

Public Document Pack

24 August 2018

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To: The Chairman and Members of North Hertfordshire District Council

You are invited to attend a

MEETING OF THE COUNCIL

to be held in the

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

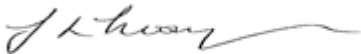
on

THURSDAY, 6 SEPTEMBER 2018

at

7.30 PM

Yours sincerely,



Jeanette Thompson
Service Director – Legal and Community

Agenda **Part I**

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1. APOLOGIES FOR ABSENCE	
2. MINUTES - 18 JULY 2018 To take as read and approve as a true record the minutes of the meeting of this Committee held on the 18 July 2018.	1 - 18
3. NOTIFICATION OF OTHER BUSINESS Members should notify the Council 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 and presentations from members of the public.	
6. ITEM REFERRED FROM CABINET: 31 JULY 2018 - CORPORATE PLAN 2019 TO 2024 AND CORPORATE OBJECTIVES FOR 2019 TO 2024 REPORT OF THE SENIOR POLICY OFFICER AND LEADER OF THE COUNCIL	19 - 36
7. ITEM REFERRED FROM CABINET: 31 JULY 2018 - MEDIUM TERM FINANCIAL STRATEGY 2019 TO 2024 REPORT OF THE SERVICE DIRECTOR - RESOURCES	37 - 52
8. REVIEW OF ALLOCATION OF SEATS AND APPOINTMENT OF MEMBERS TO COMMITTEES FOR REMAINDER OF 2018/2019 CIVIC YEAR REPORT OF THE SERVICE DIRECTOR - LEGAL AND COMMUNITY	53 - 56

9. **NOMINATION OF REPRESENTATIVES ON HITCHIN BID AND HITCHIN INITIATIVE 2018/19** 57 - 60
REPORT OF THE ACTING COMMITTEE & MEMBER SERVICES
MANAGER
10. **INQUORATE GRAVELEY PARISH COUNCIL - SECTION 91 LOCAL GOVERNMENT ACT 1972 ORDER** 61 - 66
REPORT OF THE SERVICE DIRECTOR - LEGAL AND COMMUNITY
11. **QUESTIONS FROM MEMBERS**
To consider any questions submitted by Members of the Council, in accordance with Standing Order 4.8.11 (b).
12. **NOTICE OF MOTIONS**
To consider any motions, due notice of which have been given in accordance with Standing Order 4.8.12.

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Agenda Item 2

NORTH HERTFORDSHIRE DISTRICT COUNCIL

MINUTES

Meeting of the Council held in the Council Chamber, Council Offices,
Gernon Road, Letchworth Garden City
on Wednesday, 18th July, 2018 at 7.30 pm

PRESENT: Councillors John Bishop (Chairman), Jean Green (Vice-Chairman), Ian Albert, Allen, Kate Aspinwall, Clare Billing, Brown, Val Bryant, Paul Clark, Sam Collins, Julian Cunningham, Bill Davidson, Steve Deakin-Davies, Elizabeth Dennis-Harburg, Sarah Dingley, Faye Frost, Nicola Harris, Cathryn Henry, Terry Hone, Mike Hughson, Tony Hunter, Steve Jarvis, David Levett, Bernard Lovewell, Ian Mantle, Jim McNally, Paul Marment, Ian Moody, Gerald Morris, Michael Muir, Lisa Nash, Lynda Needham, Sue Ngwala, Oliver, Mike Rice, Martin Stears-Handscomb, Claire Strong and Michael Weeks

IN ATTENDANCE: Jeanette Thompson (Service Director - Legal and Community), Ian Couper (Service Director - Resources) and Hilary Dineen (Acting Committee and Member Services Manager)

ALSO PRESENT:

At the commencement of the meeting approximately 4 members of the public, including 1 registered speaker.

20 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors David Barnard, Judi Billing, Gary Grindal, Simon Harwood, Ben Lewis, Janine Paterson, Deepak Sangha, Val Shanley and Terry Tyler.

21 MINUTES - 17 MAY 2018

It was moved by Councillor Lynda Needham, seconded by Councillor Julian Cunningham, and

RESOLVED: That, subject to Councillor Helen Oliver's name being corrected in the list of those present and the penultimate sentence of Minute 2 being amended to read "Councillor John Bishop then read and signed the Statutory Declaration of Acceptance of Office and the Chairman (Councillor Alan Millard) placed the chain of office upon him.", the Minutes of the meeting of the Council held on 17 May 2018 be approved as a true record and signed by the Chairman.

22 NOTIFICATION OF OTHER BUSINESS

No additional business was presented for consideration by the Council.

23 CHAIRMAN'S ANNOUNCEMENTS

(1) **Long Service Awards**

The Chairman paid tribute to Mark Scanes and Christina Corr, each of whom had each worked for the Council for 25 years or more as follows:

(i) Mark Scanes

25 years ago, Mark joined the Council as an Enforcement Officer in the then Legal and Administration Department. In 1990 he was “poached” by the Revenues and Benefits Service and joined as a Recovery Officer as part of an expanded Team to deal with the implementation of the Community Charge.

In 1992, Mark decided on a career change and became a management trainee, where, through his studies, he became an active member of the Institute of Revenues, Rating and Valuation where he served a term as Branch Chairman.

Mark’s next move was to become our Business Rates expert and he was heavily involved in the migration of the Rating system from the old mainframe platform to UNIX in 1998.

Mark’s organisational and management skills were put to good use in the lead up to the Transfer of the Council’s Housing Stock to North Hertfordshire Homes in 2003, when he carried out the role of Project Manager.

Having shown his aptitude for working with systems, Mark became Systems and Technical Manager in 2002 and as such he is responsible for the management of Revenues and Benefits application systems, including implementation of modules and upgrades, ensuring the system’s integrity and management of the annual billing process, which produces around 57,000 Council Tax Bills, and over 4,000 Business Rates Bills, with a combined collectable debit of over £140M and around 8,000 Benefit calculations.

Mark’s other main area of responsibility is the Income Management System, which administers all the Council’s incoming payments. Mark is also responsible for completing the department’s statutory returns, the most important of which is the annual Housing Benefit Subsidy Return, which is then subjected to intense scrutiny by external auditors.

Mark has been instrumental in developing multiple payment options for the Council’s customers, including payments using swipe cards, Debit and Credit Cards as well as promoting more traditional methods such as Direct Debit, where now the Council collects 80% of its Council Tax by Direct Debit, which has significantly reduced collection costs.

Mark is active at National User Groups, serving on the Northgate Revenues Product Group and he is Chairman of the CIVICA National and Strategic Working User Group.

Mark is a very active and valued member of the Team and his work over the years has significantly benefitted both customers and the Council.

(ii) Christina Corr

Christina began her career at NHDC on 11 September 1989 as a Benefit Assistant. Her progression to Benefits Assessor came within a few months.

As the Revenues and Benefits service merged Christina was asked to head Benefits Verification team. Christina lead the introduction of the software that allows Benefits Officers to access the Department of Work and Pension website to help speed up decision making on Housing Benefit applications

In 2001 Christina moved into the Systems and Technical Team as a Senior Technical Officer.

For many years Christina was the key lead officer in preparing the Housing Benefit Subsidy Claim and liaising with internal and external auditors to ensure its successful completion.

During this period Christina also became responsible for Housing and Council Tax Benefit (as it was known then) Appeals and become so proficient that she was seconded for two years to Broxbourne Borough Council to provide expert advice on Appeals.

Latterly Christina has been responsible for the Council's efforts to provide better joined-up working with the Department of Work and Pensions by taking responsibility for Single Housing Benefit Extract and Housing Benefit Debt Recoveries.

Christina is a valued member of the Team and her work over the years has benefitted both customers and the Council.

Councillor Lynda Needham stated that it was clear that both these members of staff worked in departments that had an excellent reputation within this Authority.

(2) Declarations of Interest

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.

It was moved by the Chairman, seconded by Councillor Lynda Needham and it was unanimously

RESOLVED: That the Council places on record its sincere thanks to Mark Scanes and Christina Corr for their long and valuable service to local government in North Hertfordshire.

24 PUBLIC PARTICIPATION

The Council was addressed by Mrs Kay Tart, Co-Founder of Hitchin Parents Against School Cuts.

Ms Tart thanked the Chairman for allowing her the opportunity to make this presentation.

She advised that Hitchin Parents Against School Cuts was a non-party political action group set up in response to the Government cuts to the education budget and stated:

We are parents of children at Purwell Primary school and we were first made aware of the detrimental effect of the decrease in funding in our local school when our Headteacher sent a letter home last year to let us know about the changes that we would notice as a result of this.

Following the recent publication of an article in the Comet in which secondary school Headteachers from Hitchin and North Hertfordshire had spoken out, concerned about the cuts and the need for action, we decided to establish this group to raise awareness of the serious effects of the funding cuts, and to express our concerns about the very real and current impact on school staff and children.

We formed our group just over four weeks ago and in the first two weeks, we gathered more than 1200 members in our Facebook group, a membership consisting of local parents, grandparents, carers and others in our community, including school staff.

Our group has the following aims:

1. To hold events to help spread awareness of the serious impact the funding cuts are having on our local schools.
2. To speak up in support of school staff and school leaders from schools in Hitchin, North Hertfordshire and across the country.
3. To generate support and involvement from parents, grandparents, carers, school leaders, teachers and support staff and anyone else who opposes the Government cuts to the education budget.
4. To advocate for the education budget to be restored, so that schools receive the funding they need to support every child.

We believe that parents are a powerful voice in the campaign against school funding cuts, and we stand in support of teachers, school leaders, our children and grandchildren and their schools.

We have been encouraged by the depth of feeling and the number of parents in our community who feel as we do about the effects of the Government cuts.

The support and interest in our group has developed rapidly, and our group grows daily.

As part of our united action, we have contacted all the headteachers in Hitchin, both primary and secondary, advertising a number of upcoming events, and inviting parents from their schools to get involved. The response has been very positive.

The first of these events was an Action Day with a market stall in Hitchin town square on Saturday 14th July, during which we spoke to members of the public to raise awareness and to build further support. We collected over 300 signatures on a petition asking our MP, Mr Bim Afolami, to bring this issue further up the political agenda and have since launched this petition online, where we expect it will gather many more signatures.

We are in the process of organising a schools' drive, and we have asked local schools for a list of items and resources that they are desperately short of so that we as a group can gather donations of these items as a way of supporting them.

We have invited all headteachers, school staff, parents and others in our town to an open meeting planned for the 3rd of October, to be held at Purwell School. We have extended the invitation to our MP, and he is aware of our group and the ways in which we are taking action. A large number of our group have already sent him emails and letters expressing our concerns, and several of our members were at the meeting Mr Afolami attended on Thursday, 5th July at The Priory School.

The government would like us to believe that our local schools are coping. They're not, and they need our help to raise awareness and gather further support. Head teachers have to make impossible decisions about where to spend their budgets. We were told by a school governor at our Action Day that the board of governors to which he belonged were working to save pennies on some items, so dire was the situation. We have also been told about local schools running out of resources like exercise books and glue sticks, which teachers have been providing out of their own salaries.

We feel very strongly that the current generation will not receive the education to which they are entitled if funding for state education does not improve. We were really pleased to hear that there would be a motion proposed this evening regarding education funding and hope that the council will support our group and campaign by lobbying the government, and by bringing this serious issue further up the funding agenda.

The Chairman thanked Ms Tart for her presentation.

25 ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE: 18 JUNE 2018 - FINANCE, AUDIT AND RISK COMMITTEE ANNUAL REPORT 2017/18

The Council considered the Minute of the meeting of the Finance, Audit and Risk Committee held on 18 June 2018, in respect of the Finance, Audit and Risk Committee Annual Report 2017/18. A copy of the report considered by the Finance, Audit and Risk Committee was included with the agenda.

The Chairman of the Finance, Audit and Risk Committee (Councillor Hone) presented the report.

He advised Members of the role of the Committee, which had statutory functions such as to approve the Council's Statement of Accounts and the Annual Governance Statement and the Committee has the opportunity to challenge the financial risks of the Authority.

He thanked the Members and Substitutes of the Committee for their participation in the work of the Committee.

The report included an extensive list of items that they had considered during the year demonstrating that their responsibilities were quite extensive, with some referrals made to Cabinet and onto Council.

It was moved by Councillor Hone, seconded by Councillor McNally and

RESOLVED: That the Annual Report of the Finance, Audit and Risk Committee 2017/18 be noted.

REASON FOR DECISION: To comply with the requirements of the Council's Constitution.

26 ITEM REFERRED FROM CABINET: 19 JUNE 2018 - RISK MANAGEMENT UPDATE AND ANNUAL REPORT ON RISK MANAGEMENT 2017/18

The Council considered the Minute of the meeting of the Cabinet held on 19 June 2018, in respect of the Risk Management Update and Annual Report on Risk Management 2017/18. A copy of the report considered by the Cabinet was included with the agenda, as were the following appendices:

Appendix A - Corporate Risks

Appendix B - Annual Report on Risk Management 2017-18

The Executive Member for Finance and IT (Councillor Cunningham) introduced the report. He advised that Council was being asked to approve the Risk and Opportunities management report for 2017/18 and drew attention to the following:

The Council had a long standing formal approach to the identification and management of Risk in our operations with the most recent iteration of this approach being the Risk and Opportunities Management Strategy 2017/2020. This strategy required an annual report to Council on the operation of the system.

All managers within the Council were responsible for the proper identification and management of the risks and opportunities relevant to their operations and the system was overseen by the Controls, Risk and Performance Manager and the Risk Management Group.

Reports on the operation of the system were received quarterly by the Finance, Audit and Risk Committee who referred changes and issues to Cabinet.

This report covered the following areas:

Section 3

Outlined changes to the major corporate risks during the year and the resultant actions taken.

Section 4

Highlighted the general approach to managing these risks.

Section 5

Covered the way in which the Council mitigated some of the risk through insurance and identified changes to the nature of our insurance during the year.

Section 6

Was an important section covering business continuity plans and was especially apposite during the year under review as the Council transferred its main operations from Town Lodge back to the DCO.

It was intended to update the resilience plan during the coming months now that this transfer was complete.

Section 7

Noted a couple of Health and Safety issues arising as part of the transfer of staff back to DCO that had since been addressed.

Sections 8 and 9

Considered the recommendations of SIAS as part of their review of the functioning of the service during 2016/17.

One of these, relating to the review of the structure of the Risk Management Group, remained outstanding, but would now be dealt with following the completion of the Senior Management Restructure.

Risk Management was critical to the effective management of any organisation and the Council had an effective Risk Management regime in place.

It was moved by Councillor Julian Cunningham, and seconded by Councillor Lynda Needham, that the recommendations contained in the report be approved.

Following debate, and upon being put to the vote, it was

RESOLVED: 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.

27 ITEM REFERRED FROM CABINET: 19 JUNE 2018 - REVENUE BUDGET OUTTURN 2017/18

The Council considered the Minute of the meeting of the Cabinet held on 19 June 2018, in respect of the Revenue Budget Outturn 2017/18. A copy of the report considered by the Cabinet was included with the agenda.

The Executive Member for Finance and IT (Councillor Cunningham) introduced the report.

He advised that Cabinet approved the decrease in the final budget for the year of £422,000.

Cabinet also agreed to an increase in the budget set for 2018/19 of £346,000, largely made up of items carried forward from last year together with some relatively small variances on the original budget estimates for the year.

He assured members that Cabinet was concerned always about carry forward requests as was the Finance, Audit and Risk Committee. Such requests were only authorised where Cabinet were satisfied that robust plans were in place to utilise the monies allocated.

The tables contained in the report were only those identified during the current reporting period and Table 1 on page 44 identified adjustments that had previously been agreed.

It was for Council to approve the transfer of £1.070m (net) to earmarked reserves and the major items contributing to this transfer were various government grants covering the payment of Housing and Council Tax reliefs and Homelessness. These were essentially funds that come and go through the reserve and the actual amounts held were largely down to timing differences between the time received and time paid out.

The only specific item was the £400,000 net increase in the Housing Planning Delivery Reserve. This was largely monies transferred from planning application fees received and was held against the costs of future work on the delivery of our local plan and dealing with appeals against planning decisions. Cabinet were of the view that it was necessary to build up this reserve as we go through the local plan process to ensure that we were best placed to facilitate actual delivery.

It was moved by Councillor Julian Cunningham, seconded by Councillor Lynda Needham, and following brief debate, and upon being put to the vote, it was

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

REASON FOR DECISION: To ensure that changes to the Council's balances are monitored and approved.

28 ITEM REFERRED FROM CABINET: 19 JUNE 2018 - ANNUAL TREASURY MANAGEMENT REVIEW 2017/18

The Council considered the Minute of the meeting of the Cabinet held on 19 June 2018, in respect of Annual Treasury Management Review. A copy of the report considered by the Cabinet was included with the agenda, as was the following appendix:

Appendix A - Annual Treasury Management Review 2017-18

The Executive Member for Finance and IT (Councillor Cunningham) introduced the report.

He advised that it was part of the governance regime laid down by CIPFA that the Council was required to adopt a Treasury Management Report each year and to regularly report to Council regarding the operation of the adopted code and this was the final report for 2017/18.

The main highlights of the report were set out in the executive summary.

He assured Members that steps had been taken to avoid the recurrence of the minor breaches identified at Paragraph 1.3 of the report.

Much of the report followed a defined format and was concerned with Council's borrowing requirement and debt position.

Other than some minor historic borrowing, the Council had no outside debts and was still in possession of capital that could be used to fund its activities, mainly from the transfer of the Council's housing stock and the sale of various assets over the years, hence there was a negative capital financing requirement.

The generality of the treasury operation was unchanged from previous years, with funds available being invest in banks and building societies and some amounts in other Local Authorities.

Rigorous steps were taken to ensure to check the credit worthiness of other local authorities.

These investments were also primarily short term, although the Council did have some funds invested for long periods.

Whilst this report was largely technical, as the Council's position changed and borrowing became more prevalent, the input into this report would be very different, as the Government had, along with CIPFA, introduced further requirements into this code

It was moved by Councillor Julian Cunningham, and seconded by Councillor Lynda Needham, that the recommendations contained in the report be approved.

Upon being put to the vote, it was

RESOLVED:

- (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.

29 COUNCIL CONSTITUTION (CONFIRMATION OF AMENDMENTS) & FURTHER MINOR PROPOSED CHANGES

The Council considered the report of the Service Director - Legal and Community and Monitoring Officer in respect of Council Constitution (Confirmation of Amendments) and Further Minor Proposed Changes. The following appendix was submitted with the report:

Appendix A – Delegated Decision 31 May 2018

The Leader of the Council (Councillor Needham) introduced the report.

She advised that this report followed on from the Annual Review report considered by Council on 10 April 2018.

It had been agreed that minor amendments associated with the Senior Management Restructure would be completed under delegated powers, since then further minor amendments were required, as detailed in Paragraph 8.3 of the report.

It was moved by Councillor Lynda Needham, and seconded by Councillor Julian Cunningham, that the recommendations contained in the report be approved.

Following brief debate, and upon being put to the vote, it was

RESOLVED:

- (1) That the amendments made under delegated decision (with the agreement of the Leader) that came into effect on 1 June 2018 (as per Appendix A) be noted;
- (2) That the further minor amendments at paragraph 8.3 of the report be agreed.

REASONS FOR RECOMMENDATIONS: To ensure the Council meets its statutory obligations and continues to improve its working practices.

30 QUESTIONS FROM MEMBERS

In accordance with Standing Order 4.8.11(b), five questions were submitted by Members by the deadline date for questions set out in the Council's Constitution.

In accordance with Standing Order 4.8.11(f) – Maximum Number of Questions:

“A Member may ask only one question under 4.8.11(b) or 4.8.11(c) except with the consent of the Chairman of the Council, committee or sub-committee. The maximum number of questions that may be asked at any meeting of the Full Council is three. If there are multiple parts, then each will be treated as an individual question for the purposes of this Rule and if the number of questions exceeds three the questions to be asked shall be determined by ballot to be conducted by the Proper Officer. Any outstanding questions unable to be asked should be addressed in writing to the Proper Officer for a written response to be provided to all Members.”

Accordingly, a ballot was conducted on 13 July 2018 and the three questions set out below were selected at random. In accordance with the Constitution, written answers will be provided to all Members in respect of the questions that were unsuccessful in the ballot.

(A) Waste Contract

In accordance with Standing Order 4.8.11(b), the following question had been submitted by Councillor Lisa Nash to Councillor Michael Weeks (Executive Member for Waste, Recycling and Environment):

“What does the Council plan to do after the 3 month start up period of the waste contract should the delivery of the contract still be unsatisfactory?”

Councillor Weeks replied that, after the three month start up period, Council would be enforcing the performance monitoring framework in the contract.

This would result in performance related deductions where the contractor failed to meet performance targets.

The Council would also explore enforcing contractual remedies outside the performance monitoring framework.

Officers would take advice and guidance from Legal Services, because it was important to ensure that the Council acted lawfully and secured the best outcomes for the District.

As with all contractual problems, the Council would evaluate all the options, and this would include balancing factors such as costs, risks, effectiveness, legality and timescales.

In the meanwhile, the Council continued to work with the contractor to resolve the current issues.

As a supplementary question, Councillor Nash asked:

“How would this be reported back to Council?”.

Councillor Weeks asked the Monitoring officer to respond on his behalf.

The Monitoring Officer advised that issues would try to be resolved within the contractual dispute resolution mechanism within the contract. It was unlikely that this was something that would be reported in public, and if a report was necessary, it would likely be Part 2.

Councillor Needham pointed out that this was a joint contract and as such we would have to ensure that our partners were kept informed as well as Members of this Council.

(B) Rail Services

In accordance with Standing Order 4.8.11(b), the following question had been submitted by Councillor Steve Jarvis to Councillor David Levett (Executive Member for Planning, Enterprise and Transport):

“Given the high number of commuters who live in the District, what action has NHDC taken to lobby for an adequate rail service?”

Councillor Levett replied that North Herts District Council had no direct control over rail services and no statutory duty to lobby on behalf of those who use it.

However, if the Council were to pass a resolution to do so, then it would do everything it could for those users.

In the meantime, NHDC had facilitated a number of meetings between MPs, Rail user groups and rail operators from the time of the initial consultations through to the present time and continued to do so.

The latest meeting would be held on 19 July 2018 where NHDC had assisted in organising a meeting between Letchworth Rail Users Group, Rt Hon Sir Oliver Heald MP and representatives from Govia.

(C) Air Quality

In accordance with Standing Order 4.8.11(b), the following question had been submitted by Councillor Sam Collins to Councillor Bernard Lovewell (Executive Member for Housing and Environmental Health).

“Given the high death rate due to poor air quality in this Country and with the North Herts & Central Beds Local Plans and HCC’s LTP4 what action do the Council plan to take to reduce the risk to local residents?”

Councillor Lovewell replied that, he agreed that poor air quality was a serious public health concern, however in North Hertfordshire there was a generally good and improving level of air quality.

Having said that, there were two hotspots in the District, both of them in Hitchin, where the levels of nitrogen dioxide marginally exceeded the prescribed limits set by the Government being Stevenage Road *The Three Moorhens) and Paynes Park.

The readings taken at Paynes Park and submitted to the Government were currently below the limit prescribed.

In respect of what actions the Council could take to reduce the risks to residents, this was very comprehensively set out in the Air Quality Action Plan which was published in January 2018 following a public consultation. This Plan was on the NHDC website and had been for the last 6 months.

If after reading the document you still had concerns or queries, Councillor Lovewell stated that he would be pleased to discuss them. He would also arrange a meeting with the Council's expert, David Carr, to have a discussion on this subject.

As a supplementary question, Councillor Collins commented that the document mentioned was produced in January 2018 which was before the Local Plans for Central Beds or North Hertfordshire had completed the process they were going through and the County Council LTP4. He asked whether poor air quality was being fully considered as part of planning applications currently being processed, such as the project at Highover Farm and other large developments, as those would have a significant impact and exacerbate the problems and this did not seem to be covered in the Action Plan.

Councillor Lovewell stated that he begged to differ as the matter was well covered in the document. There was an Air Quality Policy (Policy P4), which had been accepted in the Local Plan. The Council also published guidance to support the implementation of this Policy.

It was therefore very firmly written into the policy to be considered when any planning application is considered.

Councillor Lovewell agreed that the increase in housing and the possible expansion of Luton Airport would put extra pressure on air quality, but there was a lot of work being undertaken regarding this.

The following questions were unsuccessful in the ballot, and will be dealt with by way of a written response from the Executive Members to all Members of the Council:

14/15 BRAND STREET, HITCHIN

Councillor Paul Clark to Councillor Tony Hunter (Executive Member for Community Engagement and Rural Affairs):

“How Long will the CPO process take to secure 14/15 Brand Street?”

PARKING ENFORCEMENT

Councillor Ruth Brown to Councillor David Levett (Executive Member for Planning, Enterprise and Transport):

“Has Parking Enforcement Officer capacity been reduced in the last 12 months?”

Note: The responses to the two questions requiring a written response are attached as Appendix A to these Minutes

31 NOTICE OF MOTIONS

(A) Plastic Free Letchworth

Due notice having been given in accordance with Standing Order 4.8.12, it was moved by Councillor Michael Weeks and seconded by Councillor Lynda Needham:

“That this Council pass a motion which supports the principle of an initiative entitled “Plastic Free Letchworth”, which is committed to plastic free alternatives, to be extended to include any other Towns or areas in North Herts without the matter needing to be the subject of a separate resolution, should any other areas wish to subscribe to such an initiative.

In agreeing such a motion, it is noted that such an initiative would have no specific cost implications for the Council.

Further, the motion seeks the approval to nominate a Member to the Letchworth Strategic Group, once this has been established (subject to the normal governance checks with the body prior to this being confirmed).”

Following debate and upon being put to the vote, it was:

RESOLVED:

That this Council supports the principle of an initiative entitled “Plastic Free Letchworth”, which is committed to plastic free alternatives, to be extended to include any other Towns or areas in North Herts without the matter needing to be the subject of a separate resolution, should any other areas wish to subscribe to such an initiative.

In agreeing such a motion, it is noted that such an initiative would have no specific cost implications for the Council.

Further, it approves the nomination of a Member to the Letchworth Strategic Group, once this has been established (subject to the normal governance checks with the body prior to this being confirmed).

(B) Single Use Plastics

Due notice having been given in accordance with Standing Order 4.8.12, it was moved by Councillor Sam Collins and seconded by Councillor Paul Clark that:

“Council Instructs the Chief Executive to produce an action plan to:

- a) Minimise the Council's use of plastics and to eliminate the use of single use plastics by the end of 2019.
- b) Require all of the council's suppliers and contractors to remove single use plastics from their products and packaging as soon as possible, but within 5 years.
- c) Work with local businesses and retailers to
 1. eliminate the use of single use plastic within the local authority area
 2. reduce the use of plastic in packaging and work towards the removal of plastic from packaging
 3. encourage them to require their suppliers to remove plastic from their products and from packaging.

We also call on the Council to work with other public bodies and large employers to inform people of the environmental damage caused by plastics and promoting the reasons for using the alternatives.”

It was moved by Councillor Michael Weeks and seconded by Councillor Lynda Needham that Part A of the motion be amended to read:

“Minimise the Council's use of plastics and to eliminate the use of single use plastics and replace with sustainable alternatives as soon as possible.”

Following debate and upon being put to the vote, the amendment to Part A of the motion was carried.

It was moved by Councillor Sam Collins and seconded by Councillor Paul Clark that Part A of the motion be amended to read:

“Minimise the Council's use of plastics and to eliminate the use of single use plastics and replace with sustainable alternatives by 2022.”

Following debate and upon being put to the vote, the amendment to Part A of the motion was carried.

It was moved by Councillor Michael Weeks and seconded by Councillor Lynda Needham that Part B of the motion be amended to read:

“Request all of the council's suppliers and contractors to remove single use plastics from their products and packaging as soon as possible.”

The Service Director – Legal and Community advised that the Council would not be able to pre-qualify contractors regarding their use of single use plastics, unless it was relevant to the performance of that contract. This also applied to the evaluation stage as this could only be used if it related to the performance of the contract.

Following debate and upon being put to the vote, the amendment to Part B of the motion was carried.

The whole motion as amended was put to the vote and it was:

RESOLVED:

That the Chief Executive be instructed to produce an action plan to:

- a) Minimise the Council's use of plastics and to eliminate the use of single use plastics and replace with sustainable alternatives by 2022.
- b) Request all of the council's suppliers and contractors to remove single use plastics from their products and packaging as soon as possible.
- c) Work with local businesses and retailers to
 1. eliminate the use of single use plastic within the local authority area
 2. reduce the use of plastic in packaging and work towards the removal of plastic from packaging
 3. encourage them to require their suppliers to remove plastic from their products and from packaging.

The Council will also work with other public bodies and large employers to inform people of the environmental damage caused by plastics and promoting the reasons for using the alternatives.”

(C) Rail Users

Prior to the item being discussed Councillor Helen Oliver declared that she would be chairing the Rail Users Group meeting on 19 July 2018. Having sought advice, this was not such as to prevent her from taking part in the debate and vote as she was not a member of that group.

Due notice having been given in accordance with Standing Order 4.8.12, it was moved by Councillor Elizabeth Dennis-Harburg and seconded by Councillor Daniel Allen that:

“This Council recognises the continued problems residents are facing travelling on the rail network through the District. It is unacceptable that passengers have suffered two months of disruption. It welcomes the work of the local Rail Users Groups to highlight the issues and will continue to work with them to achieve a satisfactory resolution.

This Council agrees to lobby all local MPs, the Department for Transport, Network Rail and Govia Thameslink Railway to ensure rapid progress towards an acceptable level of service.

We will further press for the parties to conduct a thorough “lessons learnt” exercise to avoid even more disruption at the next timetable change point in December 2018”.

Councillor David Levett asked that the proposer agree to add the words “continue to” after the words “This Council agrees to” at the second paragraph so that it read:

“This Council agrees to continue to lobby all local MPs, the Department for Transport, Network Rail and Govia Thameslink Railway to ensure rapid progress towards an acceptable level of service.”

Councillor Elizabeth Dennis-Harburg accepted the proposed amendment.

Following debate and upon being put to the vote, it was:

RESOLVED:

That this Council recognises the continued problems residents are facing travelling on the rail network through the District. It is unacceptable that passengers have suffered two months of disruption. It welcomes the work of the local Rail Users Groups to highlight the issues and will continue to work with them to achieve a satisfactory resolution.

This Council agrees to continue to lobby all local MPs, the Department for Transport, Network Rail and Govia Thameslink Railway to ensure rapid progress towards an acceptable level of service.

(D) Garden Waste

Due notice having been given in accordance with Standing Order 4.8.12, it was moved by Councillor Lisa Nash and seconded by Councillor Ruth Brown that:

“Council notes that those residents who have paid for the garden waste collection service did not initially receive the service for which they paid and believes that they should be offered the option of a refund or an extension of the service period at no additional cost to reflect this.”

It was moved and seconded that the motion be amended to read:

“Council notes that those residents who have paid for the garden waste collection service did not initially receive the service for which they paid. Council commits to consideration of appropriate redress to reflect this.”

Following comprehensive debate and upon being put to the vote, the amendment was carried.

Upon being put to the vote it was:

RESOLVED:

That Council notes that those residents who have paid for the garden waste collection service did not initially receive the service for which they paid.

That Council commits to consideration of appropriate redress to reflect this.

(E) Education Funding

Prior to the item being discussed Councillor Kate Aspinwall declared an interest in that she worked for Herts for Learning who were directly affected by this issue.

Prior to the item being discussed Councillor Val Bryant declared an interest in that she was a teacher at Knights Templar School, Baldock, who were directly affected by this issue.

The Service Manager – Legal and Community advised that on the information provided at the meeting as this was a potential disclosable pecuniary interest, Councillor Kate Aspinwall and Councillor Val Bryant should leave the room for the duration of the debate and vote.

Councillors Aspinwall and Bryant left the room.

Due notice having been given in accordance with Standing Order 4.8.12, it was moved by Councillor Helen Oliver and seconded by Councillor Sue Ngwala: that:

“This Council notes the concern expressed recently by head teachers in North Herts and the recent communication to all Councillors from a group of parents regarding the effects of funding reductions on the education of children in our schools, leading to basic provisions being unavailable.

It welcomes and supports the initiative of these parents and agrees to raise these concerns with the County Council and Department of Education.”

An amended motion was tabled at the meeting. It was moved by Councillor Helen Oliver and seconded by Councillor Martin Stears-Handscorn:

That the first paragraph of the above motion be replaced with:

“This Council note the serious concerns raised by the Hitchin parents’ group and recent correspondence from North Herts Head Teachers as to the profound effects of school funding cuts on staffing levels as well as basic resources.”

Following debate and upon being put to the vote, the amended motion was carried unanimously.

Upon being put to the vote it was:

RESOLVED:

That this Council note the serious concerns raised by the Hitchin parents’ group and recent correspondence from North Herts Head Teachers as to the profound effects of school funding cuts on staffing levels as well as basic resources.

It welcomes and supports the initiative of these parents and agrees to raise these concerns with the Department of Education.

The meeting closed at 9.32 pm

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Appendix A to Minute 30 of the Council meeting held on 18 July 2018

The following questions were unsuccessful in the ballot, and were dealt with by way of a written response from the Executive Members to all Members of the Council. The responses are provided below:

14/15 BRAND STREET, HITCHIN

Councillor Paul Clark to Councillor Tony Hunter (Executive Member for Community Engagement and Rural Affairs):

“How Long will the CPO process take to secure 14/15 Brand Street?”

Councillor Hunter responded:

“This was part of Cabinet’s Part 2 considerations and Full Council will be appraised of the issue when and if the matter comes before it for a decision on whether to proceed with a CPO.”

PARKING ENFORCEMENT

Councillor Ruth Brown to Councillor David Levett (Executive Member for Planning, Enterprise and Transport):

“Has Parking Enforcement Officer capacity been reduced in the last 12 months?”

Councillor Levett responded:

“The Enforcement Officer capacity has not been reduced in the last 12 months. The normal establishment is 12 Enforcement Officers, however due to the nature of the work there tends to be a fairly high turnover of staff so there are usually posts vacant and we attempt to recruit as soon as we can to fill these positions.”

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The following is the report considered by the Cabinet at its meeting held on 31 July 2018.

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 MTFS 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

- 16.1 Reuben Ayavoo, Senior Policy Officer
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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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The following is the report considered by the Cabinet at its meeting held on 31 July 2018.

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.

16. CONTACT OFFICERS

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NORTH HERTFORDSHIRE DISTRICT COUNCIL

MEDIUM TERM FINANCIAL STRATEGY

2019-2024

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Annex 2	Roles and Responsibilities

1.0 Introduction

- 1.1 The Medium Term Financial Strategy (MTFS), the Council's key financial planning document, is an integral part of the Council's Corporate Business Planning process. The Council operates a system of priority led budgeting, with those district priorities set out in the "Corporate Plan" policy document. The MTFS then sets out how the financial management process will contribute to delivering those priorities and sets out a clear framework for our financial decision making. The strategy is updated annually. We fully expect that it will change over time 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.

**COUNCIL
6 SEPTEMBER 2018**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: REVIEW OF ALLOCATION OF SEATS AND APPOINTMENT OF MEMBERS TO COMMITTEES FOR REMAINDER OF 2018/2019 CIVIC YEAR

REPORT OF THE SERVICE DIRECTOR: LEGAL AND COMMUNITY

1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to inform the Council of the legislative review of proportionality, allocation of seats and appointment to Committees for the remainder of the 2018/2019 civic year.

2. RECOMMENDATIONS

- 2.1 That the Council notes the details of the political balance following the review for the remainder of the 2018/19 civic year and the allocated seats as set out in Appendix A.
- 2.2 That, for the remainder of the 2018/19 civic year, Members be appointed to the various Committees and other bodies in accordance with the wishes of the individual groups, as detailed in Appendix B to this report, which will be tabled at the meeting.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To comply with the provisions of Section 15 of the Local Government and Housing Act 1989 and the Local Government (Committee and Political Groups) Regulations 1990 (1990 Regulations).

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 The Leaders of the Political Groups have been consulted on the issue. Any wishes expressed by the Political Groups shall be taken into account in terms of nomination of Members to the allocated seats.

6. FORWARD PLAN

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

7. BACKGROUND

- 7.1. Section 15 of the Local Government and Housing Act 1989 (“the Act”) and the Local Government (Committee and Political Groups) Regulations 1990 (1990 Regulations) impose a legal duty upon the Council to allocate seats to Political Groups in accordance with the proportionality principles under section 15(5) of the Act.
- 7.2. Whilst this normally occurs annually (and is reported through to the Annual Council meeting), the duty under section 15 to review the representation of different Political Groups should also be performed at other times, including those prescribed under the Regulations¹, which include following service of a Regulation 8 notice (‘Constitution of Political Groups’) on the Proper Officer, where such delivery is more than one month after the last review². The Committees to which section 15 of the Act applies are the following and have a total of 84 Committee seats:
- Overview and Scrutiny Committee;
 - Finance, Audit and Risk Committee;
 - Planning Control Committee;
 - Licensing & Appeals Committee;
 - Standards Committee;
 - Council Tax Setting Committee;
 - Employment Committee;
 - Employment Appeals Committee; and
 - Joint Staff Consultative Committee.

8. RELEVANT CONSIDERATIONS

- 8.1. A Regulation 8 notice was served by the Liberal Democratic Political Group on the Proper Officer on 17 August 2018. This set out the constitution of a Political Group and included Cllr Paul Marment, former Conservative District Councillor as part of this Political Group. Accordingly the Council Membership had changed from 29 Conservatives, 14 Labour and 6 Liberal Democrats Members, to 28, 14 and 7 respectively and triggered the aforementioned review of proportionality and allocation of seats under the legislation.
- 8.2. Appendix A to the report (which will be tabled at the meeting) will set out the political balance of Committees, as required under the Act and the allocation of seats for those Committees to which section 15 applies for the remainder of the 2018/19 civic year.
- 8.3. Appendix B to the report (which will also be tabled at the meeting) will set out the proposed appointment of Members to those Committees for the remainder of the 2018/2019 civic year, in accordance with the wishes of the Political Groups.

¹ As per section 15(1)(e) at such other times as may be prescribed by regulations made by the Secretary of State.

² As per Regulation 17(b) of the Regulations.

9. LEGAL IMPLICATIONS

- 9.1. Otherwise, Regulation 17 of the Regulations provides that:
*“17. Review of allocation of seats to political groups
The duty under section 15 to review the representation of different political groups shall be performed at the following times which are prescribed for the purposes of section 15(1)(e)– ...
(b) as soon as practicable after there is delivered to the proper officer a notice under regulation 8, where such delivery is more than one month after the last review carried out in accordance with section 15(1)(b) of the 1989 Act or, as the case may be, paragraph (a)..”*
- 9.2. Further, a Member of an authority is treated as a Member of a Political Group (and ceases to be a Member of another Political Group) if they have signed a notice in accordance with Regulation 8 and it is delivered to the Proper Officer. Cllr Paul Marment has signed the notice under Regulation 8 provided to the Proper Officer, and for the purposes of the Regulations he becomes a Member of the Liberal Democratic Political Group as per the provisions of 9 and 10 of the Regulations.
- 9.3. Allocation of the proportional seats are then made in accordance with the wishes of the Political Groups as per Regulation 13 of the Regulations, save in the event that there is failure to express wishes within a period of three weeks of notification in writing to the Political Group Leaders.
- 9.4. Allocation of seats under proportionality rules is a function of Full Council under section 4.4.1(g) “... deciding on their [Committee] composition and making appointments to them”.
- 9.5. Otherwise, the legal and Constitutional requirements are set out in the main body of this report.

10. FINANCIAL IMPLICATIONS

- 10.1 There are no financial implications arising directly from this report.

11. RISK IMPLICATIONS

- 11.1 There are no direct risk implications arising from this report.

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 human resource implications.

15. APPENDICES

15.1 Appendix A – Proportionality and allocation of seats to Committees - this will be tabled at the Council meeting on 6 September 2018.

15.2 Appendix B – Appointment of Members of Committees for 2018/2019 - this will be tabled at the Council meeting on 6 September 2018.

16. CONTACT OFFICERS

16.1 Hilary Dineen, Acting Committee & Member Services Manager
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16.1 Jeanette Thompson, Service Director – Legal and Community
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17. BACKGROUND PAPERS

17.1 None.

**COUNCIL
6 SEPTEMBER 2018**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: NOMINATION OF REPRESENTATIVES ON HITCHIN BID AND HITCHIN INITIATIVE 2018/19

REPORT OF THE ACTING COMMITTEE & MEMBER SERVICES MANAGER

1. EXECUTIVE SUMMARY

- 1.1 To consider nominations to two outside bodies, namely Hitchin Business Improvement District ('BID') and Hitchin Initiative.

2. RECOMMENDATIONS

- 2.1 That Council consider whether to nominate a District Councillor to:
- 2.1.1 the Hitchin Initiative; and/or
 - 2.1.2 the Hitchin BID;

And subject to the above:

- 2.2 That Council nominates representatives to any outside body agreed in 2.1 above.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To consider the deferred nominations issue following Full Council's resolution of 17 May 2018.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 The Leaders of the Political Groups were consulted regarding the nomination of representatives on outside bodies for 2016/2017, as part of the review of outside bodies. There was also further consultation prior to the appointments in 2017/18 and 2018/19.
- 5.2 The Leaders of the Political Groups will be specifically consulted regarding these two outside bodies prior to the meeting of Council, due to be held on 6 September 2018.

6. FORWARD PLAN

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

7. BACKGROUND

- 7.1. At the Annual Council meeting held on 18 May 2017 Council was advised, in the report on Outside Bodies for 2017/2018 that a comprehensive review of all the nominations had been carried out during 2016/17. This included consultation with all the bodies and Councillors on the 2016/17 list and Group Leaders regarding issues *such as* insurance and indemnity offered by the organisations, invites to meeting and papers provided. As a result of this review, it was decided that the Council would not nominate to a number of bodies. One of the nominations removed from the list was the Hitchin BID. The Hitchin Initiative remained on the nominations list.
- 7.2. At the Annual Council meeting held on 17 May 2018 there was some confusion as to whether the Hitchin Initiative was the same as the Hitchin BID and at Minute 14 (1) (c) Members:

RESOLVED: *That a decision on the Council's nominated representative on the Hitchin Initiative be deferred, pending clarification of the roles of the Hitchin Initiative and the Hitchin Business Improvement District (BID).*

8. RELEVANT CONSIDERATIONS

Hitchin Initiative

- 8.1. On its website Hitchin Initiative states that it is:

“a highly effective and award winning town partnership whose aim is to ensure that the town thrives through the efforts of businesses, community organisations, residents and the local authority.

Established in 1995, the Initiative, run by Town Centre Manager aims to maintain and enhance the economic, cultural and social vitality of the town. By becoming a member, local businesses demonstrate their support for the town, and are able to take advantage of a number of benefits including free business training across a range of business skills, opportunities to network with a whole raft of potential customers and information, guidance, advice and mentoring.

The Initiative also provides essential information for all members on local services, events and issues within Hitchin and the surrounding rural areas.”

- 8.2. It had been a matter of custom and practice to nominate the Chairman of Hitchin Committee as the Council's representative on Hitchin Initiative. The current Chairman of Hitchin Area Committee is Cllr Ian Albert.

Hitchin BID

- 8.3. On its website Hitchin Bid states that:

“Hitchin Business Improvement District (BID) is a business-led and operated organisation that delivers improvements to the town centre that businesses themselves identified as being key to improving the trading environment; and is supported by North Herts District Council.

The BID introduced Town Centre Rangers who act as the eyes and ears for the organisation, liaising with police and statutory services to ensure a clean, safe and secure welcome for residents and visitors alike. There are specialist evening marshals to monitor the night time economy on Fridays and Saturdays and Hitchin BID manage an effective Shopwatch, Pubwatch, CCTV and radiolink scheme. Recycling, environmental enhancements, street deep cleaning, Christmas Lights, events and marketing, car park promotions, snow clearance, training and business support are all part of the BID portfolio.”

- 8.4. Hitchin BID was established through an application and poll process of non-domestic rate payers having to vote in favour of establishment and the renewal. This process involves NHDC as the billing authority and NHDC provides support by arranging the BID poll¹.
- 8.5. Members should note that the BIDs are due for renewal for 2019/20 onwards. Therefore if Members decide to add this back to the annual outside bodies nominations list, this may only be for the remainder of the current 2018/19 year.

List of Outside Bodies and Nomination

- 8.6. Council needs to decide whether or not to reinstate the nomination of representatives to Hitchin BID and continue with the nomination of a representative to Hitchin Initiative.
- 8.7. If Council decides that they wish to make nominations to either or both of these organisations, then consideration should be given to who those nominees will be.

9. LEGAL IMPLICATIONS

- 9.1. It is a function of Full Council to nominate District Councillors to outside bodies, unless it is an executive function, as per Council Procedure Rule 4.4.1(h). This is ordinarily undertaken at the Council’s Annual Meeting, as per 4.8.1(b)(iv), save in this instance the issue has been deferred as per the Council resolution on 17 May 2018 detailed above. The matter can therefore be dealt with at this meeting of Full Council.
- 9.2. Other than that, to the extent relevant, statutory requirements relating to BID establishment and renewals are contained with The Business Improvement Districts (England) Regulations 2004/2443 as amended.

10. FINANCIAL IMPLICATIONS

- 10.1 There are no financial implications arising directly from this report.

¹ Providing the legislative requirements are met.

11. RISK IMPLICATIONS

11.1 There are no direct risk implications arising from this report.

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 human resource implications.

15. APPENDICES

15.1 None.

16. CONTACT OFFICERS

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Contributors

16.2. Jeanette Thompson, Service Director: Legal and Community: 01462 474370
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17. BACKGROUND PAPERS

17.1 Previous report to Full Council 17 May 2018 on Council website page:
<https://democracy.north-herts.gov.uk/ieListDocuments.aspx?CId=136&MId=2007&Ver=4>

**COUNCIL
6 SEPTEMBER 2018**

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: INQUORATE GRAVELEY PARISH COUNCIL – SECTION 91 LOCAL GOVERNMENT ACT 1972 ORDER

REPORT OF THE SERVICE DIRECTOR - LEGAL AND COMMUNITY
EXECUTIVE MEMBER: (IN RESPECT OF LEGAL AND POLICY) THE LEADER
COUNCIL PRIORITY: RESPONSIVE AND EFFICIENT

1. EXECUTIVE SUMMARY

- 1.1 To consider whether to delegate power to make Orders under section 91 Local Government Act (LGA) 1972

2. RECOMMENDATIONS

- 2.1 That Council delegates authority to the Service Director Legal and Community to make an Order under section 91 LGA 1972 in respect of Graveley Parish Council, in consultation with the Group Leaders (in the form of the draft order Appendix A).

3. REASONS FOR RECOMMENDATIONS

- 3.1 Section 91 of the Local Government Act 1972 allows the District Council to appoint a sufficient number of Parish Councillors on a temporary basis, to enable the work of the Parish Council to continue until it has sufficient Councillors to be quorate.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 There are no alternative options to consider, other than not to make the Order and for Graveley Parish Council to remain inquorate

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 The Leader has been informed and all Group Leaders will be consulted on the appointment.

6. FORWARD PLAN

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

7. BACKGROUND

- 7.1 The maximum number of Parish Councillors that can be elected or co-opted to Graveley Parish Council is five; however the Council had been operating with only four following the resignation of one of the Parish Councillor in April 2018.
- 7.2 The Parish Council attempted to fill that vacancy at that time, however, they were unsuccessful.
- 7.3 On 27th July 2018, the Parish Clerk at Graveley notified the NHDC's electoral services that a further two of Graveley's Parish Councillors had resigned with immediate effect. This brought the total number of Parish Councillors down from four to two; one short of the three needed to be quorate under the legislative requirements.
- 7.4 A request for a Notice of Vacancy was simultaneously received from the Parish Clerk which was placed on the Parish Notice Board, as well as on the NHDC website. No enquiries were received before the Notice expired on 21st August 2018.

8. RELEVANT CONSIDERATIONS

- 8.1 At present Graveley Parish Council is inquorate and in effect has been paralysed from conducting any Parish business since the resignations outlined at 7.3 above. The remaining Councillors are unable to make any decisions and may not co-opt any Councillors, even on a temporary basis. Accordingly it is recommended that the Council delegate authority as set out under 2.1 to make the Order at Appendix A (with a named appointment).
- 8.2 Section 91 of the LGA 1972 provides that a District Council can make temporary appointments to a Parish Council, where there are so many vacancies in the office of parish or community councillor that the Parish or Community council are unable to act, until other Councillors are elected and take up office.
- 8.3 In addition, Section 39(4)(ii) of the Representation of the People Act 1983 enables NHDC to "*by order make any appointment or do anything which appears to them necessary or expedient for the proper holding of such an election or meeting and properly constituting the council, and may, if it appears to them necessary, direct the holding of an election or meeting and fix the date for it*".
- 8.4 The use of these powers is a non-executive function. Given that there are currently only two serving Parish Councillors on Graveley Parish Council, there is a need for NHDC to make a temporary appointment under the LGA 1972.

- 8.5 The LGA 1972 does not define 'persons' with regard to filling vacancies which may indicate that anybody whom NHDC deems appropriate may be appointed, including officers. It is usual, however, to appoint a relevant District Councillor, if they are willing to take on the role.
- 8.6 At the moment, Graveley Parish Council cannot meet, nor act. In order to ensure that it can act and is properly constituted, in both the short and long term, it is proposed that an Order be made, under the LGA 1972 Act, to appoint a person to act as a Parish Councillor, on a temporary basis, until such time that NHDC feels there is sufficient interest within the Parish to fill the vacancies by election or co-option.
- 8.7 Two copies of any Order must be sent to the Secretary of State.

9. LEGAL IMPLICATIONS

- 9.1. The Local Government Act 1972, Part II paragraph 12 states that¹:
"no business shall be transacted at a meeting of a parish council unless at least one-third of the whole number of members of the council are present at the meeting; but, notwithstanding anything in that paragraph, in no case shall the quorum be less than three".
Graveley Parish Council is therefore unable to transact business at the current time.
- 9.2. The LGA 1972 at section 91 states that *"Where there are so many vacancies in the office of parish or community councillor that the parish or community council are unable to act, the district council [or Welsh principal council] may by order appoint persons to fill all or any of the vacancies until other councillors are elected and take up office."*
- 9.3 The Council's Constitution at paragraph 4.4.1(t) states that it shall be for Full Council to arrange for the discharge of any other functions of the 'Authority' which are not executive functions. *To the extent relevant to this situation*, Full Council may nominate District Councillors to outside bodies under 4.4.1(h), and this is further delegated to the Service Director Legal and Community, where there is an in-year vacancy under 14.6.9 (xx), once an appointment has effectively been made by Full Council. Otherwise the legal implications are set out in the report.

10. FINANCIAL IMPLICATIONS

- 10.1 There are no financial implications arising from this Report.

11. RISK IMPLICATIONS

- 11.1 It is important that Graveley Parish Council be brought out of its current state of paralysis so that it can effectively carry out the work of the Parish Council.

¹ Subject to suspension rules under paragraph 45 which no longer apply

12. EQUALITIES IMPLICATIONS

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 The contents of this report do not directly impact on equality, in that it is not making proposals that will have a direct impact on equality of access or outcomes for diverse groups.

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 Officer involvement following the appointment will be minimal.

15. APPENDICES

- 15.1 Appendix A - Draft Order Graveley Parish Council.

16. CONTACT OFFICERS

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- 16.2 James Ellis; Advisory and Litigation Solicitor
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17. BACKGROUND PAPERS

- 17.1 The Association of Electoral Administrators - A practical guide to parish matters (in England), paragraph 1.33.

**THIS ORDER is made on the day of two thousand and eighteen
by NORTH HERTFORDSHIRE DISTRICT COUNCIL (“The Council”)**

- 1. WHEREAS following the resignation of two elected members to Graveley Parish Council, one councillor is required to give a minimum number required for a quorum.**

- 2. Under section 91 of the Local Government Act 1972 where there are so many vacancies in the officer of Parish Councillor that the Parish Council are no longer able to act, North Hertfordshire District Council may, by order, appoint persons to fill all or any of the vacancies until other councillors are elected to take office.**

Now in pursuance of the Power conferred upon it by Section 91 of the Local Government Act 1972 the Council hereby appoints the following persons to act as Parish Councillors of Graveley Parish Council until sufficient vacancies are filled to re-establish a quorum, whereupon and such appointment shall cease.

GRAVELEY PARISH COUNCIL

(insert names)

**The COMMON SEAL of
North Hertfordshire District Council
Was hereunto affixed in the presence of**

Service Director - Legal and Community

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