

Public Document Pack

20 July 2018

Our Ref Cabinet 31.07.18
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 & Deputy Leader of the Council (Vice-Chair)
Councillor David Barnard, Executive Member for Leisure and Green Issues
Councillor Tony Hunter, Executive Member for Community Engagement and Rural Affairs & Chairman of Royston and District Committee
Councillor David Levett, Executive Member for Planning, Enterprise and Transport
Councillor Bernard Lovewell, Executive Member for Housing and Environmental Health
Councillor Michael Weeks, Executive Member for Waste Management, Recycling and Environment

You are invited to attend a

MEETING OF THE CABINET

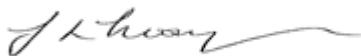
to be held in the

**COUNCIL CHAMBER, COUNCIL OFFICES, GERON ROAD,
LETCWORTH GARDEN CITY**

on

TUESDAY, 31ST JULY, 2018 AT 7.30 PM

Yours sincerely,



Jeanette Thompson
Service Director – Legal and Community

Agenda **Part I**

Item	Page
1. APOLOGIES FOR ABSENCE	
2. MINUTES - 19 JUNE 2018 To take as read and approve as a true record the minutes of the meeting of this Committee held on the 19 June 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, wished to exercise a 'Councillor Speaking Right', must declare this at the same time as the interest, move to the public area before speaking to the item and then must leave the room before the debate and vote	
5. PUBLIC PARTICIPATION To receive petitions, comments and questions from the public.	
6. ITEMS REFERRED FROM OTHER COMMITTEES Any Items referred from other committees will be circulated as soon as they are available.	
7. STRATEGIC PLANNING MATTERS REPORT OF THE SERVICE DIRECTOR – REGULATORY	(Pages 13 - 38)

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

- Other Local Plans and Examinations;
- North Hertfordshire Local Plan;
- Neighbourhood Plans;
- St Ippolyts Neighbourhood Planning Area (included in this report under urgency procedures);
- Government announcements;

- Strategic Planning.

8. **CORPORATE PLAN 2019 TO 2024 AND CORPORATE OBJECTIVES FOR 2019 TO 2024** (Pages 39 - 56)
 REPORT OF SENIOR POLICY OFFICER AND LEADER OF THE COUNCIL
- To consider the Corporate Plan and Corporate Objectives for 2019 to 2024.
9. **TREASURY MANAGEMENT FIRST QUARTER 2018/19** (Pages 57 - 62)
 REPORT OF THE SERVICE DIRECTOR – RESOURCES
- To inform Cabinet of the Treasury Management activities in the first quarter of 2018/19 to the end of June.
10. **FIRST QUARTER CAPITAL MONITORING 2018/19** (Pages 63 - 76)
 REPORT OF THE SERVICE DIRECTOR – RESOURCES
- To update Cabinet on progress with delivering the capital programme for 2018/19.
11. **FIRST QUARTER REVENUE MONITORING 2018/19** (Pages 77 - 86)
 REPORT OF: SERVICE DIRECTOR – RESOURCES
- To inform Cabinet of the summary position on revenue income and expenditure forecasts for financial year 2018/19, as at the end of the first quarter.
12. **MEDIUM TERM FINANCIAL STRATEGY 2019 TO 2024** (Pages 87 - 102)
 REPORT OF THE SERVICE DIRECTOR RESOURCES
- This report recommends the Medium Term Financial Strategy (MTFS) for 2019/24 to guide and inform the Corporate Business Planning Process.
13. **AMENDMENT TO PERFORMANCE MANAGEMENT MEASURES FOR 2018/19** (Pages 103 - 106)
 REPORT OF THE SERVICE DIRECTOR – RESOURCES
- To make a change to the agreed Performance Indicators to be monitored throughout 2018/19 by Overview & Scrutiny,

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Agenda Item 2

NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

MEETING HELD IN THE COUNCIL CHAMBER, COUNCIL OFFICES,
GERNON ROAD, LETCHWORTH GARDEN CITY
ON TUESDAY, 19TH JUNE, 2018 AT 7.30 PM

MINUTES

Present: *Councillors Councillor Lynda Needham (Chairman), Councillor Julian Cunningham (Vice-Chairman), David Barnard, Tony Hunter, David Levett, Bernard Lovewell and Michael Weeks.*

In Attendance: *David Scholes (Chief Executive), Anthony Roche (Deputy Chief Executive), Ian Couper (Service Director - Resources), Ian Fullstone (Service Director - Regulatory), Steve Crowley (Service Director - Commercial), Jeanette Thompson (Service Director - Legal and Community), Andrew Mills (Service Manager - Grounds Maintenance) and Ian Gourlay (Committee and Member Services Manager).*

Also Present: *Councillors Simon Harwood (Vice-Chairman of Finance, Audit and Risk Committee), Judi Billing, Helen Oliver and Martin Stears-Handscomb. At the commencement of the meeting 5 members of the public, including 2 registered speakers.*

1 APOLOGIES FOR ABSENCE

There were no apologies for absence.

2 MINUTES - 27 MARCH 2018

RESOLVED: That the Minutes of the Meeting of the Committee held on 27 March 2018 be approved as a true record of the proceedings and be signed by the Chairman.

3 NOTIFICATION OF OTHER BUSINESS

There was no other business notified.

4 CHAIRMAN'S ANNOUNCEMENTS

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

- (4) The Chairman advised that, as per the agenda, the Part 1 Item 12 (North Hertfordshire Museum and Hitchin Town Hall – Acquisition of 14/15 Brand Street), will take place immediately before Item 13 (Exclusion of Press and Public) and the Cabinet will then consider Item 14, the Part 2 item on the same matter. The press and public will then be invited back into the meeting to hear the Cabinet's decisions on Item 12 in Part 1 of the meeting.

5 PUBLIC PARTICIPATION

- (i) Dr Mervyn Miller (North Herts Arts Council) re: Funding for the Arts Council

Dr Miller advised that the Arts Council for North Hertfordshire (ACNH) celebrates its Golden Jubilee in 2018. In 1968, the drive and enthusiasm of George Thomas, the founding Principal of the then Hitchin College of Further Education, (now North Hertfordshire College) and the then Hitchin UDC, established a pioneer voluntary body distributing Council grant funding to local groups for arts for the benefit of local residents. Brian Foreman, the Chairman since 2000, was closely involved. In April 1974, the newly-established North Hertfordshire District Council (NHDC) extended the activities of the ACNH across its area, including the towns of Royston, Baldock, Letchworth and Hitchin, and the numerous villages between. ACNH is a Registered Charity.

Dr Miller stated that the present Constitution of ACNH dated from 1997. It provided for an Executive Committee to be made up of Members of the Council, including representatives of NHDC. Its latest AGM was held at Howard Hall, Letchworth on 6 June 2018.

Dr Miller explained that an annual block grant has been allocated to ACNH. The Committee was serviced by the Hon. Secretary, Dianne Price-Smith, who processed applications for Committee consideration. Financial support took the form of a grant or a contribution against loss. The latter had proved a lifeline for many smaller organisations and had encouraged broader and more inclusive programmes, which had enriched the cultural life of the District. ACNH was an enabler, and a vital link between the District Council and its constituency of the local community.

Dr Miller commented that, since 2012-13, a reduction in the annual grant had affected the best endeavours of ACNH to maintain its core role. The challenge had been to maintain an equitable spread across the range of arts and their geographical distribution within the District. Since the early 1990s, 900 applications had been processed, an annual average of 33. It was estimated that 1,800 applications had been received since 1968.

Dr Miller advised that the Arts Council's Chairman, Brian Foreman, addressed the Full Council on 10 April 2018, following notice that the ACNH grant would be terminated in April 2019, and sadly informed Members that ACNH would cease activities. Subsequent local government elections had changed the rota of Council appointments to NHDC. He wished to record his thanks to the many who enthusiastically attended ACNH Meetings, and welcomed the appointments notified on 1 June 2018. He was pleased to see Councillor Steve Deakin-Davies at the recent AGM, and Ros Allwood had been a most informative NHDC officer on the Committee.

ANCH recognises the difficult choices to be made by the Council in relation to the complex financial and social demands made upon the diminishing funding of local government responsibilities. Our Treasurer, Paul Smith has ensured that our accounts have efficiently recorded the disbursement of the NHDC grant of £8,250 for 2017-18, and we have received the first tranche for 2018-19, £3850, of a final total of £7,700 (contrast £14,746 in 2011-12).

Dr Miller advised that he was appointed Hon. President of ACNH on 7th June 2006, with 12 years observing the distribution of funding, and the added value accrued. As a recently retired architect and town-planning consultant, he was the Principal Conservation Officer for NHDC from 1974-87, and had long been familiar with the wealth of the historic built environment to be found in the District. Grant assistance towards repairs to listed buildings was introduced. Its cultural counterpart had been the vibrant diversity of events enabled by ANCH over the past 50 years, embracing folk music, concerts and local music festivals, musical, youth and experimental theatre, and film clubs.

Dr Miller believed that, once lost, the experience, co-ordination and continuity of ACNH over the past 50 years would sadly evaporate. Hertfordshire was worthy to celebrate a County of Culture in 2020. It would be regrettable if ACNH as a lynch pin of cultural localism was extinct. Cultural diversity and local community events enriched everyone. He earnestly request the Cabinet to reconsider the Full Council's decision to cease funding beyond March 2019.

After some questions and answers, the Chairman thanked Dr Miller for his presentation.

(ii) Mr Robin Dartington (Hitchin resident) re: Churchgate, Hitchin

Mr Dartington advised that he was speaking in relation to Item 9 on the agenda – Capital Programme Outturn 2017/18, and in particular Appendix B to that report, which set out the Capital Programme Funding for 2017/18 onwards.

Mr Dartington commented that Hitchin was the largest town in NHDC, with the most vigorous town centre. He stated that 71% of NHDC Car Parking receipts derived from Hitchin Car Parks (over £1million a year). He felt, therefore, that Hitchin was deserving of investment to ensure a continuation of healthy Car Parking receipts.

Mr Dartington explained that the square footage within Hitchin Town Centre had highly diminished in recent years, due to several large employment sites being converted to housing. Potentially only the Churchgate and Paynes Park areas remained available for strategic development.

Mr Dartington considered that it was essential that any preparations made by the Council for future long term development of these two remaining strategic sites should include some necessary short term improvements.

Mr Dartington stated that the Council's in principle proposals for Churchgate included a new façade to heal the damage to Market Place and regeneration of the Churchgate shops. He felt that no regeneration of Churchgate could take place until NHDC had bought the leasehold, which was the stumbling block on the previous scheme, as the Council did not have control of the site.

Mr Dartington advised that the additional improvements suggested as being necessary for successful regeneration were the renewal of Hitchin Market and the adjoining Public Realm. From a Hitchin perspective, he felt that improving the Market and Public realm were more important to residents than the regeneration of the Churchgate Centre. He was of the view that the Market was a significant factor in the character of Hitchin, and drew people into the town from a wide area.

Mr Dartington urged the Cabinet to add to its estimates at Item 9: Appendix B to cover the following three items:

- Buying back the Churchgate leasehold to enable Council control of the site;
- Renewing Hitchin Market on a smaller part of the existing site, further away from the shops; and
- Improving the Public Realm by opening a level riverside walkway between Hermitage Road and Biggin Lane.

Mr Dartington considered that the above items were worthy in their own rights, but should also be seen as necessary preparations for regeneration of the Churchgate Centre.

In terms of the creation of a riverside walkway, Mr Dartington explained that although this became NHDC policy some 23 years ago, no section of the walkway had been completed. The start of the walk at Hermitage Road only required signage to call attention to the path, which could be broadened and shared with the path beside the adjoining flats. The next section, behind the Post Office development, had been beautifully finished. The section beside the Portmill Lane Car Park simply required some parking spaces to be pushed back in order to widen the pavement. The section across the river terraces was currently blocked by the staircase connecting St. Mary's Car Park. The removal of this staircase would create the level walkway, unite both sections of the river terrace, and create a new large public space, which he suggested would be of great value to the town.

Mr Dartington concluded by stating that the Council had a sum of £35,000 in its budgets for repairs to the staircase. He therefore hoped that these repairs would not be expedited should his proposal be accepted and the staircase removed.

The Chairman thanked Mr Dartington for his presentation.

6 ITEMS REFERRED FROM OTHER COMMITTEES

6A ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE: 18 JUNE 2018 – RISK MANAGEMENT UPDATE AND ANNUAL REPORT ON RISK MANAGEMENT 2017/18

The Vice-Chairman of the Finance, Audit and Risk Committee presented the following referral from that Committee, made at its meeting held on 18 June 2018, in respect of the Risk Management Update and Annual Report on Risk Management 2017/18 (Minute 10 refers):

“RECOMMENDED TO CABINET:

- (1) That the increase in the score for the “Waste – Depot/Transfer Station” sub-risk from an 8 to a 9 be approved;

- (2) That a new “Waste – Food and Garden Waste” sub-risk, with a score of 5, be approved;
- (3) That the overall score for the Waste and Street Cleaning Contract renewal” risk remain unchanged at a score of 8; and
- (4) That the Annual Report on Risk and Opportunities Management 2016/17, as set out at Appendix B to the report, be supported and referred to Council for approval.”

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

RESOLVED:

- (2) That the increase in the score for the “Waste – Depot/Transfer Station” sub-risk from an 8 to a 9 be approved;
- (2) That a new “Waste – Food and Garden Waste” sub-risk, with a score of 5, be approved;
- (3) That the overall score for the Waste and Street Cleaning Contract renewal” risk remain unchanged at a score of 8; and

RECOMMENDED TO COUNCIL: That the Annual Report on Risk and Opportunities Management 2017/18, as set out at Appendix B to the report, be approved..

REASON FOR DECISION: To comply with the Risk and Opportunities Management Strategy, which stipulates that an Annual Risk Management report is taken to Council.

6B ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE: 18 JUNE 2018 – REVENUE BUDGET OUTTURN 2017/18

RESOLVED: That consideration of this referral takes place in conjunction with agenda item number 8 (see Minute 8 below).

6C ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE: 18 JUNE 2018 – CAPITAL PROGRAMME OUTTURN 2017/18

RESOLVED: That consideration of this referral takes place in conjunction with agenda item number 9 (see Minute 9 below).

7 STRATEGIC PLANNING MATTERS

The Executive Member for Planning, Enterprise and Transport presented a report of the Service Director - Regulatory informing Members of the current position regarding Other Local Plans and Examinations; North Hertfordshire Local Plan; Neighbourhood Plans; Government announcements; Strategic Planning; and Chilterns AONB. The following appendices were submitted with the report:

Appendix A – Response to East Hertfordshire Proposed Main Modifications consultation;
Appendix B(1) – Response to NPPF Consultation;
Appendix B(2) – Response to Developer Contributions Consultation;
Appendix C – Copy of Chilterns AONB MP letter; and
Appendix D – Map showing extent of Chilterns AONB.

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

- East Hertfordshire Local Plan – NHDC had responded to the consultation on the Local Plan Main Modifications;
- Welwyn Hatfield Local Plan – the Stage 4 hearing sessions were scheduled to take place during the week commencing 25 June 2018;
- Stevenage Local Plan – there was no update on the holding directive issued by the Secretary of State on 13 November 2018;
- St. Albans Local Plan – due to be approved by the Council in June 2018, in readiness for public consultation;
- North Hertfordshire Local Plan – following the Examination in Public officers had been completing the actions and additional information requested by the Inspector; additional and a proposed schedule of modifications were submitted to the Inspector in early June; it will be for the Inspector to advise the Council on the timetable for the next steps;
- Neighbourhood Plans (NPs) – the Pirton NP was published on 27 April 2018; the process for the selection of an Examiner for the Wymondley NP had commenced; and the Preston NP was currently out for consultation;
- Government Announcements – NHDC had responded to the Government’s consultation on the revised National Planning Policy Framework (NPPF); and
- Chilterns Area of Outstanding Natural Beauty (AONB) – an MP had submitted a letter regarding the merits of exploring the opportunity of the AONB becoming a National Park. The initial view of officers was set out in Paragraph 8.6.2 of the report, and a response to the MP’s letter would be prepared in due course.

RESOLVED:

- (1) That the report on Strategic Planning Matters be noted; and
- (2) That the submissions in Appendices A and B to the report be noted and endorsed.

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

8 REVENUE BUDGET OUTTURN 2017/2018

The Executive Member for Finance and IT presented the report of the Service Director - Resources in respect of the Revenue Budget Outturn 2017/18.

The Vice-Chairman of the Finance, Audit and Risk Committee presented the following referral from that Committee, made at its meeting held on 18 June 2018, in respect of the Revenue Budget Outturn 2017/18 (Minute 13 refers):

“RECOMMENDED TO CABINET: That, in respect of Table 3 in the report, which outlined the unspent Carry Forward budgets in 2017/18, it be ensured that each item in the list is challenged robustly if further carry forward is requested, with each item being accompanied by an acceptable justification as to why it should be carried forward, in the realistic expectation that the budget would be spent.”

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

The Executive Member for Finance and IT advised that Table 1 in the report outlined the various changes to the Budget throughout 2017/18. Table 2 provided a summary of the significant variances, and he highlighted the variances relating to the CCTV Partnership and Planning Applications Fees income. The overachievement on the latter would be transferred to a planning reserve to mitigate the risks associated with the progress of the Councils Local Plan.

RESOLVED:

- (1) That the contents of the report be noted;
- (2) That a decrease of £422,000 in the 2017/18 General Fund expenditure, as identified in Table 2 and Paragraph 8.1 of the report, to a total of £16.053million, be approved;
- (3) That the adjustments to the 2018/19 General Fund budget, as identified in Table 2 and Paragraph 8.2 of the report, of a £346,000 increase in net expenditure, be approved;
- (4) That, in respect of Table 3 in the report, which outlined the unspent Carry Forward budgets in 2017/18, it be ensured that each item in the list is challenged robustly if further carry forward is requested, with each item being accompanied by an acceptable justification as to why it should be carried forward, in the realistic expectation that the budget would be spent; and

RECOMMENDED TO COUNCIL: That the net transfer to earmarked reserves of £1.070million, as identified in Table 7 of the report, be approved.

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

9 CAPITAL PROGRAMME OUTTURN 2017/18

The Executive Member for Finance and IT presented a report of the Service Director - Resources in respect of the Capital Programme Outturn 2017/18. The following appendices were submitted with the report:

Appendix A – Capital Programme Summary 2017/18 onwards; and
Appendix B – Capital Programme Detail including Funding 2017/18 onwards.

The Vice-Chairman of the Finance, Audit and Risk Committee presented the following referral from that Committee, made at its meeting held on 18 June 2018, in respect of Capital Programme Outturn 2017/18 (Minute 14 refers):

“RECOMMENDED TO CABINET: That, in view of the fact that Capital funds are likely to be depleted within the next few years, it be ensured that regular scrutiny of the Capital Programme is carried out by the Cabinet.”

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

In relation to some of the issues raised by Mr Dartington earlier in the meeting, the Executive Member for Finance and IT advised that the Capital Budget was approved by the Full Council in February each year. Apart from very minor changes to the budget, all major variations were required to be approved by the Full Council. As an example, were it to be the intention to progress a scheme for the regeneration of Churchgate, then the decision to add the cost of that scheme to the Capital Programme would be determined by the Full Council. He commented that the current Capital Programme amounted to expenditure of £20million across the District over the next year.

The Executive Member for Finance and IT explained that the Capital Programme contained projects which the Council had previously considered would be necessary, although there was always a possibility that the Programme would change, particularly if Council priorities changed. Therefore, if Mr Dartington's proposals were considered worthy of progression, they would need to be costed, and a business case prepared, and then added to the Capital Programme for approval by the Full Council.

In respect of the report, the Executive Member for Finance and IT referred to Table 2, which outlined the significant re-profiling of capital projects. He assured the Cabinet that each project was frequently reviewed and challenged as part of the process.

RESOLVED:

- (1) That expenditure of £9.484million in 2017/18 on the Capital Programme (Paragraph 8.2 refers), and in particular the changes detailed in Table 3 which resulted in a net increase on the working estimate of £0.011million, be noted;
- (2) That the adjustments to the Capital Programme for 2018/19 and onwards as a result of the revised timetable of schemes detailed in Table 2, increasing the estimated spend in 2018/19 by £1.506million (re-profiled from 2017/18), be approved;
- (3) That the position of the availability of Capital resources, as detailed in Table 4, Paragraph 8.6, and the requirement to keep the Capital Programme under review for affordability, be noted;
- (4) That the application of £1.437million of Capital receipts towards the 2017/18 Capital Programme, and the drawdown of £6.390million from set aside receipts, as referred to in Paragraph 8.6 of the report, be approved; and
- (5) That, in view of the fact that Capital funds are likely to be depleted within the next few years, it be ensured that regular scrutiny of the Capital Programme is carried out by the Cabinet.

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

10 ANNUAL TREASURY MANAGEMENT REVIEW 2017/2018

The Executive Member for Finance and IT presented a report of the Service Director - Resources in respect of the Annual Treasury Management Review 2017/18. The following appendix was submitted with the report:

Appendix A – Annual Treasury Management Review 2017/18.

The Executive Member for Finance and IT advised that some of the Council's investment funds could well be moved in the future to fund items in the Capital Programme. It was proving increasingly difficult to find investments which provided a reasonable rate of return.

The Executive Member for Finance and IT reminded the Cabinet of the important revisions to the Treasury Management Strategy made during the year in relation to changes to the boundaries in respect of borrowing, should the Council be in a position where borrowing was required. However, he commented that borrowing would not be required until and unless the Council had exhausted its Capital reserves.

The Executive Member for Finance and IT stated that, during the year, there had been three breaches of the limit set on the percentage that could be invested with a single counterparty. The Service Director – Resources explained the processes and procedures to be put in place to prevent any future breaches.

The Executive Member for Finance and IT alluded to the risks faced by the Council in dealing with its finances, and in this regard, encouraged as many Members as possible to attend the Risk Management training session scheduled for 25 June 2018.

RESOLVED: That the position of Treasury Management activity as at the end of March 2018 be noted.

RECOMMENDED TO COUNCIL:

- (1) That the actual 2017/18 prudential and treasury indicators be approved; and
- (2) That the Annual Treasury Management Report for 2017/18 be noted.

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

11 GREEN SPACE MANAGEMENT STRATEGY

[Prior to the consideration of this item, Councillor Tony Hunter made a declarable interest, as he was personally involved in a business case for the retention of Betjeman Road and Farrier Court play areas in Royston. Before he left the meeting, he highlighted an omission from the report, namely that County Councillor Fiona Hill had received an application for a grant of monies from her Locality Budget to support the retention of the above play areas.]

The Executive Member for Leisure and Green Issues presented the report of the Service Director – Place in respect of the Green Space Management Strategy. The following appendix was submitted with the report:

Appendix A – Time line of actions.

The Executive Member for Leisure and Green Issues advised that, on 10 November 2015, Cabinet resolved "That, subject to receipt of a Sport England grant of £80,000, a new £170,000 multi use informal games area (MUGA) be constructed at Bancroft Recreation Ground, Hitchin". In March 2018, Sport England made a provisional award of £60,000 towards the cost of the MUGA. In April 2018, an additional £15,250 Section 106 contribution was secured towards the scheme. This left a funding shortfall of £4,750, and it was therefore proposed to increase NHDC's capital contribution by this amount to allow the works to proceed.

The Executive Member for Leisure and Green Issues reminded Members that, on 27 March 2018, Cabinet resolved "That for Betjeman Road and Farrier Court play areas Royston, the Council allows a period of time of up to three months for confirmation of funding sources from third parties; and for Symonds Road, Hitchin and Linnet Close, Letchworth, the Council allows a period of up to three months to assess whether a business case could be developed with local community groups."

The Executive Member for Leisure and Green Issues explained that a funding application had been submitted to Brian Racher Trust to retain play equipment at Betjeman Road and Farrier Court play areas Royston for a period of three years. It was therefore proposed that, by September 2018, and subject to the approval of this funding application, the Council would continue to maintain these play areas at nil cost to the Council.

In the case of Symonds Road, Hitchin and Linnet Close, Letchworth, the Executive Member for Leisure and Green Issues stated that officers were approached by a local resident who aimed to form a Social Enterprise scheme to fund the retention of play equipment at both these sites. However, this was later withdrawn. Accordingly, it was proposed that if no firm proposals were received from a community group by the deadline date of 27 June 2018, the play equipment would be removed from Symonds Road, Hitchin and Linnet Close, Letchworth, and the sites would be landscaped back as green space.

The Cabinet supported the recommendations proposed by the Executive Member for Leisure and Green Issues.

RESOLVED:

- (1) That the Capital contribution for a Multi Use Games Area (MUGA) at Bancroft Recreation Ground, Hitchin, be increased by £4,750;
- (2) That, by September 2018, and subject to approval of funding from the Brian Racher Trust for the maintenance and future replacement of equipment at Betjeman Road and Farrier Court Play Areas, Royston, the Council will continue to maintain these play areas at nil cost to the Council; and
- (3) That, in respect of the Symonds Road and Linnet Close Play Areas, if by 27 June 2018 no sustainable proposals have been received, the equipment be removed from both sites and landscaped back to green space; with the Service Directors for Place and Resources being authorised to determine if any proposals are sustainable and could be developed into a business case.

REASON FOR DECISION: To enable the construction of a MUGA at Bancroft recreation Ground, in accordance with the previously agreed Master Plan for the site; and to enable the retention of green space within the budgets available to the Council.

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

[Note: This item was considered both before and after Minute 14 below - the Part 2 item on the same matter.]

[Prior to the consideration of this item and Minute 14 below, Councillors Julian Cunningham, Bernard Lovewell 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.]

The Cabinet considered the Part 1 report of the Chief Executive and Service Director – Commercial in respect of the North Hertfordshire Museum and Hitchin Town Hall – Acquisition of 14/15 Brand Street, Hitchin.

The Chief Executive advised that the options to open the facility without occupancy of 14/15 Brand Street had been fully investigated and a number of options were available to the Council. Whilst the preferred option was through the agreed acquisition of land formerly known as 14/15 Brand Street this had not yet proved possible on terms agreeable to the Council, despite over 19 months of negotiation. A costed options appraisal considering a number of scenarios for the occupation of the land which the Council currently owned had also been undertaken to guide the commercially confidential negotiations. The potential compulsory purchase of the properties known as 14/15 Brand Street was an option and could be pursued in parallel with the negotiations.

The Cabinet noted from the report that, in the event that a negotiated settlement did not prove possible, specialist legal advice had been received in relation to the acquisition of the properties known as 14/15 Brand Street, Hitchin by Compulsory Purchase (CPO). That advice supported the Council's view that acquisition via this mechanism accorded with the relevant CPO legislation. Given the progress of negotiations it may be appropriate to consider that an "in principle" decision be sought from Council. This in itself would not prevent an agreed purchase taking place in the event that negotiations proceeded to a positive conclusion. Acquisition by CPO may take a year or so (in the event that the draft Order was contested) though that needed to be assessed against the timescales that the negotiations had taken so far.

The Executive Member for Community Engagement and Rural Affairs referred to Paragraph 4.2 of the report, which referred to the proposed construction of a platform lift to increase accessibility to the first floor of the building. He was fully supportive of this proposal, which had an estimated cost of £20,000. Under NHDC Financial Regulations, the Executive Member for Finance and IT could approve in year changes to the Capital Programme up to a limit of £100,000 per project. It was noted that, as the Executive Member for Finance and IT was a member of the Cabinet Sub-Committee (Council Charities) and was therefore conflicted, the decision would instead be taken by the Leader of the Council.

The Cabinet was supportive of the recommendations contained in the report, but considered that a deadline needed to be placed regarding the negotiations. Accordingly, it was agreed that Full Council be recommended to agree an initial, in principle, resolution to acquire the former 14/15 Brand Street, Hitchin by Compulsory Purchase, in the event that the negotiations did not enable an agreed purchase to be concluded by 31 July 2018.

RESOLVED:

- (1) That the current position in relation to the negotiations be noted, and the Cabinet's continued preference for a negotiated resolution be confirmed;
- (2) That the progress on the potential alternative options, as detailed in the report, to enable the Museum to open fully, be noted;

Tuesday, 19th June, 2018

- (3) That Council be recommended to agree an initial, in principle, resolution to acquire the former 14/15 Brand Street, Hitchin by Compulsory Purchase, in the event that the negotiations do not enable an agreed purchase to be concluded by 31 July 2018; and
- (4) That it be noted that some elements of any settlement agreement may be required from the Cabinet sub-Committee (Council Charities); and

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

13 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).

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

[Note: this item was considered after Minute 12, but before a decision was made on the matter in Part 1 of the meeting.]

The Executive Member for Community Engagement and Rural Affairs presented the Part 2 report of the Chief Executive and Service Director – Commercial in respect of the North Hertfordshire Museum and Hitchin Town Hall – Acquisition of 14/15 Brand Street, Hitchin. The following appendix was submitted with the report:

Appendix 1 – Note from HTH Limited/ HTH Finance Limited: June 2018.

The Executive Member for Community Engagement and Rural Affairs advised that the report covered the confidential aspects of the progress of discussions/negotiations and provided a detailed commentary in relation alternative options, including the potential acquisition of 14/15 Brand Street by use of Compulsory Purchase Powers.

RESOLVED:

- (1) That the current position in relation to the negotiations be noted; and
- (2) That the detailed commentary in the report in relation to the potential acquisition of 14/15 Brand Street, Hitchin by use of Compulsory Purchase provisions be noted.

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

The meeting closed at 9.25 pm

Chairman

CABINET
31 July 2018

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: STRATEGIC PLANNING MATTERS

REPORT OF THE SERVICE DIRECTOR - REGULATORY
EXECUTIVE MEMBER: COUNCILLOR DAVID LEVETT
COUNCIL PRIORITY: PROSPER AND PROTECT

1. EXECUTIVE SUMMARY

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

- Other Local Plans and Examinations
- North Hertfordshire Local Plan
- Neighbourhood Plans
- Government announcements
- Strategic Planning

2. RECOMMENDATIONS

2.1 That the report on strategic planning matters be noted.

2.2 That the submissions in Appendix A are noted and endorsed by Cabinet.

2.3 That the revised Neighbourhood Area application for St Ippolyts be approved

2.4 That delegated powers for non-key decisions are granted to the Director of Regulatory Services, in consultation with the Executive Member for Planning, Enterprise and Transport, to

- i. Approve future applications for whole parish neighbourhood planning areas where no consultation is required under the relevant regulations;
- ii. Approve for consultation a proposed submission neighbourhood plan (Regulation 16) where all necessary documentation is received; and
- iii. 'Make' neighbourhood plans following a successful referendum.

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.

- 3.2 To improve the efficiency with which the Council can make non-key decisions on neighbourhood planning matters for which there are no alternative options following changes to the relevant regulations and 'lessons learnt' from the Pirton Neighbourhood Plan and other neighbourhood plans.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Cabinet could choose to retain all relevant powers in relation to neighbourhood planning. This is not recommended for the reasons set out in this report.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

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

6. FORWARD PLAN

- 6.1 Recommendation 2.3 relates to a Key Decision as St Ippolyts Parish lies across two electoral wards. This decision will be taken under urgency procedures and was first advertised on the Forward Plan (including the reasons for urgency) on 10 July 2018.
- 6.2 This report does not otherwise 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** – As previously reported, Central Bedfordshire's Local Plan has been submitted to the Secretary of State for independent examination. Central Bedfordshire are undertaking further work in relation to the environmental assessment of their plan. The hearings timetable will not be issued until this requirement is addressed.
- 8.1.2 Officers are in discussion with their counterparts at Central Bedfordshire regarding a potential Memorandum of Understanding. Any agreement would be subject to delegated approval and reported in a future Strategic Planning Matters report.
- 8.1.3 **Uttlesford District Council** - Consultation on the Council's Proposed Submission Local Plan began on Monday 25 June and runs until Monday 13 August 2018. The Plan is being reviewed to ascertain any potential implications for North Hertfordshire.
- 8.1.4 A response will be prepared for submission under the Service Director and Executive Member's delegated powers and reported to a future meeting.

- 8.1.5 **East Hertfordshire District Council** – The Inspector’s report was issued on 9 July 2018. It finds East Hertfordshire’s new District Plan ‘sound’ subject to specified modifications. These include increasing the identified housing need from 16,390 to 18,458 new homes over the period to 2033.
- 8.1.6 The Inspector’s Report concludes that the District Council have demonstrated ‘*exceptional circumstances*’ to support the release of land from the Green Belt for development.
- 8.1.7 The Plan will now be taken forward for adoption by the Council.
- 8.1.8 **Welwyn Hatfield Borough Council** – The Stage 4 hearing sessions were held during June 2018. These considered a range of issues including housing allocations and retail strategy and policies.
- 8.1.9 Details of further Stage 5 hearings are anticipated over the summer. These will examine the proposed site allocations that are likely to be affected by the outcomes of the additional Green Belt work that the Inspector has requested.
- 8.1.10 **Stevenage Borough Council** – There is no further update on the holding direction by The Secretary of State which was issued on 13 November 2017.
- 8.1.11 **St. Albans City & District Council** – The Proposed Submission Local Plan was considered and approved for public consultation by Full Council on July 11. Consultation will take place in September.
- 8.1.12 Any changes to the above will be reported verbally at the meeting.

8.2 North Hertfordshire Local Plan

- 8.2.1 No further announcements have been made following the District Council’s submission of additional information requested by the Inspector at the hearing sessions. As previously reported, it will be for the Inspector to advise the Council on the timetable for the next steps, including any further work required and / or the issuing of the proposed main modifications, which would then be subject to Member approval to carry out a six week consultation period.
- 8.2.2 Any change to the above will be reported verbally at the meeting.

8.3 Neighbourhood Plans

St Ippolyts Neighbourhood Planning Area

- 8.3.1 As further explained in the section below, part of the process in producing a Neighbourhood Plan first requires an application to be made to the local planning authority for a neighbourhood area to be designated. The neighbourhood area is the designated area that is to be encompassed by the Neighbourhood Development Plan of the respective relevant body.

- 8.3.2 St Ippolyts Parish Council applied for the designation of a neighbourhood area in November 2014 and, following a period of consultation, an area was subsequently designated by Cabinet in March 2015. This original application for the designation of the neighbourhood area encompassed the whole of the civil parish. A number of representations were received following this application, suggesting alterations for different boundaries to the proposed neighbourhood area.
- 8.3.3 A number of options were presented to the Parish Council to consider and these were considered by them during a meeting on the 2 February 2015. The preferred option of Council officers, and also agreed by the parish council, was to exclude from the area designation that part of the parish identified as safeguarded land to the west of Stevenage in the (then) Local Plan Preferred Options consultation paper. This land straddles several parishes and is proposed to be allocated as safeguarded land for future long term housing needs in the new Plan.
- 8.3.4 It was this amended area designation that was endorsed by Cabinet in March 2015.
- 8.3.5 However, the relevant regulations have subsequently been amended. These now provide that, where a parish council is applying for the whole of the parish to be designated or where a parish is enlarging an existing neighbourhood area to encompass the whole of the parish the Council must exercise its powers to designate that area with no discretion to amend. The amended regulations also remove the requirement to consult prior to determining the application in these circumstances. Government Planning Practice Guidance is clear that this includes situations where a parish applies to extend its existing neighbourhood area to its parish boundary.
- 8.3.6 On the 14th May 2018 the Parish Council met and agreed to apply to have the entire Parish designated as the neighbourhood area. An application was submitted to the Council in June 2018.
- 8.3.7 This is the first whole parish application received since the regulations were amended. Under this Council's Constitution, as it stands, any decision on setting a neighbourhood area is required to be made by Cabinet. Any decision relating to St Ippolyts Parish is additionally a Key Decision as it straddles two electoral wards – Hitchin Priory and Hitchwood, Offa and Hoo.
- 8.3.8 It is therefore requested that Cabinet approve the whole of St Ippolyts Parish as a neighbourhood planning area. The proposed approach to dealing with future neighbourhood area applications is discussed below.

Review of delegated powers

- 8.3.9 As previously reported, the Pirton Neighbourhood Plan is now 'made'. This was the first Neighbourhood Plan in the District to successfully navigate the process to adoption. A number of other plans are progressing. From the experience gained to date, a number of lessons have been learnt. In particular, there are three stages / sets of circumstances during neighbourhood plan preparation where the local planning authority must make a decision in order for the process of neighbourhood planning to be progressed. However, whilst a decision must be made by the local planning authority, there are no alternative options to consider in making those decisions.

- 8.3.10 In the interest of making timely and cost effective decisions for neighbourhood planning, approval is sought for delegated powers to be formally granted for non-key decisions to the Director of Regulatory Services in consultation with the Executive Member for Planning, Enterprise and Transport at the stages set out below.
- 8.3.11 Any decisions relating to parishes straddling two or more electoral wards (currently Codicote, Great Ashby, Royston and St Ippolyts) or any other neighbourhood planning areas covering multiple wards (such as Baldock, Bygrave & Clothall) would still need to be referred to Cabinet as Key Decisions and would not be covered by the delegations below.
- 8.3.12 **Approving whole parish neighbourhood planning areas** - Neighbourhood planning was first introduced by the Localism Act, 2011. At that time, the Neighbourhood Planning Regulations 2012 required the relevant body (either a Parish Council or a formally designated neighbourhood planning forum) to apply for the designation of a neighbourhood area. The local planning authority then had to undertake a period of formal consultation on the proposed neighbourhood area.
- 8.3.13 Having undertaken the consultation, the Council then had the discretion to determine whether to approve the neighbourhood area as applied for, or to amend it. This Council exercised these discretionary powers in amending the neighbourhood area applications for St Ippolyts (as discussed above) and Wymondley.
- 8.3.14 However, the Regulations were amended in 2016 to state that where a local planning authority receives an application from a Parish Council to designate the whole of the parish area as a neighbourhood planning area, the local planning authority must exercise its powers to designate the specified area as a neighbourhood area. These amendments remove the need for public consultation or any discretion to amend the area applied for. Delegating the power to approve non-key, whole parish applications allows for more efficient decision-making.
- 8.3.15 Applications for any neighbourhood planning area other than a whole parish would remain subject to consultation, a Cabinet decision and discretion to amend.
- 8.3.16 **Proposed submission consultation** – A formal delegation of powers is also sought to approve a period of public consultation at the stage where a neighbourhood plan and all of the required documentation has been submitted to the local planning authority. Where all necessary documentation is received and ready, waiting for the next available committee cycle for non-key decisions could cause unnecessary delay in the process.
- 8.3.17 **Making a neighbourhood plan** - The final stage in the preparation of a neighbourhood plan is to “make” the neighbourhood plan following a successful referendum. Once a referendum has been held, the decision is binding. Once ‘made’, the neighbourhood plan becomes part of the statutory development plan and is used in determining planning applications within its area. There are also statutory time limits to give effect to the results of a referendum, and waiting for the next available committee cycle for non-key decisions could result in these not being met.

Other neighbourhood planning matters

8.3.18 Officers are continuing to work with Wymondley Parish Council to select an Examiner for the examination of their neighbourhood plan. The Council identifies a choice of Examiners for the Parish Council to consider, then based upon the Parish Councils recommendation the Council procures and appoints the Examiner.

8.3.19 Preston Parish Council formally submitted their neighbourhood plan in April 2018, for public consultation. Consultation finished on July 5 2018. Responses have been received from several consultees, including the District Council. The Council's response is attached as Appendix A. Once they have been processed, they will be made available online and the representations discussed with the Preston Neighbourhood Plan Steering Group before deciding on the next steps.

8.4 Government Announcements

8.4.1 It has been reported that the revised National Planning Policy Framework will be published this month. Any update will be reported verbally at the meeting.

8.4.2 The Government's response to the consultation on the future of developer contributions is also anticipated. This will inform a final decision by this Council as to whether or not to pursue a Community Infrastructure Levy later in 2018.

8.5 London Luton Airport

8.5.1 London Luton Airport Ltd have launched a consultation on increasing the capacity of the airport from it's currently permitted maximum of 18 million passengers per annum (mppa) to its maximum potential capacity of 36-38mppa.

8.5.2 This consultation is the pre-cursor to a formal application to the National Infrastructure Commission (NIC), who determine schemes of this nature and scale. The NIC submission is anticipated in 2019.

8.5.3 The emerging preferred option, as set out in the consultation, is the provision of a second terminal on the north side of the existing runway. The schematic plan shown in the consultation suggests this would involve the provision of some car parking and the significant majority of a relocated Wigmore Valley Park within North Hertfordshire's administrative area.

8.5.4 Officers from across the Council are developing a response to this consultation which will be reported to a future meeting.

8.5.5 The consultation can be viewed at <https://futureluton.llal.org.uk/>. A series of consultation events are being held. This includes sessions at Stevenage Arts & Leisure Centre on July 25, Breachwood Green Village Hall on July 27 and Whitwell New Fellowship Hall on August 2. The consultation closes on 31 August 2018.

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.
- 9.5 The Council's constitution reserves to Cabinet the consideration of applications for, approval / designation, consultations/referendums revocation (or recommend revocation of) neighbourhood plans and orders, (except to the extent that those functions are by law the responsibility of the Council or delegated to the Service Director: Regulatory). Under the 2012 Neighbourhood Planning regulations (as variously amended), the Council has no discretion to make alternate decisions at certain stages in the neighbourhood planning process, or where specified conditions are satisfied.

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 this additional further work. Future costs such as that associated with any modifications to the Plan cannot be quantified at this time.
- 10.2 Following the setting of the referendum for the Pirton Neighbourhood Plan, the Council has been successful in its application for £20k funding from the Ministry of Housing, Communities and Local Government (MHCLG) to cover its costs and support other Plans coming forward. The MHCLG has now confirmed that financial support will be available in 2018/19 for local planning authorities once a date has been set for a referendum following a successful examination. 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.

15. APPENDICES

- 15.1 Appendix A - Preston Neighbourhood Plan consultation response.

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17. BACKGROUND PAPERS

- 17.1 None.

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PLANNING, HOUSING & ENTERPRISE DIRECTORATE

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Strategic Planning and Projects
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Cc : Preston Parish Council

Our Ref:

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Date: 5 July 2018

Preston Neighbourhood Plan – Submission Version
Comments made on behalf of North Hertfordshire District Council

The District Council welcomes the publication of the Preston Neighbourhood Development Plan and appreciates the significant amount of work undertaken by the Preston Neighbourhood Plan Steering Group and the Parish Council in reaching this stage in the preparation of the Neighbourhood Plan.

All neighbourhood plans must meet certain “basic conditions” before they can come into force. These are tested through the independent examination, before a plan can proceed to a referendum. The basic conditions for neighbourhood plans are:

- have regard to national policy;
- contribute to the achievement of sustainable development;
- general conformity with the strategic policies in the development plan for the local area; and
- compatible with EU obligations.

The Basic Conditions Statement for the Preston Parish Neighbourhood Plan 2018 – 2031 states that the neighbourhood plan has been prepared broadly in accordance with the NPPF and is in general conformity with the strategic policies in the emerging Local Plan at the time of writing. The District Council has two concerns in relation to the Basic Conditions Statement, these are:

1. that there are some policies in the neighbourhood plan which are contrary to the NPPF; and
2. there are policies in the emerging Local Plan which have been discussed at the Local Plan Examination and could still be the subject of the Inspector’s Proposed Modifications.

Before proceeding to an examination of the neighbourhood plan, the Parish Council should satisfy itself that:

- the policies are supported by the necessary evidence;

- the policies provide a clear policy direction for the decision maker to use in determining planning applications avoiding the use of loosely defined terms, e.g should, encourage, not unduly increase; and
- the policies do not go beyond the requirements of the NPPF.

The District Council fully supports Preston Parish Council's ambition to put into place a neighbourhood plan for the parish of Preston and perhaps once the Parish Council has considered all of the representations and the issues raised in this letter it would be appropriate to arrange a meeting to discuss these further.

Yours sincerely

Louise Symes
Strategic Planning and Projects Manager

APPENDIX A

North Hertfordshire District Council Schedule of Comments on Preston Parish Neighbourhood Plan Policies:

Section 7 : Living in Preston (Quality of Life)

Policy Ref	Policy	NHDC Comment
Policy QL1	Social Interaction: Development proposals must maintain, improve, or make suitable alternative provision for existing facilities or premises for education, cultural, leisure and sport.	It is not clear from the policy wording which type of development proposals would be subject to this policy and therefore should maintain, improve or make suitable alternative provision for existing facilities or premises for education, cultural, leisure and sport.
Policy QL2	Community Quality of Life: Development proposals should demonstrate that they will have no net adverse effect on air or water quality and they should design out crime.	It is not clear how a development proposal can demonstrate that there will be no net effect on air or water quality. What is the justification for “no” effect”?
Policy QL3	Local Distinctiveness: The architecture of and landscaping schemes in all new developments should preserve and where possible enhance heritage assets, historic features, and rural character, thereby promoting community identity and preserving local distinctiveness.	No comments

Section 8 : Amenities and Facilities

Policy Ref	Policy	NHDC Comment
Policy AF1	<p>New and Improved Community Facilities</p> <p>Proposals for new or improved community facilities which fulfil the needs of existing and new residents will be supported unless any adverse impacts would significantly outweigh the benefits. Improvements should improve accessibility for children, the elderly and those with disabilities.</p>	No comments
Policy AF2	<p>Community Facility Change of Use</p> <p>Change of use of an existing community facility to a non-community use will be resisted unless either:</p> <ul style="list-style-type: none"> a. The facility will be (or has been) replaced by an equivalent or better community facility; or b. It can be shown that the existing community use is not viable and no alternative community use is viable. <p>Change of use of part of an existing dwelling to provide a community facility or village shop will be permitted, providing it is consistent with the other policies.</p>	<p>The policy broadly accords with the Policy HC1: Community facilities in the Submission version of the Local Plan.</p> <p>However, the last sentence in the policy is unclear as to what “part” of an existing dwelling would be acceptable to change from a dwelling to a community facility.</p>
Policy AF3	<p>Home-based and Small Businesses</p> <p>Existing home-based and small businesses and new homes or home extensions, which provide space for a home office or craft/artisan workshops, will be supported subject to satisfying considerations in relation to design and car parking and other policies in this plan which protect the amenities of neighbours.</p>	<p>In most circumstances, “normal” home working arrangements do not need a planning application for a change of use as the character of the dwelling is not affected. An application is only required where there might be changes in how a property is used, for example if there are employees, additional traffic movements or the installation of equipment.</p>

Section 9 : Housing and Development

Policy Ref	Policy	NHDC Comment
Paragraph 9.3		<p>The preference expressed is for homes to have two bedrooms (58%) and three bedrooms (63%) but this is confusing as these total over 100%. Were residents able to choose more than one category? Are the Neighbourhood Planning Group satisfied that this figure represents a housing need rather than a housing preference from respondents?</p>
Paragraph 9.5		<p>The percentage figures given in paragraph 9.5 are confusing. The figures seem to suggest that residents want new homes for families (62%), locals (60%) and first time buyers (60%). Does this mean that respondents were able to choose more than one category and that all three groups are a priority for the parish? It would be interesting to know what groups the other 40% of respondents think should be housed?</p> <p>Likewise a similar number of residents want owner occupied tenure (69%) and affordable tenures (66% - 36% rented and 30% shared ownership?) so is it correct that market and affordable tenures are equally as important?</p>
Policy HD1	<p>Size of Individual Development</p> <p>Small-scale proposals of less than five homes are preferred for any development at any one time up to 2031 unless there is a sound need-based justification for additional dwellings, for example additional affordable homes or information from a Strategic Housing Market Assessment. A number of smaller developments will support the gradual integration and assimilation into the village of new residents at any one time over the period of the Plan rather than one large development.</p>	<p>The emerging Local Plan allocates sites across the District to meet local housing needs in the period up to 2031. Preston has been defined as a Category A settlement where development will be allowed within the settlement boundary and a site for 21 dwellings has been allocated. The neighbourhood plan policy conflicts with the emerging Local Plan policy.</p> <p>The preference for smaller developments means that it is unlikely that any affordable housing will be delivered unless this happens on an exception site basis, as there is no affordable housing</p>

		<p>requirement on sites with a threshold of fewer than 11 dwellings. The Council does not consider that it would be viable to deliver the 21 dwellings on the allocated site in phases of 5 dwellings as two homes in each phase would need to be affordable to ensure the 7 affordable dwellings required in the emerging Local Plan. This is not only at odds with the emerging Local Plan but also at odds with the Neighbourhood Plan requirements, as indicated above.</p> <p>Whilst the concerns set out in paragraph 9.11 are acknowledged, there are policies in the emerging Local Plan which will ensure appropriate densities in rural locations to ensure distinctiveness of rural settings are preserved and compliment village character, rather than detract from it.</p> <p>It would also be useful in HD1 to make reference to parish level housing needs surveys/ assessments as a basis for justification of need for additional dwellings.</p> <p>As worded, this is not a policy which can be used in determining planning applications as the wording only suggests a preference for small scale proposals and appears to be contrary to the emerging Local Plan where a site for 21 dwellings has been allocated.</p>
Policy HD2	<p>Pedestrian Links and Rights of Way</p> <p>Any new development should respect the need for rights of way that link different areas within the village. New pathways that encourage these links should integrate with existing rights of way.</p>	<p>There is some duplication with Policy EH8 : Access to the Countryside. Both policies seek to maintain the existing rights of way network and incorporate new footpaths into that network.</p>
Policy HD3	<p>Housing Types</p> <p>Developments must include a variety of styles, in keeping with neighbouring properties and the village as a whole while also providing houses and bungalows in a range of sizes, suitable for families, local people and first time buyers.</p>	<p>Although the percentage figures in the evidence are confusing, the evidence does suggest that there is a greater requirement for two and three bed homes. The Council will rely on evidence from the latest Strategic Housing Market Assessment (SHMA), parish level housing need surveys/assessments and local knowledge (for example from the common housing register), in addition to any</p>

		adopted NP to inform the number, type and tenure of any affordable housing provision. It is very rare to get the provision of bungalows, particularly on smaller schemes, as costs are so much greater. Where bungalows in rural areas have been delivered, it has generally been on a 100% affordable housing scheme.
Policy HD4	<p>Tenure of Housing</p> <p>Proposals should provide a mix of homes, including an element of social and affordable housing, in accordance with local needs, taking into account the high market value of property in Preston in relation to the average salary. Of the 21 dwellings allocated to Preston in the emerging Local Plan, at least seven of these should be affordable units, incorporated appropriately into the small scale development proposals. (See Policy HD1)</p>	To ensure that any affordable homes are let/ sold to applicants with a local connection to the parish a S106/ legal agreement will require that homes are offered to applicants with a local connection (live, work, immediate family connection) to the parish of Preston in the first instance. If there isn't anyone that meets the criteria then the following cascade will apply: adjoining parishes (which will be named in the S106); any other rural parish in NHDC district and then NHDC district generally. Obviously, there is no such control over market housing.
Policy HD5	<p>Sustainability and Energy Efficiency</p> <p>Provision of measures for water conservation and landscape schemes that improve biodiversity will be encouraged. Proposals with a low carbon footprint will be supported. The provision of electric car charging points for all new homes will also be supported as will proposals that enable residents to work from home. Prior to occupation, each residential property shall incorporate an Electric Vehicle (EV) ready, domestic charging point.</p>	No comments
Policy HD6	<p>Design</p> <p>New housing schemes should be designed to incorporate appropriate storage facilities for refuse bins, bicycles and mobility scooters.</p>	The advice given by the Council is that all affordable housing dwellings should meet Homes England Design and Quality standards, some of which are in the current Planning Obligations SPD. It is usual for affordable housing dwellings to have adequate storage facilities for refuse receptacles and bicycles. In the case of storage for mobility scooters the type of accommodation may dictate if appropriate/ adequate storage is provided.

Policy HD7	<p>Gardens</p> <p>All new homes should have the benefit of a private garden. In certain circumstances a shared garden might be appropriate, for example in a development scheme for elderly people.</p>	<p>It is a requirement for family houses to have private gardens; it is not always achievable for flats. Previously a registered provider has delivered 4 x 1 bedroom flats on a rural scheme with the outside appearance of a terrace of dwelling houses and each flat had access to their own private garden. Is it the intention of the policy, as currently worded to prevent development which would meet an identified local housing need if the requirement for a garden could not be met?</p>
Policy HD8	<p>Flood Risk and Drainage Provisions</p> <p>All development should avoid areas at the highest risk of flooding from all sources, but where development is necessary, it should be demonstrated that these risks can be adequately managed. Future development should not cause or contribute to the problem of flooding or drainage issues, including sewerage, or pollution. Should new development have the potential to cause issues with existing drainage, the developer must mitigate against such occurrences. All new developments should take advantage of sustainable drainage systems (SuDs) to avoid creating or contributing to localised surface water flooding and should ensure that suitable and sufficient foul sewage disposal provisions will be available before any property is occupied. The SuDS hierarchy as set out in the NHDC emerging Local Plan should be followed.</p> <p>There are existing drainage problems in some parts of the village, namely in Castlefield, Templars Close, Chequers Lane, Church Lane and Butchers Lane. Whilst not excluding any other area in the parish where problems might emerge in the future, a developer must mitigate against exacerbating such problems.</p>	<p>Policies in the Submission version of the Local Plan set out the requirements for reducing flood risk when considering development proposals and for the inclusion of sustainable drainage solutions when granting planning permission. The policy does not add any further requirements to the measures already addressed by policies in the Local Plan.</p>
Policy HD9	<p>Residential Extensions</p> <p>Residential extensions, excluding those covered by permitted</p>	<p>Detailed comments about the car parking standards referenced in this policy are given in the response to Policy TC1.</p>

	<p>development, will be supported where they are sympathetic to the scale, form and design of the original building and do not have an adverse impact on the street scene.</p> <p>Materials used should be complimentary to the original building and the pitch and form of the roof should conform to local character. The privacy, daylight, sunlight and outlook of adjoining residents must be safeguarded. Side extensions at first floor level or above adjoining a residential plot to the side must normally be at least one metre away from the boundary to ensure there is no adverse impact on the character of the street scene.</p> <p>The dwelling must continue to meet the parking standards of Policy TC1 by providing a minimum of 2 off road parking spaces for dwellings up to 3 bedrooms and a minimum of 3 parking spaces for 4+ bedrooms.</p>	
Policy HD10	<p>New Housing Development</p> <p>New dwellings on infill sites and new housing schemes will be supported where the proposal maintains and contributes to the local character of Preston, while at the same time meeting the requirements of the policies contained within this plan. New homes should be grouped in such a way that the green spaces and green lanes of the village are protected and landscaped appropriately. New access arrangements should be safe, not negatively impact on the existing road network and nor should they impact on the character of the rural lanes in the parish. The maintenance responsibility for each landscaped area must be agreed before approval is granted.</p>	<p>The wording in the policy, “New access arrangements should be safe, <u>not negatively impact</u> on the” contradicts the wording in the NPPF which states that “....Development should only be prevented or refused on transport grounds where the residual cumulative impacts of development are severe.” (Para. 32)</p> <p>Maintenance responsibilities would generally be with individual property owners and management companies which may not be possible to identify at the application stage.</p>
Policy HD11	<p>Construction Management</p> <p>A Construction Management Plan, at the appropriate level of detail for the size of the development, should be produced for all new homes and other new developments (with the exception of</p>	<p>In its response to the Regulation 14 consultation draft of the neighbourhood plan, the Council stated that it does try and manage construction traffic and activity through development management decisions, by way of condition but normally for schemes in excess of</p>

	<p>householder development), to ensure that:</p> <ul style="list-style-type: none"> • the amenities of existing residents are protected • the character of the narrow lanes in the village are protected and to avoid damage to those lanes and their verges • a means of access for construction vehicles is agreed <p>prior to the grant of planning permission. The development shall be carried out in accordance with the approved Management Plan.</p> <p>Developers will be encouraged to comply with the Considerate Constructors Scheme. (http://www.ccscheme.org.uk)</p>	<p>10 dwellings.</p> <p>Whilst there are no objections in principle to the policy, it is suggested that the wording is amended as set out below:</p> <p><i>Construction Management</i></p> <p><i>A Construction Management Plan, at the appropriate level of detail for the size of the development, should be produced requested for all new homes and other new developments (with the exception of householder development), to ensure that:</i></p> <ul style="list-style-type: none"> • <i>the amenities of existing residents are protected</i> • <i>the character of the narrow lanes in the village are protected and to avoid damage to those lanes and their verges</i> • <i>a means of access for construction vehicles is agreed.</i> <p><i>prior to the grant of planning permission. The development shall be carried out in accordance with the approved Management Plan.</i></p> <p><i>Developers will be encouraged to comply with the Considerate Constructors Scheme. (http://www.ccscheme.org.uk)</i></p>
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<p>Policy EH1</p>	<p>Village Boundary</p> <p>In the NHDC emerging Local Plan 2011- 2031, Preston is classed as a Category ‘A’ village, with a boundary within which development will be allowed. The remainder of the parish is designated as Green Belt. Any development outside the village boundary and therefore within the Green Belt will have to demonstrate exceptional circumstances, as well as proven need which is supported by evidence commissioned by Preston Parish Council. Any application for the re-use, replacement or extension of buildings in the Green Belt must adhere to the policies contained within the Preston Parish Neighbourhood Plan, the NHDC emerging Local Plan and the NPPF.</p>	<p>As written, this policy has been drafted in accordance with Policies SP2: Settlement Hierarchy and CGB2: Exception sites in rural areas in the emerging Local Plan. However, these policies and the extent of the proposed green belt were discussed extensively at the Local Plan Examination and could be subject to Proposed Modifications and may not be confirmed in the Inspector’s final report when that is issued.</p> <p>Until the Inspector has issued his report for the North Hertfordshire Local Plan 2011 – 2031, the proposed green belt designation will not be confirmed and therefore this policy is premature in using that proposed classification for use in determining planning applications.</p> <p>In addition, the policy wording “will have to demonstrate exceptional circumstances” goes beyond the requirements of the NPPF. Paragraphs 87 – 89 set out that inappropriate development should not be approved except in very special circumstances and the types of development which are not inappropriate in the Green Belt.</p>
<p>Policy EH2</p>	<p>Distinct Villages</p> <p>A clear visual break must be retained between Preston and nearby villages/settlements, for example: Gosmore, St. Paul's Walden and Langley. Development that significantly reduces this separation will not be permitted. Coalescence needs to be prevented including through visual intrusion which reduces the openness between villages and hamlets.</p>	<p>This policy has been discussed with the Preston Neighbourhood Plan Steering Group and the Council remains unconvinced how the policy can be used in determining planning applications.</p>
<p>Policy EH3</p>	<p>Conservation Areas and Heritage Assets</p> <p>All development proposals must demonstrate how the particular environment of Preston has been taken into account during conception and evolution of the design. Proposals that do not</p>	<p>The last sentence of the policy should be deleted as these are illustrative and all designated heritage assets are listed in Appendix C – Built Environment.</p>

	<p>positively contribute to the local character must explain why and demonstrate the reasons behind the alternative approach. All development within the Conservation Area and within the setting of other designated and non-designated heritage assets must take account of the historic fabric of these areas and conserve, and where appropriate enhance, their character and appearance.</p> <p>Proposals should provide a statement containing an appropriate level of detail for the importance of the asset, including:</p> <ul style="list-style-type: none"> • The significance of any heritage asset(s) affected • Any adverse impacts the development may have on the asset(s) and their setting and any proposed mitigation measures • How it will contribute to the character and setting of the relevant heritage asset(s) <p>Designated heritage assets of particular importance include the Grade II* Listed Princess Helena College and Tudor House and the Grade II* Listed Temple Dinsley Registered Park and Garden.</p>	
Policy EH4	<p>Open and Green Space</p> <p>New development should not impact on the uses and functions of existing green infrastructure (i.e. all types of green space, large or small, public or private) within the village and wider parish. Where it is demonstrated through assessment that a development will have a detrimental impact on the quantity or function of existing green infrastructure, then the development will not be permitted unless replacement provision is made that is of equal or greater value than that which will be lost through development. Development that fails to exploit opportunities to incorporate green infrastructure will not be considered appropriate. Of particular importance are The Green, the Recreation Ground, St. Martin's Churchyard and Church Meadow.</p>	<p>It is unclear from the policy as it is currently worded what is considered to be green infrastructure. The policy implies that this is applicable to all types of green space but the Neighbourhood Plan would be clearer if the sites to which the policy applies to were identified. This could be achieved by designating local green spaces in the Neighbourhood Plan.</p> <p>The policy will be applied if there is any detrimental impact on green infrastructure but how will this be assessed?</p> <p>It is not clear why the four examples listed are of particular importance. These should be deleted from the policy.</p>

Policy EH5	<p>Protecting and Enhancing the Local Environment</p> <p>Development should not adversely impact on areas of particular local ecological importance (for example, water courses, significant ponds, wildlife corridors, Sites of Special Scientific Interest and Local Wildlife Sites). Proposals should seek to maintain and enhance biodiversity, ecological networks and habitat connectivity.</p>	<p>There is some overlap between this policy and policies EH9, EH10 and EH11. Collectively, it is considered that these policies do not add any further requirement to the measures already addressed by policies in the Local Plan. It is also worth noting that the policies in the Local Plan were subject to scrutiny through the Local Plan Examination and may still be subject to modifications.</p>
Policy EH6	<p>Tranquillity and Dark Skies</p> <p>Given the importance Preston residents place on the quiet, peaceful nature of the parish and its dark skies, any new development should not significantly disturb this tranquillity through the creation of excess noise, increases in traffic or light pollution. Preston Parish Council has a long-standing policy that there will be no streetlights within the parish.</p>	<p>There are areas of potential contradictions between this and other policies in the neighbourhood plan, for example a development might increase traffic levels, designing out crime may increase street lighting but create a safe environment for walking.</p>
Policy EH7	<p>View and Vistas</p> <p>Any development proposal should include an assessment of the impact of the development on the key views and vistas or harm to the landscape. Proposals where a harmful impact is identified will only be permitted where appropriate mitigation measures can be delivered. If there is mitigation, the mitigation cannot be as bad or worse than the problem it has to solve. Development proposals will need to demonstrate, through their design and planning statement, that their design, scale, height and massing does not adversely impact the existing views and vistas, and positively enhances them where possible.</p>	<p>As worded, the policy requires any development proposal to include an assessment of the impact on key views and vistas, which would include single storey extensions. The policy should be amended to exclude minor household applications.</p>
Policy EH8	<p>Access to the Countryside</p> <p>New development should recognise and respect the importance of walking routes in Preston, ensuring that the enjoyment of paths and bridleways is maintained. These include specifically but not</p>	<p>There is some duplication with Policy HD2 : Pedestrian Links and Rights of Way. Both policies seek to maintain the existing rights of way network and incorporate new footpaths into that network and could be combined into one policy in the neighbourhood plan. It is</p>

	exclusively: footpaths to and through Wain Wood (Footpath 13 and Footpath 14), Footpath 3 from The Green to Preston Primary School, the Chiltern Way Extension footpath between Chequers Lane and Butchers Lane and the Hitch Wood Nature Trail (Permissive Path).	not clear why some footpaths have been included as examples, these should be deleted from the policy.
Policy EH9	<p>Protecting and Enhancing the Natural Environment</p> <p>Development should not adversely impact on areas of particular local ecological importance (for example, water courses, significant ponds {Castle Farm pond, Princess Helena College pond and Preston Green pond} and wildlife corridors). Proposals should seek to maintain and enhance ecological networks and habitat connectivity.</p>	There is some overlap between this policy and policies EH9, EH10 and EH11. Collectively, it is considered that these policies do not add any further requirement to the measures already addressed by policies in the Local Plan. It is also worth noting that the policies in the Local Plan were subject to scrutiny through the Local Plan Examination and may still be subject to modifications.
Policy EH10	<p>Wildlife Sites</p> <p>In accordance with the Hertfordshire Biodiversity Action Plan, all statutory sites as listed by Natural England including Wain Wood SSSI, the 13 Ancient Woodlands and all Local Wildlife Sites as listed by NHDC (including Lady Grove Wood areas of chalk grassland and other woodland listed in Appendix C.2 Natural Environment starting on page 64) will be protected from any harmful development.</p>	There is some overlap between this policy and policies EH9, EH10 and EH11. Collectively, it is considered that these policies do not add any further requirement to the measures already addressed by policies in the Local Plan. It is also worth noting that the policies in the Local Plan were subject to scrutiny through the Local Plan Examination and may still be subject to modifications.
Policy EH11	<p>Biodiversity</p> <p>Development should preferably avoid any negative impact on biodiversity. If this is not achievable proposals should mitigate for or, as a last resort, compensate for impacts on biodiversity. When requested, proposals for development must clearly demonstrate how they will deliver measurable net gain to biodiversity (see appendix D starting on page 87 for details)</p>	There is some overlap between this policy and policies EH9, EH10 and EH11. Collectively, it is considered that these policies do not add any further requirement to the measures already addressed by policies in the Local Plan. It is also worth noting that the policies in the Local Plan were subject to scrutiny through the Local Plan Examination and may still be subject to modifications.

<p>Policy TC1</p>	<p>Safe and Sustainable Transport</p> <p>Residential and community development proposals should be able to demonstrate that amenities in the village can be readily and safely accessed by pedestrians and cyclists. Development should:</p> <ul style="list-style-type: none"> a) not unduly increase traffic volumes within or through the village (an appropriate Traffic Impact Assessment should be submitted with all planning applications) and b) not create additional safety risks (an appropriate Road Safety Assessment should be submitted with all planning applications) and c) provide a minimum of 2 off-road parking spaces per new residential unit and a minimum of 3 parking spaces for 4+ bedroom residential units to ensure no undue hindrance to traffic or safety issues. 	<p>The parking standards set out Policy TC1(c) requires additional car parking provision for 4+ bedroom residential units. There is however, no justification for these standards in the supporting text. Does the Parish Council have any evidence to support the increased standards, for example, the Pirton Neighbourhood Plan was able to demonstrate higher levels of car ownership within the village.</p> <p>The Proposed Submission version of the Local Plan sets out a minimum standard for car parking provision of 2 spaces per dwelling. Those standards were discussed at the Local Plan Examination and at the time this version of the Neighbourhood Plan was being prepared, there was some discussion that these standards would be amended, as set out in the Council’s response to the Regulation 14 consultation document. However, the car parking standards may still be subject to modification and without sufficient evidence to justify the enhanced standards it might be difficult for the Council to use these in determining planning applications for development schemes in the Parish.</p>
<p>Policy TC2</p>	<p>Broadband and Mobile Coverage</p> <p>Provision of facilities to support the delivery of efficient and effective landline, broadband and mobile coverage throughout the parish will be supported provided they are sensitively designed and located in accord with other policies in this Plan. Proposals for new residential, commercial or community developments should include meeting the broadband and mobile phone needs of occupiers without any adverse impact on broadband speed or mobile phone coverage for the wider community.</p>	<p>No comments</p>

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CABINET

*PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: CORPORATE PLAN 2019 TO 2024 AND CORPORATE OBJECTIVES FOR 2019-2024

REPORT OF: SENIOR POLICY OFFICER & LEADER OF THE COUNCIL (CORPORATE POLICY DEVELOPMENT): COUNCILLOR LYNDA NEEDHAM
COUNCIL PRIORITY: ATTRACTIVE AND THRIVING / PROSPER AND PROTECT / RESPONSIVE AND EFFICIENT

1. EXECUTIVE SUMMARY

1.1 This report recommends the Corporate Plan and Corporate Objectives for 2019/24, which guides and informs the 2019/20 Corporate Business Planning Process, for approval. The updated version of the Plan acknowledges the continuing financial constraints faced by the Authority. It also acknowledges the inherent need to review on-going provision of services at their current levels to ensure they remain relevant to the community. It also reflects the aspirations to find new ways of generating revenue income to support service delivery.

2. RECOMMENDATIONS

2.1 That Cabinet recommends to Full Council the continuation of the Corporate Objectives for 2019 to 2024 (as slightly amended at Objective 1 and Objective 2.) below;

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

2.2 That Cabinet recommends to Full Council the adoption of the Corporate Plan 2019 to 2024 as attached at Appendix A

3. REASONS FOR RECOMMENDATIONS

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

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 No external consultation has been undertaken in the preparation of this report. The Overview and Scrutiny Committee will have considered the draft Corporate Plan at the meeting on 24th July 2018. Members will be aware that consultation is an integral part of the Corporate Business Planning process, and consultation on the individual actions and projects planned to support the Objectives will be carried out in accordance with the Corporate Business Planning Timetable and the Council's Consultation Strategy. Wherever it is available, use will be made of valid opinion research data and, where applicable, outcomes of the Districtwide Survey.

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

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 5th June 2018.

7. BACKGROUND

- 7.1 Before considering the detailed budget position for the authority, the Corporate Business Planning Process requires that the Council's high level objectives are determined. The objectives outlines in recommendation at 2.1 were adopted in 2015. The aspects that informed their adoption remain valid for the foreseeable future and therefore remain unaltered. As this is a living document, minor updates have been made to refresh the document.

- 7.2 The Council's budget and its objectives are inextricably linked. There is no point in having a service or key project that cannot be funded and no point in spending limited resources (including staff resources) if they are not achieving the objectives that have been set. This aligns the agreed Policy of the Council with the finances which will deliver it.
- 7.3 The Medium Term Financial Strategy (MTFS), proposed for adoption in this same committee cycle, informs the Council's budgetary position and ensures that policy and budget, especially at times of increasing financial constraint, are aligned.

8. RELEVANT CONSIDERATIONS

- 8.1 The Corporate Plan attached as Appendix A narrates the opportunities and risks facing the district. The plan identifies the actions the Council will carry out to ensure the Corporate Plan is being delivered. Budgets must then be allocated to ensure their achievement; this is known as 'policy led' budgeting and enables the authority to best reflect not only services it must deliver by statute, but those over which it has a degree of discretion.
- 8.2 The ongoing financial constraints make it increasingly likely that the emphasis for Council spend will be on the day to day service delivery, firstly of those services that the Council has a statutory duty to provide and secondly of those which the Council has determined are a priority to be funded.
- 8.3 The Corporate Plan therefore needs to reflect any recent changes in:
- Legislation, which may require changes to existing services, or delivery of new services
 - Capacity - In recent years the authority has reduced in resources (headcount) whilst the statutory requirements placed on the authority have increased
 - Financial constraints – it is expected that changes to Business Rates Retention funding and a Fair Funding Formula will be introduced in 2020/21.
 - Population – the need to plan for an ageing population which requires health, social care and Council service providers to consider how necessary support can be provided together.
 - Patterns and location of deprivation have changed in the past five years (evidenced by the Indices of Multiple Deprivation) so we should ensure that our services, and how they may be delivered, respond accordingly to these; in times of increased financial constraint it is all the more important that limited resources, both those of the Council and its partner agencies working in the local community, are directed to areas of greater need.
- 8.4 Having considered the relevant factors, the three objectives proposed to inform the Council's Corporate Budget Setting 2019/24 essentially remain the same with the slight amendment as detailed at objective 1 and objective 2. The additional detail at Objective 2 reflects that the impact of the growth aspirations of our neighbouring local authorities. Therefore the three objectives are;

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

8.5 Subject to Cabinet's consideration, the Corporate Plan at appendix A will be referred to Council for adoption on 6th September 2018. All projects included in the Corporate Plan will be subject to sound business cases being provided, and specific targets established as they are introduced and the Council's performance against these will be monitored and reported.

9. LEGAL IMPLICATIONS

- 9.1 Cabinet's terms of reference include at 5.6.35 the power, by recommendation "to advise the Council in the formulation of those policies within the Council's terms of reference".
- 9.2 Full Council's terms of reference provide "approving or adopting the policy framework which at 4.2.1 (f) include "Priorities/ Objectives for the District." The Corporate Plan 2019/24 at Appendix A represents the objectives and priority areas of work
- 9.3 The Corporate objectives agreed for 2019/24 onward will provide high level reference points that will assist the Council making clear and effective decisions.

10. FINANCIAL IMPLICATIONS

- 10.1 There are no specific revenue implications from adoption of the objectives and the Corporate Plan although there will be both revenue and capital implications from the provision of services to support the objectives and these will be agreed as part of the corporate business planning process which will culminate in February 2019 with the setting of the budget for 2019/20.
- 10.2 It is clear that the Council will continue to face difficult spending decisions in view of the current economic climate and the continuing reduction in government support in future years and that the availability of funding will impact on the services that can be delivered. Individual projects will be costed to ensure that the overall programme of activity across the Council can be achieved within the agreed budget assigned and that there is capacity to deliver within the proposed timeframe.

- 10.3 The Council received significant capital funding from the housing stock transfer to North Herts Homes (set-aside receipts). It has supplemented this with the receipts from the sale of surplus land and buildings (capital receipts). The strategy adopted by the Council has been to concentrate capital funding on those schemes that reduce revenue costs or generate income. Over the period of the MTF5 it is forecast that the set-aside receipts will all be used and therefore capital funding will have to come from capital receipts or borrowing. The availability of assets that can be sold to generate capital receipts is also reducing. It is therefore important that any agreed capital projects reflect corporate priorities, to ensure effective use of diminishing capital resources particularly in view of the fact that capital spend is also required to maintain existing service provision.

11. RISK IMPLICATIONS

- 11.1 Adoption of the Corporate Plan and within it the Council's objectives for 2019/24 commences the Council's Business Planning processes for the next financial year. A robust Corporate Business Planning process is key to managing the Council's identified Corporate Risk of "Managing the Council's Finances".

12. EQUALITIES IMPLICATIONS

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

13. SOCIAL VALUE IMPLICATIONS

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

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 There are no additional human resource requirements arising from this report other than the capacity issue raised at paragraph 8.3. The resources needed to deliver services are considered and addressed through the Corporate Business Planning process. Once these objectives are agreed for retention, then all staff will be reminded of them.

15. APPENDICES

- 15.1 Appendix A – Corporate Plan 2019-2024.

16. CONTACT OFFICERS

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17. BACKGROUND PAPERS

- 17.1 None.

Corporate Plan 2019/2024.

NORTH HERTFORDSHIRE – THE DISTRICT AND ITS OBJECTIVES

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

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

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

There are three objectives for the Council for 2019/2024 which are:

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

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

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

- Waste collection from over 57,000 households
- 57% of household waste sent for re-use, recycling and composting
- Street cleansing over 400¹ miles of roads
- Food inspection of around 1,000 premises²
- Collecting council tax and Business rates from almost 57,250 homes and 4,400 businesses
- Planning for the second largest district in Hertfordshire at 145 square miles.
- Issuing of approximately 2,150 licences to premises and licenced individuals, around 550 licences to taxi and private hire vehicles and drivers and in the region of 850 temporary licenses to premises/individuals
- Homelessness provision
- Housing Benefit to around 6,800 claimants
- Regulation e.g. Parking, Fly-tipping

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

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

¹ North Hertfordshire Infrastructure Delivery Plan to support the North Hertfordshire Local Plan 2011 - 2031

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

- Active Communities events
- Collection of garden waste

Underpinning the provision of these services are the following considerations:

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

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

OBJECTIVE 1. Attractive and Thriving

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

An Attractive Environment.

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

Illustrative of this policy are:

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

A Safe Environment

The residents of North Hertfordshire have identified low levels of crime as the most important consideration. The Council helps build a safe environment through our Community Safety Partnership. North Hertfordshire has the third lowest crime figures compared to the rest of the county with 55.8 crimes per 1,000 of the population compared to 69.7 per 1,000 of the population for Hertfordshire.³

Whilst the recorded crime rate has increased across the districts; with North Hertfordshire experiencing a considerably lower crime rate than most, the reporting of domestic abuse is on the rise. This may

³ <https://www.police.uk/>

represent an increase in real terms or a reflection of a greater confidence to report incidents knowing their concerns will be taken seriously.

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

Welcoming Diversity

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

As part of the Council's zero-tolerance approach to hate crime, North Hertfordshire District Council has recently become a third party reporting centre (This third party reporting centre is a safe place where victims and witnesses to a Hate Crime, or incident, can safely and confidentially make a report without going directly to the police) by:

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

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

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

The combination of the Better Care Fund and the Disabled Facilities Grant by central government supports the provision of better conditions and services for the elderly and disabled.

Locally, we provide support through our Careline scheme which has continued to expand across and outside Hertfordshire and enables older residents to live at home longer independently. Satisfaction with this service at over 99% is exceptionally high.

Supporting Disadvantaged People.

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

We will

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

OBJECTIVE 2: Prosper and Protect

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

Sustainable Growth

The Submission Local Plan was subject to an extensive Examination in Public, potential sites were subject to individual and group representations made to the Inspector. The forthcoming Modifications put forward by the inspector will be subject to a further consultation process.

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

- We will review both existing and future green space provision.
- We will represent the authority with regard neighbours plans, policies and aspirations such as with the expansion of London Luton Airport, the growth envisaged within the Oxford/Milton Keynes/Cambridge Arc and London.
- Conclude the review of the Council's Car Parking Strategy to ensure it supports our corporate objectives.

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

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

The refurbishment of the District Council Offices will substantially reduce its carbon footprint by

- the incorporation of renewed Curtain walling to improve thermal performance and
- new low energy cooling & ventilation to significantly reduce energy consumption in the building
- increased usage of energy efficient LED lighting in our buildings where feasible.

Economic and Social Opportunities

The district has a considerable daily outflow of commuters to both London and increasingly to Cambridge.

Johnson Matthey, NHDC, Altro and the retail and hospitality sectors constitute our largest employers. We work with the Local Enterprise Partnerships [LEP], the business sector, three Business Improvement Districts [BID] companies to identify opportunities for inward investment to increase our employment base and encourage new enterprise.

We will

- Continue to implement our Economic Development Strategy for the district including the provision of an Economic Development Officer to work closely in partnership, increasing inward investment and business development opportunities.
- Exploit the opportunities offered by new enterprise zones
- Continue to support local business through our Go Local Policy – for 2017/18 38% of our total spend on goods and services was spent with suppliers with an NHDC postcode.
- There is a changing environment within our Town Centres. We will be specifically looking at working with our relevant stakeholders to find sustainable solutions.

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

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

We will continue to work with these companies.

Cultural and Physical Heritage

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

This aim is delivered through:

- Progressing the Local Plan through to adoption
- Following the redevelopment of the Council's office accommodation, explore opportunities to share that accommodation with other partners to increase financial and resource efficiency.
- Support North Herts Homes' regeneration of John Barker Place, Hitchin to provide new homes and better shops.
- We will be reviewing the provision of social housing with all of our social housing providers. Our aim is to ensure good provision within the context of the emerging Local Plan
- Agree projects for delivery of improvements to urban and rural community facilities through the £1m Capital Enhancement Fund.
- Support Community events and local organisations through provision of relevant officer support.

OBJECTIVE 3: Responsive and Efficient.

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

Cost Effective and necessary services

Over the last few years the percentage of our overall funding that we receive from government has fallen from around 40% to under 20% (forecast for 2019/20). This means that we are increasingly dependent on Council Tax to support the Council's activities but even this is subject to government constraints. We have a statutory requirement to balance our budget and to do this, we can either increase income from fees and charges, seek ways to reduce the cost of providing the services that we deliver as part of our general activities or cease providing some non-statutory services where they are no longer affordable. This means that we continuously review the services we provide to ensure that they remain necessary and are delivered as efficiently as possible. We also seek to develop new income streams through our commercialisation agenda where we believe that these will be of value to our residents

A Responsive Council

The Council's 'districtwide survey' shows:

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

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

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

Commercialisation.

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

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

These include:

- Leisure Centres: contracted out to Stevenage Leisure Ltd. Reversal of financing from -£500k to +£500K during the contract period

- Waste: Outsourced initially in 2003/4. Shared waste service with East Herts is starting to deliver a substantial saving to NHDC.
- Careline: Established by NHDC approximately 35 years ago this service was provided at a net cost of between £100K -£330K per annum. As part of a business transformation plan, the Council entered into a strategic partnership with Hertfordshire County Council; it now operates at no net direct cost to the Council and helps over 220 new clients per month. Careline currently support in excess of 16,000 people in Hertfordshire.⁴
- Building Control: a building control business has been established in conjunction with six other local authorities to deal with both local authority and private sector work. This is providing resilience and staff retention benefits.
- Legal Services: legal services have been offered to other local authorities for 18 months. This brings income to the Council and provides career development opportunities for staff hence assisting our recruitment and retention service.
- Refurbishment of the Council's offices providing the potential for lettings and room hire income.

Potential future development:

- Provision of a crematorium: Working with the private sector to provide and develop the provision.
- Creation of a Property company. Over 30 LAs currently have property development companies where the Local Authority can use the amounts generated to support ongoing service delivery.

The Council has appointed a new Commercialisation Service Director and that Directorate will explore these opportunities and others as they arise.

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

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

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

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

- Continuing to explore alternative options for effective and more efficient service delivery wherever possible, including through on-line self-service opportunities, partnership, joint working or 'commercial' models where they are appropriate.
- Working with our contractors Stevenage Leisure Ltd.
- Continuing to extend Careline.
- Working with health partners to optimise opportunities for older residents to remain living independently but well supported at home including a programme to provide nutritional education for single older people in sheltered accommodation
- Working with community and voluntary sector partners to facilitate appropriate integrated services for those being cared for and their carers.

⁴ <https://www.care-line.co.uk/services/community-alarm.aspx>

- Working through our leisure providers, schools and Sports England funded schemes to ensure that children/young people are offered the opportunity to increase activity to prevent long term ill health.
- Continuing to play a full part with Smoke Free Hertfordshire to reduce the incidents of smoking in adults and young people.
- Continuing to progress the Building Control Company ‘ Hertfordshire Building Control’ with six other Hertfordshire authorities.
- Optimising use, management and profitability of the Council’s assets.
- Reviewing resources, including management structure, to ensure the Council continues to deliver key services cost effectively.
- Increasing awareness of opportunities for volunteers [formal and informal] through:
 - The Council’s Outlook magazine
 - The Council’s website
 - Social media
 - Working with partner agencies
- Reviewing how the Council and its partners can be better engaged with and build capacity for its communities and in doing so increase awareness of how to become more engaged with and in the democratic process.

PERFORMANCE MONITORING AND REPORTING.

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

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

Our Community.

- Population ONS mid year 2016 132,700
- Population density 3.54 per hectare [Hertfordshire average 7.16]
- Large rural area
- Four main towns Baldock, Hitchin, Letchworth Garden City and Royston
- 24 wards
- The population projections suggest an increase of approximately 32,600 (24.89%) in population in North Hertfordshire District over the 25 year period from 2014 to 2039. The biggest increases in population are estimated to be the age ranges for those over 70 and over all the way through to those 90+ years of age.
 - Factors influencing this are increased longevity, social patterns, and the attractiveness of district.
- The median age of both the UK and North Hertfordshire population is 40
- The life expectancy at birth for a resident in the North Hertfordshire District between 2013-2015 was 80.8 years for men and 83.1 years for women. (ONS).
- Lowest life expectancy area for males Hitchin Oughton, 76.1 years⁵
- Highest life expectancy for females Royston Meridian, 89.1 years
- In 2016, the smoking prevalence in Adults was recorded as 8.1% as compared to 15.5% in England⁶
- The percentage of overweight and Obese Children aged 10-11 in north Hertfordshire is 28.2%; this compares to 29.4% average of Hertfordshire and 34.2% for England
- 54.4% of adults are physically active. 57% of Adults are active in England.
- The mortality rate for cardiovascular disease for people aged 75 and under in North Hertfordshire (between 2013-2015) was 65.75 per 10,000 slightly above the Hertfordshire average(65.57) and below the England average of 74.65%.
- In 2011, 1,030 people in North Hertfordshire District stated that their general health was "very bad". That was 0.81% of the resident population. Also 19,182 people stated that they had a long-term health problem or disability that limited their day-to-day activities to some extent. That was 15.1% of the resident population⁷
- Projected population changes 2014-2039
 - 70-74 years an increase of 2,000 residents
 - 75-79 years an increase of 3,000 residents
 - 80-84 years an increase of 2,000 residents
 - 85-90 years an increase of 2,000 residents
 - 90+ years an increase of 3,000 residents⁸
 - In real terms each band would increase by 2,000-3,000 people by 2039
- In the 2011 Census, 10.1% of residents in North Hertfordshire District stated that they provide unpaid care. (This was a total of 12,805 people). In comparison, 9.7% of residents across Hertfordshire and 10.2% of residents in England provided unpaid care in 2011.⁹ Furthermore, 1.8% (2,343 people) of the residents in North Hertfordshire District were providing 50 or more hours per week of unpaid care.

⁵ Public Health England; Life expectancy, based on Office for National Statistics mortality statistics

⁶ Public Health England. 2016. Health Profiles (Online).

⁷ Office for National Statistics, 2011 Census, Table KS301EW.

⁸ Office for National Statistics Subnational Population projections for Local Authorities in England (mid 2014 to mid 2039)

⁹ <https://www.nomisweb.co.uk/>

- National record of Multiple Deprivation [IMD] rank five of our areas as being deprived using a measure of seven factors; level of income, access to adequate housing, employment, health, education, crime and deprivation factors affecting either the youngest or eldest. 32,844 neighbourhoods (also referred to as Local Super Output Areas, LSOAs¹⁰) ranked nationally; the top 20% are seen as most deprived. The first 3 areas listed below fall within the top 20% most deprived and the last two fall just outside the top 20% most deprived.
 - Letchworth South East 5,822 out of 32,844 LSOAs (refers to North Hertfordshire 009c area. This area is around the Woolgrove school, in Letchworth)
 - Oughton Hitchin 6,681 out of 32,844 LSOAs
 - Letchworth South East 7,062 out of 32,844 LSOAs (refers to North Hertfordshire 009b area. This area is around the Ivel Court shops in Letchworth)
 - Letchworth Wilbury 7,262 out of 32,844 LSOAs
 - Letchworth Grange 8,368 out of 32,844 LSOAs.¹¹
- In 2011, the proportion of the total population that were in a minority ethnic group (i.e. not White-British) was 15.12%. (compared to 19.18% in Hertfordshire, 14.72 in the East of England and 20.25 in England).

Our Financial position

The Council has faced considerable budget pressures over a number of years as government funding has reduced throughout the years of austerity. The position with regard to proposed changes to funding support for local Government remains uncertain. The Council's Medium Term Financial strategy (for the period 2019/20 to 2023/24) highlights that we will need to be ready for future reductions that could arise from changes to Business Rates Retention models, the Fair Funding formula and New Homes Bonus allocation. Our reserve levels could be used to provide some time to react to any changes.

Conclusions and trends.

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

¹⁰ Lower Super Output Areas (LSOAs) are a sub-ward area that has on approximately 1,600 people within it. There are 82 LSOAs in North Hertfordshire and 690 LSOAs in Hertfordshire.

¹¹ Department for Communities and Local Government – OpenData Communities

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**CABINET
31 JULY 2018**

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: TREASURY MANAGEMENT FIRST QUARTER 2018/19

REPORT OF: SERVICE DIRECTOR - RESOURCES
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 first quarter of 2018/19 to the end of June. The current forecast is that the amount of investment interest expected to be generated during the year is £0.255 million. This is an increase of £0.088 million on the original budget.
- 1.2 To inform Cabinet of the performance against the Prudential and Treasury indicators. During the first 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 June 2018.

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. In relation to this the Council could take a different view on its appetite for risk (e.g. unrated Building Societies and non-UK investments), which would be reflected in the Treasury Strategy. In general, greater returns can be achieved by taking on greater risk. Once the Strategy has been set for the year, there is limited scope for alternative options as Officers will seek the best return that is in accordance with the Treasury Strategy. 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 are quarterly updates 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 5 June 2018.

7. BACKGROUND

- 7.1 Members adopted the 2018/19 Treasury Strategy at the meeting of full Council on the 8 February 2018.

- 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 2018/19. 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 first 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 £0.52 million of interest during the first two months of 2018/19. The average interest rate on all outstanding investments at the 31 May 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 of BBB or above. 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 May the split of investments was:

Banks	27%
Building Societies	38%
Local Authorities	27%
Money Market Funds	8%

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 level of funds made available to the Cash Manager, currently a total balance of £13.0 million, is primarily determined by the level of expenditure on the Council's Capital programme. The In-House balance of investments at the end of May was £23.1 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 first quarter the Council had 2.7% (£1.0 million) invested for longer than 364 days. During the first quarter, no new deals were placed for longer than a year (three £1.0 million deals were placed for one 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 2018/19 and beyond.

8.13 The Council had a negative **Capital Financing Requirement** (CFR) of £10.3 million (as at 31st March 2018), which means that it has a high level of cash investments. The CFR is expected to reduce to approximately £1.4 million by the end of the year if capital expenditure matches the current profile of spend. 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 £0.255 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 2018/19

CIPFA Prudential Code for Capital Finance in Local Authorities

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CABINET
31 JULY 2018

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: FIRST QUARTER CAPITAL MONITORING 2018/19

REPORT OF: SERVICE DIRECTOR - RESOURCES
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 2018/19, as at the end of June 2018, and indicating its impact upon the approved capital programme for 2019/20 - 2021/22. The current estimate is a decrease in spend in 2018/19 of £2.298million from that reported in the Capital Programme Outturn report for 2017/18, and a decrease in spend in future years of £1.340 million. The most significant individual changes are the withdrawal of the Royston Leisure Centre project in 2018/19 and the removal of Disabled Facilities Grants which are now administered by Hertfordshire County Council.

2. RECOMMENDATIONS

- 2.1 That Cabinet notes the forecast expenditure of **£15.857million** in 2018/19 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 **£0.958million**.
- 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, decreasing the estimated spend in future years 2019/20 by **£1.340million**.
- 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 5th June 2018.

7. BACKGROUND

- 7.1 In February 2018, Council approved the capital programme for 2018/19 to 2021/22. This was subsequently amended by reprogramming from 2017/18.
- 7.2 The Medium Term Financial Strategy for 2018 to 2023 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 2018/19

- 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 2018/19 to 2021/2 and the funding source for each capital scheme.
- 8.2 Capital expenditure for 2018/19 is estimated to be **£15.857million**. This is a reduction of **£2.298million** on that forecast in the 2017/18 Capital Programme Outturn report (reported to Cabinet on 19th June 2018). The decrease in spend in 2018/19 is largely due to the withdrawal of the Royston Leisure Centre project and re-profiling of spend into future years. Table 1 below details changes to capital programme.

Table 1- Current Capital Estimates

	2018/19 £M	2019/20 £M	2020/21 to 2021/22 £M
Original Estimates approved by Full Council February 2018	12.511	1.828	2.737
Changes approved by Cabinet in 2017/18 Capital Outturn report	5.644	0	0
Revised Capital estimates at start of 2017/18	18.155	1.828	2.737
Changes at Q1 detailed in this report	-2.298	0.150	-1.490
Current Capital Estimates	15.857	1.978	1.247

8.3 Table 2 lists changes to the 2018/19 Capital Programme and the impact in subsequent years:

Table 2: Scheme Timetable Revision:

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

Scheme	2018/19 Working Budget £'000	2018/19 Forecast Spend £'000	Difference £'000	Reason for Difference	Estimated impact on 2019/20 onwards £'000
Property Improvements	875	100	-775	The forecast spend reflects the works that are planned for the current year. Condition surveys will be reviewed prior to next year to determine the works that will be undertaken, and if possible the allocated budget will be reduced.	775
Lairage Multi Storey repairs	124	4	-120	A Structural Engineer is currently performing monitoring works to ascertain the level of work required. The monitoring will last all year with work due to commence in 19/20	120
Disabled Facilities Grants	745	300	-445	All new casework is being handled by the Hertfordshire Home Improvement Agency (hosted by Hertfordshire County Council). The grant funding will still be spent within North Hertfordshire. The only possible additional approvals will be in respect of unforeseen works on cases where grants have already been approved. The commitments should progressively reduce as	-2,235

Scheme	2018/19 Working Budget £'000	2018/19 Forecast Spend £'000	Difference £'000	Reason for Difference	Estimated impact on 2019/20 onwards £'000
				works are completed on our outstanding cases and all cases are expected to be completed this financial year. Any costs incurred will be matched by a transfer of Grant from HCC.	
Total Minor (under £25k) slippage on other projects			0		0
Total Revision to Budget Profile			-1,340		-1,340

8.4 There are also changes to the overall costs of schemes in 2018/19. These changes total a net decrease of £0.958million and are detailed in Table 3. The increases in respect of three schemes (outdoor pools, storage facilities and AV equipment) are above the thresholds set in the Financial Regulations and require Cabinet's approval for them to continue:

Table 3: Changes to Capital Schemes Commencing in 2018/19:

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

Scheme	2018/19 Working Budget £'000	2018/19 Forecast Spend £'000	Difference £'000	Comments
Royston Leisure Centre Extension	1,000	0	-1,000	The proposed business case for the development was determined not to be financially viable within the remaining contract period and therefore it will not progress.
St Marys Car Park Repair Steps	35	0	-35	The current health and safety issues have been resolved using revenue budgets
Hitchin & Letchworth Outdoor Pool Showers & Toilets	150	185	35	Tenders received for the outdoor pool toilet and shower refurbishment projects were not within the original budget, therefore, an increase is requested.
Storage Facilities-mezzanine floor	25	50	25	Original budget was based on an estimate, whereas the proposed increase is based on a detailed design and quotes that have been received.
Record Council Meetings – Audio Visual (AV) equipment	64	81	17	The increase partly reflects inflationary increases since the budget was originally set. The increase will also fund higher quality speakers and the ability to operate from the dias as well as from a central cabinet.
Other minor changes			0	
Total revision to scheme spend			-958	

Capital Programme 2018/19 Funding onwards

8.5 Table 4 below shows how the Council will fund the 2018/19 capital programme.

Table 4: Funding the Capital Programme:

	2018/19 Balance at start of year	2018/19 Forecast Additions	2018/19 Estimated Use of Funding	2018/19 Forecast Balance at end of year
	£M	£M	£M	£M
Useable Capital Receipts	3.090	2.500	(3.803)	1.787
Set-aside Receipts	10.252		(10.252)	0
<i>S106 receipts</i>			(0.356)	
<i>Other third party grants and contributions</i>			(1.446)	
Total	13.342	2.500	(15.857)	1.787

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 limit on capital projects that dependent on the value of the scheme and on this basis over the duration of the programme it should be anticipated that the total spend over the period could be around £2.2million higher than the estimated £19.082million.

- 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 2018 was negative £10.3million.
- 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 2018/19 onwards.
Appendix B, Capital Programme Detail including Funding 2018/19 onwards,

16. CONTACT OFFICERS

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17. BACKGROUND PAPERS

17.1 2018/19 Budget Estimates Book.

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By Council Priority

Priority	2017/18 Outturn £	2018/19 Working Estimate £	2018/19 Revised Estimate £	2018/19 Movement £	2019/20 Revised Estimate £	2020/21 Revised Estimate £	2021/22 Revised Estimate £
Attractive & Thriving	2,501,300	4,401,600	2,506,600	-1,895,000	895,000	300,000	0
Prosper & Protect	335,600	5,289,200	5,289,200	0	150,000	0	0
Responsive & Efficient	6,646,800	8,464,000	8,061,300	-402,700	932,600	380,000	567,000
Grand Total	9,483,700	18,154,800	15,857,100	-2,297,700	1,977,600	680,000	567,000

By Service Group

Service Group	2017/18 Outturn £	2018/19 Working Estimate £	2018/19 Revised Estimate £	2017/18 Movement £	2019/20 Revised Estimate £	2020/21 Revised Estimate £	2021/22 Revised Estimate £
Advances & Cash Incentives	0	1,096,000	1,096,000	0	0	0	0
Asset Management	5,532,300	4,311,000	3,561,500	-749,500	925,000	0	0
Building Control	0	0	0	0	0	0	0
CCTV	21,700	0	0	0	0	0	0
Community Services	364,000	746,500	746,500	0	250,000	120,000	0
Computer Software and Equipment	142,600	270,600	287,400	16,800	537,600	115,000	507,000
Corporate Items	0	2,510,600	2,510,600	0	0	0	0
Growth Fund Projects	0	713,000	713,000	0	0	0	0
Leisure Facilities	2,600,300	2,810,400	1,845,400	-965,000	85,000	385,000	0
Museum & Arts	141,700	4,900	4,900	0	0	0	0
Parking	11,300	1,154,800	999,800	-155,000	120,000	0	0
Renovation & Reinstatement Grant Expenditure	669,800	805,000	360,000	-445,000	60,000	60,000	60,000
Town Centre Enhancement	0	0	0	0	0	0	0
Waste Disposal	0	0	0	0	0	0	0
Waste collection	0	3,732,000	3,732,000	0	0	0	0
Grand Total	9,483,700	18,154,800	15,857,100	-2,297,700	1,977,600	680,000	567,000

Capital Funding Source

Service Group	2017/18 Outturn £	2018/19 Working Estimate £	2018/19 Revised Estimate £	2017/18 Movement £	2019/20 Revised Estimate £	2020/21 Revised Estimate £	2021/22 Revised Estimate £
Capital Receipt	1,436,700	5,356,200	3,803,200	-1,553,000	1,977,600	393,000	567,000
Government Grant	704,900	1,508,000	1,063,000	-445,000	0	0	0
IT Reserve	0	0	0	0	0	0	0
Revenue Contribution / Borrowing	0	540,400	0	-540,400	0	0	0
Other Capital Contributions	480,900	163,000	383,100	220,100	0	250,000	0
S106 Funding	471,000	355,600	355,600	0	0	37,000	0
Drawdown of cash investments	6,390,200	10,231,600	10,252,200	20,600	0	0	0
Grand Total	9,483,700	18,154,800	15,857,100	-2,297,700	1,977,600	680,000	567,000

Capital Receipt Analysis

	2017/18 Outturn £	2018/19 Working Budget £	2018/19 Revised Funding £	2017/18 Movement £	2019/20 Estimate £	2020/21 Estimate £	2021/22 Estimate £
B/fwd Capital Receipt Funding	-3,223,516	-3,090,265	-3,090,265	0	-1,787,065	-3,809,465	-4,166,465
Add: Capital Receipts Received in Year	-1,303,449	-2,500,000	-2,500,000	0	-4,000,000	-750,000	-1,250,000
Less: Capital Receipts Used in Year	1,436,700	5,356,200	3,803,200	-1,553,000	1,977,600	393,000	567,000
C/Fwd Capital Receipt Funding	-3,090,265	-234,065	-1,787,065	-1,553,000	-3,809,465	-4,166,465	-4,849,465

Set-Aside Receipts Analysis

	2017/18 Outturn £	2018/19 Working Budget £	2018/19 Revised Funding £	2017/18 Movement £	2019/20 Estimate £	2020/21 Estimate £	2021/22 Estimate £
B/fwd Set-Aside Receipt Funding	-16,642,400	-10,252,200	-10,252,200	0	0	0	0
Set-Aside Receipts Received in Year	0	0	0	0	0	0	0
Set -Aside Receipts Used in Year	6,390,200	10,231,600	10,252,200	20,600	0	0	0
C/Fwd Set-Aside Receipt Funding	-10,252,200	-20,600	0	20,600	0	0	0

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Project		2017/18 Outturn Funding £	2018/19 Working Funding £	2018/19 Revised Funding £	Movement £	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
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
Additional PC's - Support Home Working/OAP	Drawdown of cash investments	12,700	0	0	0	0	0	0
Additional PC's - Support Home Working/OAP Total		12,700	0	0	0	13,000	0	0
Additional Storage	Capital Receipt	0	0	0	0	13,000	0	0
Additional Storage	Drawdown of cash investments	0	12,000	12,000	0	0	0	0
Additional Storage Total		0	12,000	12,000	0	13,000	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	0	0	0	0	0	0
Area Visioning Total		26,400	0	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 Town Hall project	Drawdown of cash investments	0	74,500	74,500	0	0	0	0
Baldock Town Hall project	S106 Funding	1,500	800	800	0	0	0	0
Baldock Town Hall project Total		1,500	75,300	75,300	0	0	0	0
Bancroft Gardens Play Area	Capital Receipt	36,800	2,200	2,200	0	0	0	0
Bancroft Gardens Play Area	S106 Funding	11,500	3,400	3,400	0	0	0	0
Bancroft Gardens Play Area Total		48,300	5,600	5,600	0	0	0	0
Bancroft Recreation Ground, Hitchin, Multi Use Games Area (MUGA)	Capital Receipt	0	24,100	24,100	0	0	0	0
Bancroft Recreation Ground, Hitchin, Multi Use Games Area (MUGA)	Other Capital Contributions	0	80,000	80,000	0	0	0	0
Bancroft Recreation Ground, Hitchin, Multi Use Games Area (MUGA)	S106 Funding	0	65,900	65,900	0	0	0	0
Bancroft Recreation Ground, Hitchin, Multi Use Games Area (MUGA) Total		0	170,000	170,000	0	0	0	0
Cabinet Switches - 4 Floors	Capital Receipt	0	0	0	0	0	0	18,000
Cabinet Switches - 4 Floors	Drawdown of cash investments	6,700	0	0	0	0	0	0
Cabinet Switches - 4 Floors Total		6,700	0	0	0	0	0	18,000
Cadcorp Local Knowledge & Notice Board Software	Capital Receipt	0	13,500	13,500	0	0	0	0
Cadcorp Local Knowledge & Notice Board Software Total		0	13,500	13,500	0	0	0	0
Capitalised Pension Fund Contribution	Drawdown of cash investments	0	2,500,000	2,500,000	0	0	0	0
Capitalised Pension Fund Contribution Total		0	2,500,000	2,500,000	0	0	0	0
Channel shift - processing of housing register applications	Drawdown of cash investments	0	40,000	40,000	0	0	0	0
Channel shift - processing of housing register applications Total		0	40,000	40,000	0	0	0	0
Construction of pathway and roadway, Wilbury Hills Cemetery, Letchworth	Capital Receipt	0	35,000	35,000	0	0	0	0
Construction of pathway and roadway, Wilbury Hills Cemetery, Letchworth Total		0	35,000	35,000	0	0	0	0
Core Backbone Switch	Capital Receipt	0	0	0	0	20,000	0	0
Core Backbone Switch Total		0	0	0	0	20,000	0	0
Council property improvements following condition surveys	Capital Receipt	63,600	315,000	100,000	-215,000	775,000	0	0
Council property improvements following condition surveys	Drawdown of cash investments	0	19,600	0	-19,600	0	0	0
Council property improvements following condition surveys	Revenue Contribution / Borrowing	0	540,400	0	-540,400	0	0	0
Council property improvements following condition surveys Total		63,600	875,000	100,000	-775,000	775,000	0	0
Customer Self Serve Module	Capital Receipt	0	3,000	3,000	0	0	0	0
Customer Self Serve Module Total		0	3,000	3,000	0	0	0	0
Cyber Attacks - Events Monitoring Software Solution	Capital Receipt	0	30,000	30,000	0	0	0	0
Cyber Attacks - Events Monitoring Software Solution Total		0	30,000	30,000	0	0	0	0
Cycle Strategy implementation (GAF)	Government Grant	0	278,000	278,000	0	0	0	0
Cycle Strategy implementation (GAF) Total		0	278,000	278,000	0	0	0	0
Decommissioning of Pavilions	Capital Receipt	0	120,000	120,000	0	0	0	0
Decommissioning of Pavilions Total		0	120,000	120,000	0	0	0	0
Decommissioning of Play Areas	Capital Receipt	0	130,000	130,000	0	0	0	0
Decommissioning of Play Areas Total		0	130,000	130,000	0	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
Demolition of Bancroft Hall	Drawdown of cash investments	0	600	600	0	0	0	0
Demolition of Bancroft Hall Total		0	600	600	0	0	0	0
Dog / Litter Bins	Capital Receipt	32,600	0	0	0	0	0	0

Project		2017/18 Outturn Funding £	2018/19 Working Funding £	2018/19 Revised Funding £	Movement £	2019/20 Funding £	2020/21 Funding £	2021/22 Funding £
Dog / Litter Bins Total		32,600	0	0	0	0	0	0
DR Set-up	Capital Receipt	0	0	0	0	25,000	0	0
DR Set-up	Drawdown of cash investments	0	47,400	47,400	0	0	0	0
DR Set-up Total		0	47,400	47,400	0	25,000	0	0
EA Agreement (MS EA) TN agreed funded within 4571 Account	Capital Receipt	-5,200	0	0	0	199,600	0	450,000
EA Agreement (MS EA) TN agreed funded within 4571 Account	Drawdown of cash investments	0	0	0	0	0	0	0
EA Agreement (MS EA) TN agreed funded within 4571 Account Total		-5,200	0	0	0	199,600	0	450,000
Email / Web Gateway with SPAM Filtering Software Solution - Licence 3 Year Contract	Capital Receipt	28,000	0	0	0	0	39,000	0
Email / Web Gateway with SPAM Filtering Software Solution - Licence 3 Year Contract Total		28,000	0	0	0	0	39,000	0
Email Encryption Software Solution	Capital Receipt	0	0	0	0	0	45,000	0
Email Encryption Software Solution Total		0	0	0	0	0	45,000	0
Energy efficiency measures	Drawdown of cash investments	51,500	8,500	8,500	0	0	0	0
Energy efficiency measures Total		51,500	8,500	8,500	0	0	0	0
Financial System upgrade - E-series	Drawdown of cash investments	4,400	0	0	0	0	0	0
Financial System upgrade - E-series Total		4,400	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	185,000	185,000	0	0	0	0
Green Infrastructure implementation (GAF) Total		0	185,000	185,000	0	0	0	0
Hitchin & Royston Fitness Equipment	Other Capital Contributions	480,900	0	0	0	0	0	0
Hitchin & Royston Fitness Equipment Total		480,900	0	0	0	0	0	0
Hitchin Multi Storey Safety and Equalities Act improvements	Drawdown of cash investments	700	39,300	39,300	0	0	0	0
Hitchin Multi Storey Safety and Equalities Act improvements Total		700	39,300	39,300	0	0	0	0
Hitchin Outdoor Pool Showers and Toilets	Drawdown of cash investments	0	75,000	92,500	17,500	0	0	0
Hitchin Outdoor Pool Showers and Toilets Total		0	75,000	92,500	17,500	0	0	0
Hitchin Swimming Centre Lift	Drawdown of cash investments	3,100	96,900	96,900	0	0	0	0
Hitchin Swimming Centre Lift Total		3,100	96,900	96,900	0	0	0	0
Hitchin Swimming Pool Car Park extension	Capital Receipt	28,200	497,700	497,700	0	0	0	0
Hitchin Swimming Pool Car Park extension Total		28,200	497,700	497,700	0	0	0	0
Installation of trial on-street charging (GAF)	Government Grant	0	50,000	50,000	0	0	0	0
Installation of trial on-street charging (GAF) Total		0	50,000	50,000	0	0	0	0
Jackmans Central Play Area Renovation	Capital Receipt	64,500	0	0	0	0	0	0
Jackmans Central Play Area Renovation	S106 Funding	10,500	0	0	0	0	0	0
Jackmans Central Play Area Renovation Total		75,000	0	0	0	0	0	0
John Barker Place, Hitchin	Drawdown of cash investments	0	825,600	825,600	0	0	0	0
John Barker Place, Hitchin	S106 Funding	0	270,400	270,400	0	0	0	0
John Barker Place, Hitchin Total		0	1,096,000	1,096,000	0	0	0	0
Jontek Database Server	Government Grant	33,800	0	0	0	0	0	0
Jontek Database Server Total		33,800	0	0	0	0	0	0
Lairage Multi-Storey Car Par - Structural wall repairs	Drawdown of cash investments	1,700	124,000	4,000	-120,000	0	0	0
Lairage Multi-Storey Car Par - Structural wall repairs	Capital Receipt	0	0	0	0	120,000	0	0
Lairage Multi-Storey Car Par - Structural wall repairs Total		0	0	0	0	120,000	0	0
Laptops - Refresh Programme	Capital Receipt	0	6,000	6,000	0	0	6,000	0
Laptops - Refresh Programme Total		0	6,000	6,000	0	0	6,000	0
Letchworth Multi_storey Car Park - parapet walls, soffit & decoration	Capital Receipt	8,900	137,600	137,600	0	0	0	0
Letchworth Multi_storey Car Park - parapet walls, soffit & decoration Total		8,900	137,600	137,600	0	0	0	0
Letchworth multi-storey car park - lighting	Drawdown of cash investments	0	22,700	22,700	0	0	0	0
Letchworth multi-storey car park - lighting Total		0	22,700	22,700	0	0	0	0
Letchworth Outdoor Pool safety surface	Capital Receipt	3,500	56,500	56,500	0	0	0	0
Letchworth Outdoor Pool safety surface Total		3,500	56,500	56,500	0	0	0	0
Letchworth Outdoor Pool Showers and Toilets	Drawdown of cash investments	0	75,000	92,500	17,500	0	0	0
Letchworth Outdoor Pool Showers and Toilets Total		0	75,000	92,500	17,500	0	0	0
Mandatory Disabled Facility Grants	Government Grant	645,800	745,000	300,000	-445,000	0	0	0
Mandatory Disabled Facility Grants Total		645,800	745,000	300,000	-445,000	0	0	0
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	92,700	4,900	4,900	0	0	0	0
NH Museum & Community Facility	Other Capital Contributions	0	0	0	0	0	0	0
NH Museum & Community Facility	S106 Funding	49,000	0	0	0	0	0	0
NH Museum & Community Facility Total		141,700	4,900	4,900	0	0	0	0
North Herts Leisure Centre Development	Capital Receipt	892,400	0	0	0	0	0	0
North Herts Leisure Centre Development	Drawdown of cash investments	744,100	220,100	0	-220,100	0	0	0
North Herts Leisure Centre Development	Other Capital Contributions	0	0	220,100	220,100	0	0	0

Project		2017/18 Outturn Funding £	2018/19 Working Funding £	2018/19 Revised Funding £	Movement £	2019/20 Funding £	2020/21 Funding £	2021/22 Funding £
North Herts Leisure Centre Development	S106 Funding	65,600	0	0	0	0	0	0
North Herts Leisure Centre Development Total		1,702,100	220,100	220,100	0	0	0	0
Norton Common Wheeled Sports improvements	Drawdown of cash investments	7,600	0	0	0	0	0	0
Norton Common Wheeled Sports improvements	S106 Funding	142,100	9,300	9,300	0	0	0	0
Norton Common Wheeled Sports improvements Total		149,700	9,300	9,300	0	0	0	0
Off Street Car Parks resurfacing and enhancement	Capital Receipt	0	91,200	91,200	0	0	0	0
Off Street Car Parks resurfacing and enhancement Total		0	91,200	91,200	0	0	0	0
PC's - Refresh Programme	Capital Receipt	0	14,000	14,000	0	17,000	17,000	17,000
PC's - Refresh Programme	Drawdown of cash investments	20,000	0	0	0	0	0	0
PC's - Refresh Programme Total		20,000	14,000	14,000	0	17,000	17,000	17,000
Permit gateway Citizen - to enable customers to renew permits on line	Capital Receipt	0	10,700	10,700	0	0	0	0
Permit gateway Citizen - to enable customers to renew permits on line Total		0	10,700	10,700	0	0	0	0
Portable Pendants	Government Grant	15,000	0	0	0	0	0	0
Portable Pendants Total		15,000	0	0	0	0	0	0
Private Sector Grants	Capital Receipt	24,000	60,000	60,000	0	60,000	60,000	60,000
Private Sector Grants Total		24,000	60,000	60,000	0	60,000	60,000	60,000
Provide housing at market rents.	Capital Receipt	0	2,150,000	804,700	-1,345,300	150,000	0	0
Provide housing at market rents.	Drawdown of cash investments	0	700,000	2,045,300	1,345,300	0	0	0
Provide housing at market rents. Total		0	2,850,000	2,850,000	0	150,000	0	0
Purchase of 14 & 15 Brand Street	Drawdown of cash investments	0	550,000	550,000	0	0	0	0
Purchase of 14 & 15 Brand Street Total		0	550,000	550,000	0	0	0	0
Recording of Council Meetings	Capital Receipt	0	64,000	80,800	16,800	0	0	0
Recording of Council Meetings Total		0	64,000	80,800	16,800	0	0	0
Refurbishment and improvement of community facilities	Capital Receipt	165,400	670,600	670,600	0	250,000	120,000	0
Refurbishment and improvement of community facilities Total		165,400	670,600	670,600	0	250,000	120,000	0
Refurbishment of DCO	Drawdown of cash investments	5,288,100	0	0	0	0	0	0
Refurbishment of DCO Total		5,288,100	0	0	0	0	0	0
Refurbishment of lifts at Lairage Car Park	Capital Receipt	0	360,000	360,000	0	0	0	0
Refurbishment of lifts at Lairage Car Park Total		0	360,000	360,000	0	0	0	0
Relay concrete slabs that surround the Hitchin outdoor pool.	Capital Receipt	30,600	1,500	1,500	0	0	0	0
Relay concrete slabs that surround the Hitchin outdoor pool. Total		30,600	1,500	1,500	0	0	0	0
Renew pathways at Bancroft Recreation Ground, Hitchin	Capital Receipt	14,600	23,100	23,100	0	0	0	0
Renew pathways at Bancroft Recreation Ground, Hitchin	S106 Funding	12,300	0	0	0	0	0	0
Renew pathways at Bancroft Recreation Ground, Hitchin Total		26,900	23,100	23,100	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	75,000	75,000	0	0	0	0
Renovate play area, District Park, Gt. Ashby Total		0	75,000	75,000	0	0	0	0
Replace and enhance lighting at St Mary's Car Park	Capital Receipt	0	60,000	60,000	0	0	0	0
Replace and enhance lighting at St Mary's Car Park Total		0	60,000	60,000	0	0	0	0
Replace items of equipment, Brook View, Hitchin	Capital Receipt	10,000	0	0	0	0	0	0
Replace items of equipment, Brook View, Hitchin Total		10,000	0	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	10,000	10,000	0	0	0	0
Replace items of play equipment, Chiltern Road, Baldock Total		0	10,000	10,000	0	0	0	0
Replace main pool grating and overflow gullies at Hitchin Swim Centre	Capital Receipt	1,100	0	0	0	0	0	0
Replace main pool grating and overflow gullies at Hitchin Swim Centre Total		1,100	0	0	0	0	0	0
Replacement of neighbourhood CCTV equipment	Capital Receipt	21,700	0	0	0	0	0	0
Replacement of neighbourhood CCTV equipment Total		21,700	0	0	0	0	0	0
Replacement of Walsworth Common Access Bridge	Drawdown of cash investments	113,600	3,000	3,000	0	0	0	0
Replacement of Walsworth Common Access Bridge Total		113,600	3,000	3,000	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 Leisure Centre extension	Drawdown of cash investments	0	1,000,000	0	-1,000,000	0	0	0

Project		2017/18 Outturn Funding £	2018/19 Working Funding £	2018/19 Revised Funding £	Movement £	2019/20 Funding £	2020/21 Funding £	2021/22 Funding £
Royston Leisure Centre extension Total		0	1,000,000	0	-1,000,000	0	0	0
S106 Projects	S106 Funding	170,700	0	0	0	0	0	0
S106 Projects Total		170,700	0	0	0	0	0	0
Scheme Alarms	Government Grant	10,300	0	0	0	0	0	0
Scheme Alarms Total		10,300	0	0	0	0	0	0
Security - Firewalls	Capital Receipt	0	0	0	0	0	0	14,000
Security - Firewalls	Drawdown of cash investments	9,900	14,000	14,000	0	0	0	0
Security - Firewalls Total		9,900	14,000	14,000	0	0	0	14,000
Serby Avenue Play Area renovation, Royston	Capital Receipt	0	0	0	0	0	0	0
Serby Avenue Play Area renovation, Royston	S106 Funding	7,800	0	0	0	0	0	0
Serby Avenue Play Area renovation, Royston Total		7,800	0	0	0	0	0	0
Smithsons Recreation Ground	Capital Receipt	500	0	0	0	0	0	0
Smithsons Recreation Ground	S106 Funding	0	0	0	0	0	0	0
Smithsons Recreation Ground Total		500	0	0	0	0	0	0
Software for personalised bills and annual billing.	Capital Receipt	0	6,000	6,000	0	0	0	0
Software for personalised bills and annual billing. Total		0	6,000	6,000	0	0	0	0
Splash Park at Bancroft Recreation Ground	Drawdown of cash investments	0	10,900	10,900	0	0	0	0
Splash Park at Bancroft Recreation Ground	S106 Funding	0	800	800	0	0	0	0
Splash Park at Bancroft Recreation Ground Total		0	11,700	11,700	0	0	0	0
Splash Park at Priory Memorial, Royston	Drawdown of cash investments	0	15,000	15,000	0	0	0	0
Splash Park at Priory Memorial, Royston Total		0	15,000	15,000	0	0	0	0
St Mary's car park. Structural repairs to steps	Capital Receipt	0	35,000	0	-35,000	0	0	0
St Mary's car park. Structural repairs to steps Total		0	35,000	0	-35,000	0	0	0
Storage Facilities	Capital Receipt	15,500	24,500	50,000	25,500	0	0	0
Storage Facilities	Drawdown of cash investments	0	0	0	0	0	0	0
Storage Facilities Total		15,500	24,500	50,000	25,500	0	0	0
Tablets - Android Devices	Capital Receipt	0	0	0	0	8,000	8,000	8,000
Tablets - Android Devices	Drawdown of cash investments	7,000	10,000	10,000	0	0	0	0
Tablets - Android Devices Total		7,000	10,000	10,000	0	8,000	8,000	8,000
Telephony system	Drawdown of cash investments	0	10,600	10,600	0	0	0	0
Telephony system Total		0	10,600	10,600	0	0	0	0
Town Centre pay & display machines for on-street charging	Capital Receipt	0	235,000	235,000	0	0	0	0
Town Centre pay & display machines for on-street charging Total		0	235,000	235,000	0	0	0	0
Transport Plans implementation (GAF)	Government Grant	0	250,000	250,000	0	0	0	0
Transport Plans implementation (GAF) Total		0	250,000	250,000	0	0	0	0
Ultra Violet water disinfection system	Capital Receipt	0	50,000	50,000	0	0	0	0
Ultra Violet water disinfection system Total		0	50,000	50,000	0	0	0	0
Walsworth Common Pavilion - contribution to scheme	Capital Receipt	0	0	0	0	0	13,000	0
Walsworth Common Pavilion - contribution to scheme	Other Capital Contributions	0	0	0	0	0	250,000	0
Walsworth Common Pavilion - contribution to scheme	S106 Funding	0	0	0	0	0	37,000	0
Walsworth Common Pavilion - contribution to scheme Total		0	0	0	0	0	300,000	0
Walsworth Common Pitch Improvements	Capital Receipt	0	15,000	15,000	0	0	0	0
Walsworth Common Pitch Improvements	Other Capital Contributions	0	83,000	83,000	0	0	0	0
Walsworth Common Pitch Improvements	S106 Funding	0	5,000	5,000	0	0	0	0
Walsworth Common Pitch Improvements Total		0	103,000	103,000	0	0	0	0
Walsworth Common Reconstruction of Car Park	Capital Receipt	0	30,000	30,000	0	0	0	0
Walsworth Common Reconstruction of Car Park Total		0	30,000	30,000	0	0	0	0
Waste and Street Cleansing Vehicles	Drawdown of cash investments	0	3,600,000	3,600,000	0	0	0	0
Waste and Street Cleansing Vehicles Total		0	3,600,000	3,600,000	0	0	0	0
Grand Total		9,483,700	18,154,800	15,857,100	-2,297,700	1,977,600	680,000	567,000
	Summary							
	Capital Receipt	1,436,700	5,356,200	3,803,200	-1,553,000	1,977,600	393,000	567,000
	Government Grant	704,900	1,508,000	1,063,000	-445,000	0	0	0
	Revenue Contribution / Borrowing	0	540,400	0	-540,400	0	0	0
	Other Capital Contributions	480,900	163,000	383,100	220,100	0	250,000	0
	S106 Funding	471,000	355,600	355,600	0	0	37,000	0
	Drawdown of cash investments	6,390,200	10,231,600	10,252,200	20,600	0	0	0
		9,483,700	18,154,800	15,857,100	-2,297,700	1,977,600	680,000	567,000

CABINET
31 JULY 2018

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: FIRST QUARTER REVENUE MONITORING 2018/19

REPORT OF: SERVICE DIRECTOR - RESOURCES
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 financial year 2018/19, as at the end of the first quarter. The forecast variance is a **£30k increase** on the net working budget of £15.178m for 2018/19, with an ongoing impact in future years of **£55k decrease**. There are a number of significant variances within these totals, 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 2017/18 (paragraph 8.4)
- performance against the four key corporate 'financial health' indicators (para 8.5)
- the overall forecast funding position for the Council and factors that may affect this (paras 8.6 – 8.13)

2. RECOMMENDATIONS

- 2.1 That Cabinet note this report.
- 2.2 That Cabinet approves the changes to the 2018/19 General Fund budget, as identified in table 3 and paragraph 8.2, a £30k increase in net expenditure.
- 2.3 That Cabinet notes the changes to the 2019/20 General Fund budget, as identified in table 3 and paragraph 8.2, a £55k decrease in net expenditure. These will be incorporated in the draft revenue budget for 2019/20.
- 2.4 That Cabinet notes the proposal, as outlined in paragraph 8.3, to recruit two additional officers to embed the principles of commercialisation and develop commercial activity across the authority and approves the required adjustments within the overall budgetary framework to the 2018/19 budget.

3. REASONS FOR RECOMMENDATIONS

- 3.1 Members are able to monitor, make adjustments within the overall budgetary framework and request appropriate action of Services who do not meet the budget targets set as part of the Corporate Business Planning process.

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 5th June 2018.

7. BACKGROUND

- 7.1 Council approved the revenue budget in February 2018 of £14.747 million. As at quarter 1 the working budget has increased to £15.178 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 2018/19	14,747
Quarter 3 2017/18 Revenue Monitoring report - 2018/19 budget changes approved by Cabinet (March 2018)	85
2017/18 Revenue Outturn Report - 2017/18 budget changes approved by Cabinet (June 2018)	346
Current Working Budget	15,178

- 7.2 Following the restructure of senior management, effective from 1st June 2018, the Council is now managed under Service Directorates. Table 2 below confirms the current net direct resource allocation of each Service Directorate in 2018/19.

Table 2 – Service Directorate Budget Allocations

	Current Net Direct Working Budget
Service Directorate	£k
Chief Executive	1,479
Commercialisation	(349)
Customers	3,588
Legal & Community	2,101
Place	4,645
Regulatory Services	1,253
Resources	2,461
TOTAL	15,178

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 3 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 if there is expected to be an impact on next year's (2019/20) budget:

Table 3 - Summary of forecast variances

Budget Area	Working Budget £k	Forecast £k	Variance £k	Reason for difference	Estimated Impact on 2019/20 £k
Investment Interest Income	-167	-255	-88	Increase in forecast income is due to higher than planned cash balances available for investment at the start of the year following the re-profiling of the Capital Programme reported in the second half of 2017/18.	0
Hitchin Town Hall Community Facility Income	-134	-100	+34	Access to the Terrace Gallery and Café remains restricted while a resolution is sought to the ownership of 14 and 15 Brand Street, and therefore hinders operations at the Community Facility. The adverse impact of a further delay to the opening of the Museum and Gallery was identified as a financial risk for 2018/19.	0
Revenues and Benefits – Government Grant Income	-513	-474	+39	Notification received from Central Government of reductions to Housing Benefit administration grant (£29,300 reduction from 2017/18) and Council Tax administration grant (£9,600 reduction from 2017/18).	+39
Property Search Fees – Government Grant Income	0	-33	-33	NHDC has received the final allocation of new burdens monies from Central Government in respect of the national property search fee dispute.	0
Careline net direct trading surplus	-278	-239	+39	Deterioration in forecast net position is in part due to increased equipment maintenance costs, while a higher level of staff turnover has also meant greater than planned use of agency staff in quarter one.	0
District Election Costs	+90	+125	+35	The 2018 district election was a standalone election and covered a larger population than the average assumed in the original budget estimates, which meant printing and postage costs were higher than budgeted. In addition, ballots were held in Royston for both Parish Council and District elections, with additional staffing resource therefore required.	0
Processing of comingled recyclates	+251	+381	+130	China's decision to ban the import of certain categories of recycled materials from the start of the calendar year has ultimately led to a significant decline in the sale value of these materials. A fall in sale prices directly increases the processing unit cost charged to NHDC. An increase in the net cost of recycling due to changes in the sale price of commodities was identified as a financial risk for 2018/19.	+130

Budget Area	Working Budget £k	Forecast £k	Variance £k	Reason for difference	Estimated Impact on 2019/20 £k
Net income from the Garden Waste Collection Service	-197	-427	-230	The original estimate was based on the results of the public consultation, which indicated a 26% take up. The service has however been more popular than the consultation suggested, with currently over 50% of households registered for the service.	-235
Planning Control – Legal Fees	1	80	+79	NHDC lost an appeal in quarter one against a planning committee decision to refuse permission (against officer recommendation) for an application for housing in Whitwell. The appellant was also successful with a costs award application and compensation costs have now been agreed. Costs incurred associated with an appeal against a planning decision were identified as a financial risk for 2018/19.	0
Total of explained variances	-947	-942	+5		-66
Other minor balances	16,758	16,744	25		11
Overall Total	17,178	17,208	+30		-55

8.2 Cabinet are asked to approve the differences highlighted in the table above (a £30k increase in spend), as an adjustment to the working budget (recommendation 2.2). Cabinet are asked to note the estimated impact on the 2019/20 budget (a £55k increase in budget) which will be incorporated in to the 2019/20 budget setting process (recommendation 2.3).

8.3 Following the restructure of senior management and the appointment of the Service Director - Commercialisation, it is proposed to recruit two additional officers to the Commercial Support Team within the Commercialisation Service Directorate. The new posts will lead on the development of a housing investment company and explore new commercial opportunities, while also mapping out, supporting and developing internal services to increase commercial capacity. It is estimated that additional annual resource up to a maximum of £125k is required to meet the cost of the new positions; with maximum additional expenditure in 2018/19 of half this amount (£62.5k) should the recruitment process be successful. The Council's Senior Management Team recommended that the cost of the first two years of these posts should be funded from the Special reserve. The Special reserve is an earmarked reserve with a current balance of £1.7million that has been maintained for purposes which include the resourcing of transformational change projects. It is then expected that the ongoing costs of the two new roles (beyond the initial two year period) will be funded from additional income generated from projects undertaken. Cabinet are asked to note this proposal and approve the requisite changes to the 2018/19 working budget (recommendation 2.4). The impact on 2019/20 and beyond will be incorporated into the 2019/20 budget setting process.

- 8.4 The original approved budget for 2018/19 (and therefore working budget) included efficiencies totalling £2,706k, which were agreed by Council in February 2018. Any under or over delivery of efficiencies will be picked up by any budget variances (table 3 above). However there can be off-setting variances which mean that 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 £229k. This relates to:
- Net income from Garden Waste charging; -£235k, as highlighted and explained in table 3 above.
 - Paperless reporting; +£6k, included within other minor balances total in table 3. The forecast £6k underachievement of the estimated £14k efficiency is due to the printing of meeting papers and agendas, with secure delivery to Members, continuing until January 2019.
- 8.5 The working budget for 2018/19 includes budgets totalling £515k 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 2017/18 but was delayed into 2018/19. At quarter one, it is forecast that all carry forward budgets will be spent in 2018/19.
- 8.6 There are 4 key corporate 'financial health' indicators identified in relation to key sources of income for the Council. Table 4 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 three of the indicators are green and one is amber.
- 8.7 The reason for the amber status for car parking fees income is that the original budget includes the additional £100k of income anticipated from the outcomes of the Strategic Parking Review. Whilst the income budget may still be achieved from an increase in parking activity over the year, at the end of quarter one no additional income raising measures have been implemented and hence there is a risk that the budgeted level of income may not be met.

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	(940)	(224)	(940)	0
Land Charges	Green	(174)	(42)	(174)	0
Car Parking Fees	Amber	(1,906)	(403)	(1,906)	0
Parking Penalty Charge Notices	Green	(532)	(102)	(532)	0

FUNDING, RISK AND GENERAL FUND BALANCE

- 8.8 The Council's revenue budget is funded from the following main sources; Council Tax, New Homes Bonus and Retained Business Rates. The Council was notified by Central Government in February 2018 of the amount of New Homes Bonus it could expect to receive in 2018/19 and planned accordingly.
- 8.9 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. At the end of 2017/18 there was surplus on our share of Council Tax of approximately £260k and a deficit on Business Rates of around £650k. In respect of business rates, where a deficit is declared to Central Government (actual business rates income collected is lower than originally anticipated) NHDC is required to make a corresponding additional contribution to the Business Rates Collection Fund in the following year.
- 8.10 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. In 2017/18 this levy amount was £685k. In 2018/19 however NHDC is a member of the re-formed Hertfordshire Business Rates Pool, with the expectation that this should reduce the levy amount required. The original estimate prepared by Hertfordshire County Council, calculated around the time the pooling application was submitted to Central Government, indicated that NHDC would benefit from a pooling gain (in the form of a reduced levy amount payable) of approximately £400k. An updated estimate will be provided at Q2.
- 8.11 Central Government have implemented a number of reliefs to reduce the burden of business rates and therefore promote business growth. The Council receives compensation for these reliefs in the form of a grant, which goes in to our funds rather than the Collection Fund. In 2018/19 NHDC expects to receive grant totalling £1.435m. This amount is held in an earmarked reserve and will be used to fund the additional contribution required to the Business Rates Collection Fund (following the deficit recorded for 2017/18) and the Business Rates levy amount payable for 2018/19.
- 8.12 The projection of the level of business rates income retained by the Council in 2018/19 at the start of the year was based on the Council's business rates funding baseline need, as published annually by central government in the Local Government Finance Settlement. The baseline need is approximately the minimum that the Council can expect to retain from the total of business rates collected. At quarter one this forecast has been updated to reflect the Council's estimate of business rates income in 2018/19 with the result being an increase of £222k in the funding expectation.

8.13 Table 5 below summarises the impact on the general fund of the position at quarter one detailed in this report.

Table 5 – General Fund impact

	Working Budget £k	Q1 Projected Outturn £k	Difference £k
Brought Forward balance (1st April 2018)	(7,403)	(7,403)	-
Projected Net Spend	15,178	15,208	30
Funding (Council Tax, Business Rates, RSG)	(14,823)	(15,045)	(222)
Contribution to Collection Fund	0	656	656
Funding from Business Rate Relief Grant Earmarked Reserve	0	(656)	(656)
Carried Forward balance (31st March 2019)	(7,048)	(7,240)	(192)

8.14 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 £1,424k, and by the end of quarter one a total of £243k have come to fruition. The three identified risks realised in the first quarter relate to;

- Lower than anticipated income from Hitchin Town Hall due to the delay to the opening of the North Herts Museum and Cafe (as detailed in table 3). £34k
- Increase in the net cost of recycling services following adverse movement in market prices (as detailed in table 3). £130k
- Legal costs award after successful appeal against a planning application decision (as detailed in table 3). £79k

Table 6 – Known financial risks

	£'000
Original allowance for known financial risks	1,424
Known financial risks realised in quarter 1	(243)
Allowance for known financial risks remaining	1,181

- 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*". The Council is under a duty to maintain a balanced budget and to maintain a prudent level of reserves.

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.

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**CABINET
31 JULY 2018**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: MEDIUM TERM FINANCIAL STRATEGY 2019 TO 2024

REPORT OF: SERVICE DIRECTOR- RESOURCES

EXECUTIVE MEMBER: COUNCILLOR JULIAN CUNNINGHAM

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

1. EXECUTIVE SUMMARY

1.1 This report recommends the Medium Term Financial Strategy (MTFS) for 2019/24 to guide and inform the Corporate Business Planning Process. The updated version of the Strategy reflects any expected changes in funding alongside decisions taken by the Council during 2017/18. This is used to model the budget for the next five years and therefore highlight additional decisions that will need to be taken. It also reflects the significant uncertainty over funding in future years and highlights the need to be able to react to any changes.

2. RECOMMENDATIONS

2.1 That Cabinet recommends to Full Council the adoption of the Medium Term Financial Strategy 2019-24 as attached at Appendix A.

3. REASONS FOR RECOMMENDATIONS

3.1 Adoption of a MTFS and communication of its contents will assist in the process of forward planning the use of Council resources and in budget setting for 2019/2020 to 2023/2024, culminating in the setting of the Council Tax precept for 2019/20 in February 2019.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 None.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1 No external consultation has been undertaken in the preparation of this report.

- 5.2 Members will be aware that consultation is an integral part of the Corporate Business Planning process, and consultation on the individual actions and projects planned to support the Objectives will be carried out in accordance with the Corporate Business Planning Timetable and the Council's Consultation Strategy.
- 5.3 As in previous years, Member workshops will be held in regard to corporate business planning proposals, in addition to seeking the views of the Finance Audit and Risk Committee, the North Hertfordshire Partnership (LSP), parish, town and community councils, panel of residents, statutory partners and business ratepayers views as appropriate

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 5th June 2018.

7. BACKGROUND

- 7.1 Before considering the detailed budget position for the authority, the Corporate Business Planning Process requires that the Council's high level objectives are determined.
- 7.2 The Council's budget and its objectives are inextricably linked. There is no point in having a service or key project that cannot be funded and no point in spending limited resources (including staff resources) if they are not achieving the objectives that have been set. This aligns the agreed Policy of the Council with the finances which will deliver it.
- 7.3 The Corporate Plan, proposed for adoption in this same committee cycle, informs the opportunities and risks facing the district, and also identifies the things the Council will do to ensure that it is being delivered.

8. RELEVANT CONSIDERATIONS

- 8.1 The Medium Term Financial Strategy attached as Appendix A details the forecast impact of reducing resources, and quantifies what the Council will need to do to balance its budget in the medium term. It also reflects the significant uncertainty over a number of our funding sources in future years and therefore highlights the need to be able to react to any changes.
- 8.2 Subject to Cabinet's consideration, the MTFS at appendix A will be referred to Council for adoption on 6th September 2018.

9. LEGAL IMPLICATIONS

- 9.1 Cabinet's terms of reference include at 5.6.35 the power, by recommendation "to advise the Council in the formulation of those policies within the Council's terms of reference". Council's terms of reference include at 4.4.1(b) "approving or adopting the budget". The MTFS is part of the budget setting process.

- 9.2 The purpose of the report is to outline a medium term financial management strategy for 2019 to 2024. The attached MTFs will assist the Council in making sustainable decisions by providing a framework within which those decisions may be taken.
- 9.3 Councillors are reminded of the requirement, under section 30 of the Local Government Finance Act 1992, to set a balanced budget prior to the commencement of the financial year in question; and also that the Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of estimates and the adequacy of reserves allowed for in the budget.

10. FINANCIAL IMPLICATIONS

- 10.1 All financial implications are covered in Appendix A.

11. RISK IMPLICATIONS

- 11.1 The key risks within the budget assumptions are referred to in Appendix A. Section 2.14 of Appendix A highlights some of the impacts of what would happen if there were changes in the assumptions made.
- 11.2 There are financial and reputational risks involved in arriving at a balanced budget against the uncertainty surrounding levels of government funding. We seek to mitigate the risks by scenario planning, use of the established corporate business planning process and early involvement of members and key stakeholders. The Council has a Corporate Risk of "Managing the Council's Finances". This is monitored by the Finance Audit and Risk Committee. Having an MTFs is a key mitigation to this risk.

12. EQUALITIES IMPLICATIONS

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

13. SOCIAL VALUE IMPLICATIONS

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

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 Section 2.5 of Appendix A details the forecasts of pay growth over the period of the MTFs. The ability of the Council to employ the people it needs to deliver services will be significantly impacted by not providing a competitive remuneration package.
- 14.2 The delivery of projects to deliver council objectives depends on having adequate people resources with the requisite skills as set out in paragraph 7.2.

15. APPENDICES

15.1 Appendix A – Medium Term Financial Strategy 2019-2024.

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NORTH HERTFORDSHIRE DISTRICT COUNCIL

MEDIUM TERM FINANCIAL STRATEGY

2019-2024

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1.0 Introduction

- 1.1 The Medium Term Financial Strategy (MTFS), the Council's key financial planning document, is an integral part of the Council's Corporate Business Planning process. The Council operates a system of priority led budgeting, with those district priorities set out in the "Corporate Plan" policy document. The MTFS then sets out how the financial management process will contribute to delivering those priorities and sets out a clear framework for our financial decision making. The strategy is updated annually. We fully expect that it will change over time to reflect new opportunities and policy decisions.
- 1.2 The MTFS includes a forward look over the next five years to assess the spending pressures the Council is likely to face and the level of cost reductions or income generation that will need to be made to allow us to achieve our legal duty to set a balanced budget each year. The Council has intentionally increased the level of its general fund reserves. The intention is that they can be used to soften the impact of expected (although currently unknown) future funding reductions. There will still be a need for the Council to review what services it delivers and how, but this approach does give more time to plan the impact of these changes.
- 1.3 The Council is required to retain a certain level of reserves. This is to provide protection against both known and unknown risks. This includes being able to react to changes in demand and any emergencies that may arise. The higher balance also reflects that the risks faced by the Council are higher, as it becomes more reliant on delivering efficiencies, generating income and undertaking more commercial activities.
- 1.4 The current national political climate means that there is significant uncertainty within the MTFS and therefore it will be kept under review until the budget for 2019/20 is agreed at Council in February. Even once the MTFS is agreed by Council, it is still just a plan, and therefore it will be monitored throughout the year and amended to reflect updated information. The budget monitoring reports (revenue and capital) that are provided to Finance, Audit and Risk Committee and Cabinet are a key component of this.

2.0 The current picture

- 2.1 The 2018-23 MTFS set the following budgets for four years:

£000	2018/19	2019/20	2020/21	2021/22
Net revenue expenditure	15,513	15,534	15,127	14,896
Estimated Funding	15,235	14,873	14,108	14,641
Use of reserves	754	1,525	595	(56)
General Fund brought forward	6,407	5,653	4,128	3,534
General Fund carried forward	5,653	4,128	3,534	3,590
Assumed savings and income efficiencies to be delivered (cumulative)	250	750	1,500	2,250

- 2.2 Whilst the MTFS is for a five year period, detailed forecasts were only provided for a four year period. This reflected the substantial uncertainty over future funding levels and that the Council should aim to balance its funding within the four year period.
- 2.3 The final position at the end of 2017/18 was a General Fund Balance that was higher (£7.403 million) than estimated above. This was due to underspends against budget and higher than forecast income from Business Rates. Some of the underspends have been requested to be carried forward, which increases the forecast spend in 2018/19.

- 2.4 To refresh the MTFS for the period 2019-24 it is necessary to consider any changes that need to be made to funding expectations and expenditure forecasts. Annex 1 provides further details of some of these assumptions. The following paragraphs detail the relevant changes.
- 2.5 Last year's MTFS included an allowance for pay inflation of 3% in 2018/19 and 2019/20, followed by a 2% increase in each year thereafter. A pay award for Officers and Chief Officers has now been agreed covering 2018/19 and 2019/20. This will provide a general increase of 2%, with higher increases for those at the bottom end of the pay scales to reflect the increases in the National Living Wage. The amounts budgeted for 2018/19 and 2019/20 (including the ongoing impact) will therefore be adjusted to reflect the pay award. The assumption for 2020/21 onwards will be based on a 2% average increase. However this is likely to have a very limited impact on the previously identified pay differentials, and have no impact when compared with other Local Authorities. A more fundamental review of our pay scales could be carried out, but is likely to be a significant cost pressure. This will need to be kept under review in the context of our ability to recruit to vacant posts.
- 2.6 The Council submitted a 4-year sustainability (also known as efficiency) plan in September 2016. This provided certainty over the level of Revenue Support Grant (RSG) that the Council will receive up to 2019/20. This includes an additional Business Rate tariff (known as Negative RSG) from 2019/20 of over £1 million. Whilst there was a commitment in December 2017 that the Ministry for Housing, Communities and Local Government (MHCLG) would look at "fair and affordable" options for dealing with negative RSG. There was supposed to be a consultation in spring 2018 which has not happened and there have been no other subsequent announcements. Therefore the Council continues to work on the assumption that it will have to pay a negative RSG (or an equivalent reduction in funding) from 2019/20 onwards.
- 2.7 In December it was also announced that a fair funding formula and 100% business rates retention would be implemented from 2020/21. A new funding formula would allow a different targeting of resources, such as more money for social care. Business rates retention relates to retention within Local Government overall and not to the area where it is collected. Although there may be the opportunity for Authorities to retain a greater share of any growth in Business Rates. The intention was that 100% retention would be accompanied by a transfer of responsibilities to Local Authorities so that the impact was cost neutral (i.e. it would not provide any additional money for Local Government). There has been lobbying to make the case that at least some of the funding should provide additional resources, without accompanying additional responsibilities. There has also been rejection of some of the proposed additional responsibilities on the basis that future spending obligations would not be matched by increases in Business Rates. It is therefore looking like 100% retention will be replaced with 75% retention. Overall there is very little information to base future funding estimates on. There is likely to be some damping to reduce the initial shock of any change, but the intention is that this will be unwound quite quickly. Whilst funding estimates are provided over a 4 year period, there is increasing uncertainty for 2020/21 and beyond. The aim of the MTFS should therefore be to: balance funding and expenditure within 3 years based on current assumptions, maintain General Fund balances to provide more time to react to changes and generate ideas for efficiencies, income generation and service reductions that can be implemented as required.
- 2.8 Current estimates of Business Rates are based on what Central Government determine to be the Council's baseline need, which is a prudent assumption. The Council does get to retain some growth in Business Rates and the estimates could be changed to reflect this. However any growth is quite uncertain and could be affected by collection rates, revaluations and appeals. Therefore the baseline need figures are used.

- 2.9 A further announcement in December (by the MHCLG) was an increase in the amount that Council Tax can be increased by without the requirement for a local referendum. To reflect increases in inflation (for 2018/19 and 2019/20) Council Tax can be raised by the higher of (up to) 3% or £5 for a Band D property (with other properties pro rata to this). It is assumed that for 2020/21 onwards the allowable increases (without the need for a local referendum) will revert back to the higher of (up to) 2% or £5 for a band D property. The MTFS assumes that the Council will continue to raise Council Tax by as much as it is allowed to without triggering a local referendum. This will be 2.99% in 2019/20 and then £5 (band D) in each year thereafter. Last year's MTFS assumed a 1% growth in the Council Tax base (i.e. number of Band D equivalent properties paying Council Tax), which was an increase from the assumed 0.5% in previous years. Actual growth in the Council Tax base in recent years has generally been at least 1% per year and is expected that this level of growth will continue going forward and therefore the growth is assumed to be 1% per year.
- 2.10 There were significant changes to New Homes Bonus (NHB) funding announced in December 2016. As expected this reduced the period over which the Bonus is paid. However it also introduced a baseline percentage of 0.4%, which meant that only growth above that level in each year would receive the bonus. For example, in 2018/19 the baseline was set at 0.4% of 57,288 properties = 230. So the Council did not receive a bonus for the first 230 properties, and therefore received a bonus based on 153 homes rather than 383. The bonus is funded from a fixed pot that has been top-sliced from the overall resources for funding Local Government. There is the scope for the baseline percentage to be adjusted in future years. The expectation is that it is only likely to increase e.g. to reallocate funding for specific services (such as social care) or to maintain the affordability within the overall fixed pot. This further reduces the funding the Council receives. Forecasts of housing growth in the District from show a significant increase. As the overall pot is fixed, the Council should only expect a significant increase if the growth was exceptional. This is unlikely to be the case, so the forecast in 2021/22 and 2022/23 is assumed to be the same as in 2020/21. Without any further information, the 0.4% is used as a baseline in each year. The above is on the assumption that the Local Plan is adopted. If it is not adopted then housing growth is likely to be lower and it is also possible that the Bonus could be withdrawn.
- 2.11 During 2017/18 there were substantial savings identified, particularly in relation to the retendered waste contract. This has significantly reduced the value of the savings or income generation that still need to be identified.

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

£000	2019/20	2020/21	2021/22	2022/23
Net expenditure brought forward	14,549	14,496	14,812	15,085
Ongoing base budget adjustments, including previously identified savings	(663)	(29)	(84)	90
Additional savings or income generation to be identified*	(100)	(200)	(200)	(200)
Pay inflation and increments	448	250	250	250
Contractual inflation	444	420	430	430
Income inflation	(332)	(275)	(273)	(298)
Pension scheme contribution increases	0	0	0	0
Investment budget	150	150	150	150
Net Expenditure- to be funded from taxation and general grants	14,496	14,812	15,085	15,507
Council Tax	(11,417)	(11,781)	(12,152)	(12,529)
Revenue Support Grant	0	0	0	0
Business Rates- including tariff adjustment	(1,609)	(1,658)	(1,708)	(1,759)
New Homes Bonus	(1,119)	(1,252)	(1,252)	(1,252)
Other	24	24	24	24
Council Tax Collection Fund surplus	(260)			
Net funding position (use of reserves)	115	145	(3)	(9)
Reserve balance b/f	7,240	7,125	6,980	6,983
Reserve balance c/f	7,125	6,980	6,983	6,992

* These amounts are not cumulative. The total additional annual savings that need to be delivered by 2022/23 are £700k.

2.13 A minimum General Fund balance of around £2.2 million was calculated in setting the 2018/19 budget for the purpose of protecting the Council against known and unknown financial risks. The Council is required to consider and maintain a minimum General Fund balance, as part of prudent budget planning. This minimum balance is partly based on the net budget of the Council. As the Council becomes more focused on income generation this will mean that the net budget is maintained at a similar level but both gross expenditure and gross income are higher, which brings with it greater risk. It is therefore reasonable to have a position where the General Fund balance is planned to be significantly above the minimum. As mentioned previously, the balance can also be used to provide a cushion against future expected funding reductions.

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

	Additional use of reserves over 4 years (£000)
Council tax base growth at 0.5% per year (rather than 1%)	600
Council Tax increases at 1.99% rather than 2.99% (2019/20) and £5 (thereafter)	575
Additional 1% pay inflation per year	500
New Homes Baseline at 0.5% (rather than 0.4%)	765

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

3.0 Next Steps- Bridging the Gap

3.1 Corporate Business planning will need to be undertaken to identify how the required savings and income efficiencies will be delivered.

3.2 The roles and responsibilities of Councillors, Officers and the Senior Management Team are detailed in Annex 2. In summary the actions that will be required are:

- Officers (including the Senior Management Team) will continue to review current models of service delivery, and put forward proposals as to potential changes and the savings that could be achieved. Options may include:
 - Up-front (capital) investment to enable change
 - Working with others e.g. joint provision, joint procurement
 - Challenging the extent to which they deliver Corporate Priorities
 - Determine what non-statutory services are being provided (including services that exceed the statutory level of provision) and ensure that there is a case for continued delivery
 - Review of the capital programme
- There will be an increased focus on Commercialisation. This could include generating revenue income from capital investment, selling existing services on a more commercial basis or developing new services that are income generating. These options are likely to involve a lag between investment and savings generation.
- Councillors will be required decide on whether to take forward the options presented.
- The Service Director- Resources will monitor the assumptions made in funding and expenditure levels. When there is information that these will change, the MTFS will be updated and the implications presented back to Cabinet.

ANNEX 1 Budget Assumptions and Policies

Key Budget Assumptions

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

- Investment income is based on cashflow projections and a 1% return. This is significantly affected by the timing of expenditure in the capital programme.
- New Homes Bonus (NHB) will be awarded for 4 years from 2018/19. A 0.4% baseline (dead-weight) has been assumed. The split between District and County is assumed to remain at 80:20. It is assumed that the Council will have a Local Plan which will allow it to continue to receive NHB. The number of new homes per year is based on prudent estimates and could be higher. However it is assumed that there will not be any growth in the NHB received as it is funded from a fixed overall pot.
- The majority of the New Homes Bonus is used to continue the delivery of services in the face of other government funding reductions and is built into the base budget. Given the high uncertainty over this funding, it would be better if it was not used for core budgets, but it is appreciated that this is not currently feasible.
- Contract inflation in accordance with the individual contract terms.
- Pay inflation at 2.68% in 2019/20 (to reflect 2% pay award and additional allocation for lower grades to reflect National Living Wage increases), and an average of 2 % each year thereafter.
- Pension fund contributions do not include the assumption of making a capitalised lump sum payment, as permission was declined by Department for Communities and Local Government (now Ministry for Housing, Communities and Local Government).
- No allowance is made for general inflation on remaining expenditure. Although after allowing for salary and contractual inflation, the remaining amount is insignificant.
- Discretionary fees and charges income will be increased by CPI at November, plus 2%. This will be where it is legally possible and subject to a market impact assessment.
- The overall Council tax base figure will rise by 1% per annum.
- Council tax precept will be increased by the maximum amount allowed without the need for a local referendum.
- An assumed 99% collection rate for the purposes of calculating the Council tax base.
- An assumed 97% collection rate for Business Rates
- The minimum General Fund balance will be maintained at 5% of net expenditure plus an allowance for known financial risks.
- Any future changes to the local Council Tax Reduction Scheme will aim to have a cost neutral impact.
- The current assumption is that payments from Hertfordshire County Council as part of the Alternative Financial Model (AFM) for waste will continue. Pressures in relation to waste growth and cost of disposal may affect this in the future.
- A vacancy factor set at approximately 2.5% of salary budget to yield in the region of £300k is included in the base budget in each year.
- The Council will not subsidise areas which are the responsibility of another precepting body other than through a one-off match-funding arrangement where this is in the interests of the local Council tax payers.
- All assumptions are subject to further refinement during the budget process as more certain information becomes available.

Income Policy

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

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

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

Reviewing service provision

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

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

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

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

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

Risks and General Fund Level

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

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

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

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

Use of Capital

The Council still has had fairly significant capital balances, but it is expected that they will be diminished during the life of the MTFS. This will mean that future capital expenditure will need to be funded from new capital receipts (generated from sales of land and buildings) or from borrowing. It needs to be recognised that the supply of surplus land with development potential is reducing and therefore the opportunity for future capital receipts is limited. When the Council needs to borrow then it needs to ensure that it is affordable, prudent and sustainable (Prudential Code for Capital Finance in Local Authorities, 2017). The affordable criteria relates to the revenue impact of borrowing, which is made up of interest charges and a Minimum Revenue Provision (MRP). These costs can be significant.

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

- Is it necessary for continued service provision? What would the impact on the service be? Is the service statutory or does it deliver the Council’s vision or high level objectives?
- If it is for investment, what return does it provide? Does it still provide a positive return if it was necessary to borrow money to fund the project (including MRP)? What is the level of risk in the expected returns?

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

ANNEX 2 Roles and Responsibilities

The role of Councillors in this process is to:

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

The role of all Officers is to:

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

The Senior Management Team is led by the Chief Executive. The group:

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

CABINET
31 July 2018

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: AMENDMENT TO PERFORMANCE MANAGEMENT MEASURES FOR 2018/19

REPORT OF THE SERVICE DIRECTOR - RESOURCES

LEADER OF THE COUNCIL

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

1. EXECUTIVE SUMMARY

1.1 To make a change to the agreed Performance Indicators to be monitored throughout 2018/19 by Overview & Scrutiny, through the deletion of LI037 (% of Customers satisfied with some of the services provided by the Housing & Public Protection Service), as the Service no longer exists.

2. RECOMMENDATIONS

2.1 That Cabinet approves the deletion of performance indicator LI037, and its associated targets.

3. REASONS FOR RECOMMENDATIONS

3.1 The recent restructure has meant that the Performance Indicator in its current format covers functions relating to more than one directorate. An historic lack of responses to the survey as a paper based exercise allows the opportunity to refresh and improve the way that this data is collected and reported.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 None considered.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 The Service Directors for the Regulatory Directorate and the Legal and Community Directorate are both in agreement with the approach, given the HPPS service no longer exists and any future proposals as to replacement performance indicators shall be discussed with the relevant Executive Members in the first instance prior to the report to Cabinet.

6. FORWARD PLAN

- 6.1 The proposed deletion of L1037 (which is as of a consequence of the approved restructure) is not a key decision as defined under Regulation 8 of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 and has therefore not been notified on the Forward Plan.

7. BACKGROUND

- 7.1 As part of the Corporate Business Planning Process, the performance measures to be collected and monitored by Overview & Scrutiny for the 1819 year were reviewed and approved by Cabinet in March 2018.
- 7.2 The first quarterly report on these performance indicators is due to be reported to Overview & Scrutiny in September 2018.
- 7.3 One of the PI's due to be reported to Members in 2018/19, (L1037) relates to the previous Housing & Public Protection Service, and concerns a general customer satisfaction survey measure for some of the Environmental Health, Housing, Community Safety and Licensing Functions. The recent restructure means responsibility for the PI now falls under two separate Directorates, the Regulatory and the Legal & Community Directorates.
- 7.4 The current survey method to assess the percentage of customer satisfaction involves the use of paper surveys and pre-paid return envelopes. It is time consuming to administer and achieves only a very low number of responses. In 2017/18 only 77 responses were received out of the 336 surveys sent out. In addition, the Officer who previously organised the survey, now reports to another Director and it will no longer appropriate for this to be collected and analysed in this way.
- 7.5 It is proposed that this indicator be deleted in its current form. The Corporate restructure will allow the Directors to refresh and improve the approach to measuring customer satisfaction with the Service, utilising up to date online methods. Note that once removed this will no longer be monitored and reported throughout 2018/19 by Overview & Scrutiny Committee.

8. LEGAL IMPLICATIONS

8.1 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 (5.6.1); and
- oversee the provision of all the Council's services (5.6.15).

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

9. FINANCIAL IMPLICATIONS

9.1 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

10. RISK IMPLICATIONS

10.1 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.

11. EQUALITIES IMPLICATIONS

11.1 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.

11.2 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.

12. SOCIAL VALUE IMPLICATIONS

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

13. HUMAN RESOURCE IMPLICATIONS

13.1 There are no additional human resource implications. The report seeks to cease a resource intensive data collection method in favour of a more responsive automated method.

¹ 5.6.1 & 5.6.15 Constitution 09.04.14
(Cabinet 31.07.2018))

14. APPENDICES

None.

15. CONTACT OFFICERS

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16. BACKGROUND PAPERS

16.1 None.