcing will be considered in the light of any changing responsibilities as a result of the senior management restructure.
- 14.2 The Council has a Transfer of Undertakings Protection of Employment (TUPE) policy which sets out the rights an employee can expect when North Hertfordshire District Council is considering a transfer of service or business function into or out of the Council and between external contractors. TUPE implications need to be assessed on a case by case basis and guidance from HR, Legal and Procurement should always be sought where TUPE applies.

15. APPENDICES

- 15.1 None.

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17. BACKGROUND PAPERS

- 17.1 Reports on previous Churchgate proposals to Full Council dated 31 January 2013 and 11 February 2016.
- 17.2 Report to Full Council dated 8 February 2018.

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| CABINET 27 MARCH 2018 |
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| *PART 1 – PUBLIC DOCUMENT | AGENDA ITEM No. 15 |
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TITLE OF REPORT: PROPOSED CREMATORIUM AT WILBURY HILLS - PROGRESS UPDATE

REPORT OF THE HEAD OF LEISURE AND ENVIRONMENTAL SERVICES

EXECUTIVE MEMBER: COUNCILLOR MICHAEL WEEKS

COUNCIL PRIORITY: ATTRACTIVE AND THRIVING / PROSPER AND PROTECT

1. EXECUTIVE SUMMARY

- 1.1 To provide Cabinet with an update regarding progress to lease land at Wilbury Hills for the development and operation of a crematorium and to request approval of the heads of terms with a view to submitting an application for outline planning permission.

2. RECOMMENDATIONS

- 2.1 To note progress made to date and approve the heads of terms for the proposed lease, option agreement and agreement for lease as set out in section 8 of this report and section 8 of the Part 2 report.
- 2.2 Subject to Cabinet approval under paragraph 2.1, to authorise the Head of Leisure and Environmental Services in consultation with the Council's Contracts Lawyer and Head of Finance, Performance and Asset Management.
- 2.2.1 to complete the option agreement to reflect the heads of terms in this report; and
- 2.2.2 to complete the agreement for lease and lease in due course in the event that the prospective tenant exercises the option.

3. REASONS FOR RECOMMENDATIONS

- 3.1 Following the previous report to Cabinet on the 28th March 2017, officers have progressed negotiations with the prospective tenant for the development of a Crematorium at Wilbury Hills.
- 3.2 Heads of Terms have now been negotiated to develop and operate a crematorium on behalf of the Council and, as part of this process, the Council will apply for outline planning permission. Officers are satisfied that the heads of terms present the best return for the Council in the circumstances, particularly as the prospective tenant was selected following a competitive process and the likely effect of competition from existing facilities.
- 3.3 Cabinet approval of the heads of terms will allow officers to complete the option agreement and apply for outline planning permission. If outline planning permission is granted, the prospective tenant may exercise the option to take the lease and then progress the development through to final design, construction and operation.

- 3.4 A new crematorium at Wilbury Hills would serve both North Herts and Central Bedfordshire residents and would benefit both communities as populations grow. It is important for the Council to ensure that new infrastructure is planned in order to meet the demands of future population growth. Strong housing growth is projected for Central Bedfordshire in particular.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 At this time, there are no alternative options for the location of a new Crematorium within the land ownership of North Herts. Therefore the only other alternative is to cease progress of this project.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 As part of the preparation for applying for outline planning permission, the Council consulted with the public and local funeral directors. Consultation involved questions within the District Wide Survey 2017, a specific survey of Central Bedfordshire residents using an online survey in 2017 and also a telephone survey of local funeral directors. The results from these consultations have informed the recommendations of this report and the Needs Analysis supporting the application for outline planning permission. See section 8.4 for details of the results.

6. FORWARD PLAN

- 6.1 This item was first identified on the forward plan in April 2013 and more recently returned to the Council's forward plan on 13th December 2017.

7. BACKGROUND

- 7.1 On the 27th September 2016 Cabinet resolved

7.1.1 *That Officers be authorised to consider options for collaboration with a private sector provider that could deliver a suitable crematorium, secure the future of Wilbury Hills as a site for burial and cremation, and achieves best value in respect of the use of Council land;*

7.1.2 *That Officers develop and conclude a selection process for the delivery of the project in collaboration with a private sector partner, the aim of this process being to receive and evaluate proposals from potential partners with a view to establishing which operator offers the Council the most beneficial model for collaboration; and*

7.1.3 *That Officers report further to Cabinet once the selection process has concluded, and in any event by no later than 31 March 2017, in order to obtain Cabinet's approval to enter into collaboration with the selected partner and complete the necessary legal documents.*

- 7.2 On the 28th March 2017 Cabinet resolved as follows and in particular resolved to grant authority to officers to progress and submit outline planning permission. From March 2017, officers have been negotiating heads of terms, developing legal documents and progressing the necessary reports, drawings and assessments to submit outline planning permission. Given the specific risks as set out in the part 2 report and additional work around establishing need for the purposes of planning, officers have been seeking to maximise the prospects of success for outline planning permission.

- 7.2.1 *That officers be authorised to progress and submit an outline planning application for the development of a crematorium at Wilbury Hills, such authorisation to include taking all steps required for a successful grant of permission;*
- 7.2.2 *That the project be allocated a budget of up to £50,000 to cover external consultants and other costs associated with the planning application;*
- 7.2.3 *That the Head of Leisure and Environmental Services, in consultation with the Leader of the Council, be authorised to carry out further negotiations to finalise the structure and detail of any potential agreement with the Proposed Operator, subject to Cabinet providing final approval in due course. In any event, the Head of Leisure and Environmental Services is requested to report back to Cabinet once the outcome of the outline planning application is known; and*
- 7.2.4 *That the cost of Officer time spent on this project moving forward be included in the Business Case, and that the latest Business Case and financial information be reviewed before deciding whether to proceed with this project.*

8. RELEVANT CONSIDERATIONS

Heads of terms and progress update

8.1 Lease

See section 8 (heads of terms for the lease) of the part 2 report.

8.2 Option agreement

- If outline planning permission is granted, the prospective tenant has the option to enter into an agreement to take a lease in accordance with the heads of terms.
- The option period is three years.
- The Council will apply for outline planning permission before 30th June 2018.
- If outline planning permission is granted and the tenant does not exercise the option, the tenant will meet the Council's costs to a maximum of £50,000.
- The Tenant will pay the Council an option fee of £5,000 on signing the option agreement.

8.3 Agreement for lease

- The prospective tenant will apply for detailed planning permission.
- The prospective tenant will take a lease in accordance with the heads of terms following the grant of detailed planning permission.
- Upon entering into the agreement for lease, the prospective tenant would have no liability for the Council's costs to obtain outline planning permission

8.4 Progress update

The Council has made considerable progress since this matter was last reported to Cabinet in March 2017. Brief details are set out below.

- A consultant has been appointed to progress the application for outline planning permission and all reports and assessments have been commissioned. Officers are ready to apply for outline planning permission if Cabinet approves the heads of terms. Officers

will aim to make the application at the earliest possible time as all parties are keen to progress this development.

- Residents of North Herts and Central Bedfordshire have been consulted on their views regarding a new crematorium at Wilbury Hills. Overall the response was positive. Within North Herts, 59.85% of respondents confirmed that they are very likely or fairly likely to use the facility. Within Central Bedfordshire, 55.91% of respondents confirmed that they are very likely or fairly likely to use the facility.
- Funeral Directors within the District have been consulted, by telephone interview, on their views regarding a new crematorium at Wilbury Hills. Overall the response was positive. 60% indicated that they would use the facility.
- Legal documents have been developed in-house to reflect the heads of terms. This ensures that officers can complete the option agreement with the prospective tenant at the earliest possible time if Cabinet approves the heads of terms.
- Officers have responded to all the prospective tenant's pre-contract enquiries relating to the site.
- The proposal is for the new crematorium to have its own access via Arlesey New Road. This will allow cremations and burials to take place simultaneously and therefore allow the booking systems for cremations and burials to be managed independently.
- A timetable has been received from the prospective tenant showing practical completion in November 2020.

9. LEGAL IMPLICATIONS

- 9.1 Within Cabinet's terms of reference are "*to prepare and agree to implement policies and strategies other than those reserved to Council*" and "*to approve those major service developments or reductions which also constitute Key Decisions.*" This project has been noted on the Council's forward plan as a key decision.
- 9.2 As a burial authority under section 214 Local Government Act 1972 the District Council may provide and maintain cemeteries whether in or outside their area. Councils have a statutory duty to provide public health funerals (burial or cremation) under section 46 of the Public Health (Control of Disease) Act 1984. The role of public health funerals is to ensure that public health is protected when a person dies and no-one is able to make the funeral arrangements.
- 9.3 Section 4 of the Cremation Act 1902 confirms that the powers of the Council, as burial authority, to provide and maintain burial grounds or cemeteries also include the provision and maintenance of crematoria. A crematorium must also not be less than 200 yards from any dwelling house. This has been taken into account in the planning and design process.
- 9.4 Under section 3 of The Cremation (England and Wales) Regulations 2008 the Council must give the Secretary of State at least 1 month's notice before opening the Crematorium.
- 9.5 With respect to fees, section 9 of the Cremation Act 1902 confirms that the Council may demand payment of charges or fees for providing a cremation service and such charges or fees, and any other expenses properly incurred in or in connection with the cremation, shall be part of the funeral expenses of the deceased.
- 9.6 The Council is required to keep a table of fees for cremation services and must make this table available for public inspection.
- 9.7 The disposal of land by the Council is governed by Section 123 of the Local Government Act 1972. The power of the Council to dispose of land is subject to the proviso that, except

with the consent of the Secretary of State, a council may not dispose of land (otherwise than by way of a short tenancy) for a consideration less than the best that can reasonably be obtained. A short tenancy for the purpose of this section is a tenancy for a term not exceeding 7 years.

- 9.8 The option agreement is only legally binding when both the Council and the prospective tenant have signed the agreement.

10. FINANCIAL IMPLICATIONS

- 10.1 See the financial implications section of the part 2 report for details on the rental income and indicative turnover rent.
- 10.2 Over time, the Cremation fees are likely to increase and the Council's income will, in turn, increase because the majority of the Council's income is projected to be a percentage of turnover.

11. RISK IMPLICATIONS

- 11.1 As with all projects, there is a risk to the target completion date should Cabinet decide to proceed. For example, the construction period may be longer than anticipated.
- 11.2 Additionally there is a risk in not achieving the projected turnover rent. However both parties are keen to develop a new community facility and work together to make it a success.
- 11.3 An application for outline planning permission may be refused. In this event, officers will consider the reasons for refusal and evaluate the viability of potential solutions.
- 11.4 Competition from existing facilities may have a detrimental effect on cremation fees. If cremation fees decrease, the Council's income may decrease because the majority of the Council's income is projected to be a percentage of turnover.
- 11.5 See the risk section of the part 2 report for further details of risks in connection with the application for outline planning permission.

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 no adverse impacts generated by the actions contained within this report.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 The proposal to construct a new Crematorium would not constitute a public contract because the arrangement would be land disposal. Therefore the consideration of 'social value' as required by the Public Services (Social Value) Act 2012 will not need to be applied.
- 13.2 Although the Public Services (Social Value) Act 2012 does not apply to the proposals in this report, officers consider that the development of a new crematorium would be welcomed by the community and boost economic activity within North Hertfordshire and

Central Bedfordshire. Strong housing growth is projected for both areas and a new crematorium would help with the demands of a growing and more diverse population.

14. HUMAN RESOURCE IMPLICATIONS

14.1 None.

15. APPENDICES

15.1 None.

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17. BACKGROUND PAPERS

17.1 None.

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| CABINET 27 MARCH 2018 |
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| *PART 1 – PUBLIC DOCUMENT | AGENDA ITEM No. 16 |
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TITLE OF REPORT: EXCLUSION OF PUBLIC AND PRESS

To consider passing the following resolution:

That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 3 and 5 of Part 1 of Schedule 12A of the said Act.

[Note: The definition of Paragraphs 3 and 5 referred to above is as follows:-

- "3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings."]

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