

NORTH HERTFORDSHIRE DISTRICT COUNCIL



19 July 2019

Our Ref Cabinet/Meeting Date
Your Ref.
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To: The Chairman and Members of North Hertfordshire District Council

You are invited to attend a

MEETING OF THE CABINET

to be held in the

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

on

TUESDAY, 30 JULY 2019

at

7.30 PM

****MEMBERS PLEASE ENSURE THAT YOU DOWNLOAD ALL
AGENDAS AND REPORTS VIA THE MOD.GOV APPLICATION
ON YOUR TABLET BEFORE ATTENDING THE MEETING****

Yours sincerely,

A handwritten signature in black ink, appearing to read 'J Thompson', written over a thin horizontal line.

Jeanette Thompson
Service Director – Legal and Community

Agenda **Part I**

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1. APOLOGIES FOR ABSENCE	
2. MINUTES - 11 JUNE 2019 To take as read and approve as a true record the minutes of the meeting of this Committee held on the 11 June 2019.	5 - 10
3. MINUTES - 27 JUNE 2019 To take as read and approve as a true record the minutes of the meeting of this Committee held on the 27 June 2019	11 - 16
4. NOTIFICATION OF OTHER BUSINESS Members should notify the Chairman of other business which they wish to be discussed by the Cabinet at the end of either Part I or Part II business set out in the agenda. They must state the circumstances which they consider justify the business being considered as a matter of urgency. The Chairman will decide whether any item(s) raised will be considered.	
5. 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, wishing 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.	
6. PUBLIC PARTICIPATION To receive petitions, comments and questions from the public.	
7. ITEMS REFERRED FROM OTHER COMMITTEES Any Items referred from other committees will be circulated as soon as they are available.	17 - 44
8. STRATEGIC PLANNING MATTERS REPORT OF: SERVICE DIRECTOR – REGULATORY This report identifies the latest position on key planning issues affecting the District.	45 - 90
9. COUNCIL PLAN 2020 - 2025 AND COUNCIL OBJECTIVES 2020-2025 REPORT OF THE POLICY AND COMMUNITY ENGAGEMENT MANSGER To consider and approve the refreshed Council Plan 2020-2025 and Council Objectives for 2020-2025.	91 - 98

10.	MEDIUM TERM FINANCIAL STRATEGY 2020 - 2025 REPORT OF THE SERVICE DIRECTOR - RESOURCES	99 - 114
	This report recommends the Medium Term Financial Strategy (MTFS) for 2020/21 to 2024/25 to guide and inform the Corporate Business Planning Process.	
11.	FIRST QUARTER REVENUE MONITORING 2019/20 REPORT OF THE SERVICE DIRECTOR - RESOURCES	115 - 122
	To inform Cabinet of the summary position on revenue income and expenditure forecasts for financial year 2019/20, as at the end of the first quarter.	
12.	FIRST QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2019/20 REPORT OF THE SERVICE DIRECTOR – RESOURCES	123 - 148
	To update Cabinet on progress with delivering the capital and treasury strategy for 2019/20, as at the end of May 2019.	
13.	PLAYGROUNDS REPORT OF THE SERVICE DIRECTOR – PLACE	149 - 158
	To establish an approved direction for the future of two play areas in Royston and to investigate potential for improving play in those play areas already decommissioned according to the resolution of Cabinet in March 2018	
14.	WASTE COLLECTION FROM MULTI OCCUPANCY PROPERTIES (MOP) REPORT OF THE SERVICE DIRECTOR – PLACE	159 - 168
	To consider and decide to either retain the current weekly service for residual waste or move to a fortnightly collection service for Multi-Occupancy Properties (MOP) in accordance with the existing contract that started in May 2018.	
15.	THE DEVELOPER AGREEMENT FOR THE JOHN BARKER PLACE AREA OF HITCHIN REPORT OF THE SERVICE DIRECTOR – REGULATORY	169 - 174
	The Development Agreement for the John Barker Place Area of Hitchin.	
16.	ADOPTION OF A SCRAP METAL DEALERS LICENSING POLICY REPORT OF THE LICENSING MANAGER	175 - 198
	To consider the outcome of the public consultation and adopt a scrap metal dealers licensing policy	

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Agenda Item 2

NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

MEETING HELD IN THE COUNCIL CHAMBER, COUNCIL OFFICES,
GERNON ROAD, LETCHWORTH GARDEN CITY
ON TUESDAY, 11TH JUNE, 2019 AT 7.30 PM

MINUTES

Present: *Councillors Martin Stears-Handscomb (Chairman), Paul Clark (Vice-Chairman), Ian Albert, Judi Billing, Elizabeth Dennis-Harburg and Steve Jarvis.*

Deputy Executive Members: Ruth Brown, Ian Mantle, Sam North, Helen Oliver, Sean Prendergast, Carol Stanier and Kay Tart.

In Attendance: *David Scholes (Chief Executive), Jeanette Thompson (Service Director - Legal and Community), Antonio Ciampa (Accountancy Manager), Nigel Smith (Strategic Planning Manager) and Hilary Dineen (Committee, Member and Scrutiny Manager)*

Also Present: *At the commencement of the meeting Councillor David Levett (Chairman of the Overview and Scrutiny Committee) and one member of the public.*

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Keith Hoskins

2 MINUTES - 26 MARCH 2019

Audio Recording of Meeting – Start of Item – 51 seconds

RESOLVED: That the Minutes of the Meeting of the Committee held on 26 March 2019 be approved as a true record of the proceedings and be signed by the Chairman.

3 NOTIFICATION OF OTHER BUSINESS

Audio Recording – Start of Item – 1 minute 6 seconds

There was no other business notified.

4 CHAIRMAN'S ANNOUNCEMENTS

Audio recording – Start of Item – 1 minute 10 seconds

- (1) The Chairman welcomed everyone to the meeting;
- (2) The Chairman explained that this was now a joint Administration consisting of Members of the Labour and Co-operative and Liberal Democrat parties;
- (3) The Chairman advised that members of the public were welcomed to attend meetings and encouraged to take part. There were various ways that members of the public could take part;
- (4) The Chairman welcomed the Chairman of the Overview and Scrutiny Committee;

- (5) The Chairman reminded those present that the meeting was being audio recorded:
- (6) The Chairman announced that Members of the public and the press may use their devices to film/photograph, or do a sound recording of the meeting, but she asked them to not use flash and to disable any beeps or other sound notifications that emitted from their devices'
- (7) 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;
- (8) The Chairman asked that, for the benefit of any members of the public present at the meeting, Officers announce their name and their designation to the meeting when invited to speak.

5 PUBLIC PARTICIPATION

Audio Recording – Start of Item – 3 minutes 41 seconds

There were no presentations by members of the public.

6 ITEMS REFERRED FROM OTHER COMMITTEES

Audio Recording – Start of Item – 3 minutes 44 seconds

There were no referrals from other Committees.

7 STRATEGIC PLANNING MATTERS

Audio Recording – Start of Item – 3 minutes 47 seconds

The Executive Member for Planning and Transport presented the report entitled Strategic Planning Matters together with the following appendices:

- Appendix A - Stevenage CIL response;
- Appendix B - HCC Minerals representations;
- Appendix C - Preston NP response.

The Strategic Planning Manager gave the following updates to the report:

Paragraph 8.1.12

The Examiners hearing regarding St Albans' Local Plan would start in October 2019.

Paragraph 8.4.3

Consultation regarding the making of an Article 4 Direction would start on 20 June 2019.

Paragraph 8.5.5

Consultation on the draft Statement of Community Consultation (SoCC) would run from 12 June 2019 to 10 July 2019.

It was moved by Councillor Clark, seconded by Councillor Albert and:

RESOLVED:

- (1) That the report on strategic planning matters be noted;
- (2) That the submission(s) in Appendices A to C be noted and endorsed.

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

8 WYMONDLEY NEIGHBOURHOOD PLAN - EXAMINER'S REPORT

Audio Recording – Start of Item – 7 minutes 1 second

The Executive Member for Planning and Transport presented the report entitled Wymondley Neighbourhood Plan – Examiner’s Report together with the following appendices:

- Appendix A - Wymondley NP Examiners Report:
- Appendix B - Examiners report - schedule of amendments comments.

It was moved by Councillor Clark, seconded by Councillor Albert and:

RESOLVED:

- (1) That the Examiner’s report for the Wymondley Neighbourhood Plan be noted;
- (2) That following the inclusion of the Examiner’s proposed modifications to the Wymondley Neighbourhood Plan, as set out in Appendix B, it be approved to proceed to a referendum;
- (3) That the Retuning Officer be instructed to conduct a referendum on the Wymondley Neighbourhood Plan;
- (4) That the decision to “make” the Wymondley Neighbourhood Plan be delegated to the Service Director – Regulatory in consultation with the Executive Member for Planning and Transport.

REASON FOR DECISIONS: To progress the Wymondley Neighbourhood Plan, enable a referendum to take place and, following a vote of more than 50% in favour of the Wymondley Neighbourhood Plan, to “make” the Wymondley Neighbourhood Plan.

9 HOUSING DELIVERY TEST ACTION PLAN

Audio Recording – Start of Item – 8 minutes 48 seconds

The Executive Member for Planning and Transport presented the report entitled Housing Delivery Test Action Plan together with the following appendix:

- Appendix A - Action Plan

Councillor Ian Mantle queried where the target figures were sourced from.

The Strategic Planning Manager advised that these figures were sourced from Government household projections.

It was moved by Councillor Clark, seconded by Councillor Albert and:

RESOLVED:

- (1) That the context for the introduction of the Housing Delivery Test (HDT) and the first result for North Hertfordshire District Council be noted;
- (2) That the actions undertaken to date be endorsed and that officers be instructed to continue to implement the activities identified in the Action Plan;

- (3) That the Housing Delivery Test Action Plan, attached as Appendix 1, be approved for publication.

REASON FOR DECISION: To meet the requirements of national planning policy.

10 CABINET PANEL ON CLIMATE EMERGENCY

Audio Recording – Start of Item – 12 minutes 11 seconds

The Leader of the council advised that a paper would be presented to a special meeting of Cabinet due to be held on 27 June 2019 to consider the implementation of a Cabinet Panel on the Environment.

Further papers would be considered regarding joining the Co-operative Councils Innovation Network and a Modern Day Slavery Charter.

11 REVENUE BUDGET OUTTURN 2018/19

Audio Recording – Start of Item – 13 minutes 50 seconds

The Executive Member for Finance and IT presented the report entitled Revenue Budget Outturn 2018/19.

He thanked Ian Couper, Service Director – Resources, Antonio Ciampa, Accountancy Manager and their team for the work undertaken last year.

He also thanked former Executive Member for Finance and IT, Julian Cunningham and Councillor Terry Hone for their work in this area.

The Executive Member for Finance and IT stated that the new administration would be undertaking a lot of work and that funding would be an important issue.

The Executive Member for Finance and IT proposed that, subject to consideration by Cabinet on 27 June 2019, £5,000 of the forecast underspend be allocated to allow the Council to join the Co-operative Councils Innovation Network.

As a result he proposed a new recommendation 2.5 to read:

“that Cabinet approves the transfer of £5k from the underspend on the General Fund to create a budget for joining the Co-operative Councils Innovation Network, subject to a future report to Cabinet.”

The existing recommendation 2.5 would be renumbered 2.6.

In response to a question from Councillor Judi Billing, the Leader of the Council advised that the proposed £5,000 would cover the subscription costs, which were based on budget and population.

It was moved by Councillor Albert, seconded by Councillor Clark and:

RESOLVED:

- (1) That the report entitled Revenue Budget Outturn 2018/19 be noted;
- (2) That a decrease of £555k in the 2018/19 net General Fund expenditure, as identified in table 3 and paragraph 8.1, to a total of £14.626million be approved;

Tuesday, 11th June, 2019

- (3) That the adjustments to the 2019/20 General Fund budget, as identified in table 3 and paragraph 8.2, a £467k increase in net expenditure be approved;
- (4) That, as referred to in paragraph 8.3, the transfer of £48k from the underspend on the General Fund to the Strategic Priority fund to enable the Senior Management Team to undertake invest to save and/or continuous improvement Projects be approved;
- (5) That the transfer of £5k from the underspend on the General Fund to create a budget for joining the Co-operative Councils Innovation Network, subject to a future report to Cabinet be approved;

RECOMMENDED TO COUNCIL: That Council approves the net transfer to earmarked reserves, as identified in table 8, of £1.504million.

REASON FOR DECISIONS:

- (1) Members are able to monitor, make adjustments within the overall budgetary framework and request appropriate action of Services who do not meet the budget targets set as part of the Corporate Business Planning process.
- (2) Changes to the Council's balances are monitored and approved.

12 CAPITAL PROGRAMME OUTTURN 2018/19

Audio Recording – Start of Item – 21 minutes 34 seconds

The Executive Member for Finance and IT presented the report entitled Capital Programme Outturn 2018/19 together with the following appendices:

- Appendix A - Capital Outturn Report 18/19;
- Appendix B - Capital Outturn Report 18/19.

He advised that recommendation 2.2 should be amended to read:

“That Cabinet approves the adjustments to the capital programme for 2019/20 as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend in 2019/20 by £0.542million (re-profiled from 2018/19).

It was moved by Councillor Albert, seconded by Councillor Stears-Handscorn and:

RESOLVED:

- (1) That the expenditure of £5.574million in 2018/19 on the capital programme, paragraph 8.2 refers, and in particular the changes detailed in table 3 which resulted in a net increase on the working estimate of £0.620million be noted;
- (2) That the adjustments to the capital programme for 2019/20 as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend in 2019/20 by £0.542million (re-profiled from 2018/19) be approved;
- (3) That the position of the availability of capital resources, as detailed in table 4 paragraph 8.6 and the requirement to keep the capital programme under review for affordability be noted;
- (4) That the application of £0.626million of capital receipts towards the 2018/19 capital programme and the drawdown of £4.431million from set aside receipts, paragraph 8.6 refers be approved

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REASON FOR DECISIONS: Cabinet is required to approve adjustments to the capital programme and ensure that the capital programme is fully funded.

13 ANNUAL TREASURY MANAGEMENT REVIEW 2018/19

Audio Recording – Start of Item – 25 minutes 3 seconds

The Executive Member for Finance and IT presented the report entitled Annual Treasury Management Review 2018/19.

It was proposed by Councillor Albert, seconded by Councillor Stears-Handscomb and:

RESOLVED: That the position of Treasury Management activity as at the end of March 2019 be noted.

RECOMMENDED TO COUNCIL: That the report entitled Annual Treasury Management Review 2018/19 be noted and that:

- (i) the actual 2018/19 prudential and treasury indicators be approved;
- (ii) the annual Treasury Report for 2018/19 be noted.

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

The meeting closed at 7.58 pm

Chairman

NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

MEETING HELD IN THE COUNCIL CHAMBER, GERON ROAD,
LETCWORTH GARDEN CITY
ON THURSDAY, 27TH JUNE, 2019 AT 7.30 PM

MINUTES

Present: *Councillors Martin Stears-Handscomb (Chairman), Paul Clark (Vice-Chairman), Ian Albert, Judi Billing, Gary Grindal, Keith Hoskins and Steve Jarvis.*

Deputy Executive Members: Councillors Ian Mantle, Sam North and Carol Stanier

In Attendance: *Jeanette Thompson (Service Director - Legal and Community), Reuben Ayavoo (Policy and Community Engagement Manager) and Hilary Dineen (Committee, Member and Scrutiny Manager)*

Also Present: *At the commencement of the meeting approximately 5 members of the public, including one registered speaker.*

14 APOLOGIES FOR ABSENCE

Audio Recording – Start of Item – 42 seconds

Apologies for absence were received from Councillors Elizabeth Dennis-Harburg, Ruth Brown and Kay Tart.

15 NOTIFICATION OF OTHER BUSINESS

Audio recording – Start of Item – 54 seconds

There was no other business notified.

16 CHAIRMAN'S ANNOUNCEMENTS

Audio recording – Start of Item – 57 seconds

- (1) The Chairman advised that the multi-storey car park would close by 9pm, and once it had closed people would not be able to access their cars until it reopened in the morning. Members of the public in attendance may need to move their car as soon as possible, as it may not be possible to get back in to the building later in the meeting.
- (2) The Chairman advised that, in accordance with Council policy this meeting was being audio recorded. Members of the public and the press may use their devices to film/photograph, or do a sound recording of the meeting, but to let him know, so that all present could be informed.

- (3) Members were 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, wishing 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.
- (4) The Chairman requested that, for the benefit of any members of the public present at the meeting, please would Officers announce their name and their designation to the meeting when invited to speak.

17 PUBLIC PARTICIPATION

Audio recording – Start of Item – 2 minutes 43 seconds

Mr Robin Dartington thanked the Chairman for the opportunity to address the Committee and gave a verbal presentation regarding public consultation.

Mr Dartington advised that he wished to put forward some ideas regarding how the Council should undertake public consultation regarding significant developments such as Churchgate, Hitchin and drew attention to the following:

- He had been a Councillor some 30 years ago and was now part of the Churchgate Resurgence PB Group;
- There should be an appropriate organisation to direct the project and engage with the community;
- The public must be involved in drawing up the development brief;
- Previous schemes had been developed autocratically with decisions imposed;
- There was an opportunity to organise things differently;
- The Council would not exist if it were not for the residents.

Mr Dartington then posed several questions:

- Did the Cabinet agree that the public, Councillors and officers should work together?
- Could Cabinet consider setting up a Hitchin Town Consultation Forum which would hold public meetings and then set up joint working parties, which should be composed of residents, Councillors and officers?
- Does Cabinet agree that such a positive forum would enable the large number of active community groups in Hitchin to co-ordinate their views?
- Could such a forum be the way forward to develop the thinking on Churchgate?
- Would the announcement of such a forum be the Council's first effective step in changing the relationship between the public and their representatives?

The Chairman thanked Mr Dartington for his presentation.

The following Members took part in the debate or asked questions:

- Councillor Ian Albert;
- Councillor Judi Billing;
- Councillor Paul Clark;
- Councillor Steve Jarvis.

Some of the main points raised were:

- Engagement with the Community was a focus;
- There were different types of consultation and whatever format is used it must be timely and relevant;
- Councillors spent a lot of time talking and listening to residents, although this could always be done better;
- Some strength in using self organised groups to help with consultation;
- The Area Committees had a role to play;
- The Council needed to find ways reach out to groups that do not engage;
- The Council needed to learn to manage the differing views of residents;
- Consequences of consultations could be different to what may be expected;
- The views expressed during a consultation may not necessarily be representative of the community as a whole;
- In some cases the result may not be as expected;
- The Council needs to be clear about what it can and can't achieve;
- The Council needs to have a clear set of expectations so that those consulted felt empowered and not disappointed.

Mr Dartington felt that:

- The Area Committees were not the right format for consultation and didn't meet often enough;
- The Community groups had factions within them;
- Public should be able to talk for however long is needed;
- That the reasoning of some presenters was incorrect or misguided;
- He expressed disappointment at the cautious views expressed by Members and that frustration came from not being heard.

The Chairman closed the debate with the following comments:

- The Council did want to listen;
- Some of the limitations had been discussed;

18 CO-OPERATIVE COUNCILS INNOVATION NETWORK

Audio recording – Start of Item – 33 minutes 37 seconds

The Chairman introduced the report entitled Co-Operative Councils Innovation Network together with the following appendix:

- Appendix A - Introduction to the Co-operative Innovation Network (CCIN).

No alternative options had been considered.

It was moved by Councillor Martin Stears-Handscomb, seconded by Councillor Paul Clark and

RECOMMENDED TO COUNCIL:

- (1) That North Hertfordshire District Council become a full member of the Co-Operative Innovation Network and adopt the networks co-operative values;
- (2) to declare North Hertfordshire District Council a Co-operative Council.

REASON FOR DECISIONS: The Labour and Co-operative group of North Hertfordshire are currently associate members of the Co-operative Innovation network. With the recent change in administration, the Leader of the Council seeks to make the Council a full member of the Network.

19 CABINET PANEL ON THE ENVIRONMENT

Audio recording – Start of Item – 36 minutes 47 seconds

The Executive Member for the Environment and Leisure introduced the report entitled Cabinet Panel on the Environment together with the following appendix:

- Appendix A - Cabinet Panel on Environment.

No alternative options were considered.

The following Members took part in the debate:

- Councillor Judi Billing;
- Councillor Ian Albert;
- Councillor Steve Jarvis;
- Councillor Paul Clark

Some of the points raised included:

- That some of the meetings and events could be localised for instance by using Area Committee and other existing structures;
- That it was important that actions came out of the discussions.

The Executive Member for the Environment and Leisure confirmed that engagement would be by various methods.

Councillor Steve Jarvis moved the recommendations contained in the report, which was seconded by Councillor Judi Billing.

Councillor Martin Stears-Handscomb moved that there be nominated substitutes to the Cabinet Panel on the Environment.

RESOLVED:

- (1) That Cabinet approves the establishment of the Panel, with Membership, Terms of Reference, Procedure and administration for the Cabinet Panel on the Environment as per Appendix A.
- (2) That there be nominated substitutes to the Cabinet Panel on the Environment.

REASON FOR DECISION: To comply with the direction of Cabinet on 11 June 2019.

20 MODERN DAY SLAVERY TRANSPARENCY STATEMENT & CHARTER AGAINST MODERN SLAVERY

Audio recording – Start of Item – 46 minutes 50 seconds

The Executive Member for Community Engagement introduced the report entitled Modern Day Slavery Transparency Statement & Charter Against Modern Slavery together with the following appendices:

- Appendix A – Transparency Statement on Modern Slavery;
- Appendix B – Modern Slavery & Human Trafficking Action Plan 2018 - 2021
- Appendix C - Co-operative party Charter Against Modern Slavery extract page 2 Charter from Modern Slavery briefing.

Alternative Options Considered:

- In terms of the Transparency Statement there is no legal requirement to publish one and Cabinet could chose not to do so; however, the Local Government Associate advocates this as good practice;
- In terms of the Charter, the Cabinet have the option of referring this to Full Council or not doing so.

The Service Director – Legal and Community advised that the Safeguarding Group (an officer group) had considered the Transparency Statement and the Charter and were supportive of the principals, however would defer to the Contract and Procurement Group regarding implementation.

Some concern was expressed if the Charter was to be implemented in its stricted terms. However, if the Council were happy that offices used their best endeavours, they were supportive.

There was also some concern about the level of monitoring and reporting that may be require. However if officer could work through the requirements with Members checking, they were happy with the proposals.

The Executive Member for Community Engagement suggested that this should be considered in a years time in order to assess any difficulties and any transgressions.

The following Members took part in the debate and asked questions:

- Councillor Sam North

The Executive Member for Community Engagement proposed that the wording of the Charter should be reconsidered before presentation to Council so that it include and item regarding training.

RESOLVED

- (1) That the Transparency Statement 2019-2020, as attached as Appendix A to the report be approved:
- (2) That the actions to date, as per the Action Plan, as attached as Appendix B to the report be noted;
- (3) That the Service Director – Legal and Community be requested to present a report in July 2020 reviewing the Action Plan and particularly any difficulties faced or transgressions of the Charter.
- (4) That the wording of the Charter should be reconsidered before presentation to Council so that it include and item regarding training.

RECOMMENDED TO COUNCIL: That, the Council agrees to adopt the Charter as attached as Appendix C to the report..

REASON FOR DECISIONS: To consider the Transparency Statement and related matters.

Thursday, 27th June, 2019

The meeting closed at 8.29 pm

Chairman

Referrals from Other Committees

- 7a Council Plan 2020 – 2025 and Council Objectives 2020 – 2025
- 7b Waste Collection from Multi Occupancy Properties (MOP)
- 7c Risk Management Update

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**CABINET
30 JULY 2019**

***PART 1 – PUBLIC DOCUMENT**

ITEM 7a

**TITLE OF REPORT: ITEM REFERRED FROM OVERVIEW AND SCRUTINY
COMMITTEE: 16 JULY 2019 – COUNCIL PLAN 2020 – 2025 AND COUNCIL
OBJECTIVES 2020 - 2025**

This referral will be published on 26 July 2019

(To be considered with Item 9 of the agenda)

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**CABINET
30 JULY 2019**

***PART 1 – PUBLIC DOCUMENT**

ITEM 7b

**TITLE OF REPORT: ITEM REFERRED FROM OVERVIEW AND SCRUTINY
COMMITTEE: 16 JULY 2019 – WASTE COLLECTION FROM MULTI OCCUPANCY
PROPERTIES (MOP)**

This referral will be published on 26 July 2019

(To be considered with Item 14 of the agenda)

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**CABINET
30 JULY 2019**

***PART 1 – PUBLIC DOCUMENT**

ITEM 7c

**TITLE OF REPORT: ITEM REFERRED FROM FINANCE, AUDIT AND RISK
COMMITTEE: 29 JULY 2019 – RISK MANAGEMENT UPDATE**

This referral will be published on 30 July 2019.

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REPORT DUE TO BE CONSIDERED BY FINANCE , AUDIT AND RISK COMMITTEE ON 29 JULY 2019

TITLE OF REPORT: RISK AND OPPORTUNITIES MANAGEMENT UPDATE

REPORT OF: THE SERVICE DIRECTOR – RESOURCES

EXECUTIVE MEMBER: FINANCE AND IT

COUNCIL PRIORITY: / PROSPER AND PROTECT / RESPONSIVE AND EFFICIENT

1. EXECUTIVE SUMMARY

- 1.1 To provide the Committee with an update on the Corporate risks and the proposed changes to these risks.
- 1.2 To present the Annual Report on Risk and Opportunities Management.

2. Recommendations

- 2.1 That the Committee notes the review /changes to the Corporate risks for the quarter, namely
 - New Risk for the impact of Anti Social Behaviour on Council facilities proposed as a Service Risk
 - Workforce Planning to retain its current Risk score of 5.
- 2.2 That the Committee notes and refers the Annual report on Risk & Opportunities Management to Cabinet and then Full Council.

3. REASONS FOR RECOMMENDATIONS

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

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 There are no alternative options that are applicable.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

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

6. FORWARD PLAN

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

7. BACKGROUND

- 7.1 At the March meeting of the Finance, Audit and Risk Committee, the Committee noted the reduction in Risk score for North Hertfordshire Museum and Hitchin Town Hall from a 9 to a 3, and the introduction of a new Brexit risk with a risk score of 9. The report was approved and referred on to Cabinet. The report was subsequently approved by Cabinet

8. RELEVANT CONSIDERATIONS

8.1 Corporate Risks

- 8.1.1 The Corporate risks summarised in Table 1 have been reviewed and agreed by SMT. Members are able to view the current risk descriptions on Pentana, the Council's performance and risk management software. Table 1 shows the last date that each Corporate risk was reviewed by the risk owner
- 8.1.2 At the Risk Management Group meeting on 29 May, a new risk for the impact of Anti Social Behaviour on Council facilities was discussed. The introduction of the risk was to reflect the rise of Anti Social behaviour at various locations in the District and the impact this has had on service provision and property maintenance. Although introduced as a Service Risk, a proposed high score of 7 on the Risk Matrix promoted some discussion within the Group as to whether this should be a Corporate Risk. After some debate, it was decided that this would be presented as a Service risk to this Committee, with the opportunity to discuss whether it should be increased to a Corporate Risk (subject to referral and approval by Cabinet). The detail of this risk is included in Appendix A.
- 8.1.3 The Workforce Planning Risk was discussed in detail. It was agreed that the current risk score of 5 remained appropriate.
- 8.1.4 The Annual report on Risk and Opportunities Management was reviewed and agreed by the Group. The report summarises all the changes to the Corporate Risks approved by Cabinet (and monitored by Finance, Audit and Risk Committee) throughout 2018/19. The report is included as Appendix B. Recommendation 2.2 is that this report is referred to Cabinet and Full Council.

Table 1: Risk and Opportunities Matrix

The dates specified relate to the date that officers last reviewed the risk. Risks that officers have reviewed since the last FARC meeting have been given a direction of travel arrow.

Likelihood	3 High	4	7 <ul style="list-style-type: none"> • Income Generation (14.03.19) ↔ • Sustainable Development (24.04.19) ↔ 	9 <ul style="list-style-type: none"> • Brexit (29.04.19) ↔ • Local Plan (24.04.19) ↔ • Managing the Council's Finances (21.12.18) • Waste Management, Recycling and Street Cleansing (20.03.19) ↔
	2 Medium	2	5 <ul style="list-style-type: none"> • Increased Homelessness (16.04.19) ↔ • Workforce Planning (05.04.19) ↔ 	8 <ul style="list-style-type: none"> • Cyber Risks (25.03.19) ↔
	1 Low	1	3 <ul style="list-style-type: none"> • North Hertfordshire Museum and Hitchin Town Hall Project (07.02.19) 	6
		1 Low	2 Medium	3 High
		Impact		

9. LEGAL IMPLICATIONS

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

10. FINANCIAL IMPLICATIONS

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

11. RISK IMPLICATIONS

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

12. EQUALITIES IMPLICATIONS

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 Reporting on the management of risk provides a means to monitor whether the council are meeting the stated outcomes of the district priorities, its targets or delivering accessible and appropriate services to the community to meet different peoples needs. The risks of NHDC failing in its Public Sector Equality Duty are recorded on the Risk Register. The Council's risk management approach is holistic, taking account of commercial and physical risks. It should also consider the risk of not delivering a service in an equitable, accessible manner, and especially to its most vulnerable residents, such as those who are homeless.

13. SOCIAL VALUE IMPLICATIONS

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

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 There are no direct human resource implications relating to this report, but it should be noted that there is a separate Corporate risk relating to Workforce Planning.

15. APPENDICES

- 15.1 Appendix A – New Service Risk – Anti Social Behaviour
Appendix B – Annual Report on Risk Management 2018-2019

16. CONTACT OFFICERS

16.1 Rachel Cooper, Controls, Risk & Performance Manager
rachel.cooper@north-herts.gov.uk; ext. 4606

Ian Couper, Service Director – Resources
ian.couper@north-herts.gov.uk, ext. 4243

17. BACKGROUND PAPERS


17.1 The risks held on Pentana, the Councils Performance and Risk Management IT system.

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New Risks - RMG

Risk Code	RR564	Risk Title	Impact of Anti-Social Behaviour on Council Facilities
Risk Owner	Ian Couper	Updated By	Ian Couper
Year Identified	2019	Corporate Priority	Attractive and Thriving
Risk Description	<p>As a result of anti-social behaviour in or around Council facilities, there is a risk that:</p> <ul style="list-style-type: none"> - Council facilities suffer from criminal damage - Customer use of facilities reduces, e.g. multi-storey car parks, toilets at Howard Park - Users of facilities experience verbal abuse and intimidation - Members of the public suffer personal injury - Staff, service users and local residents suffer distress <p>This could lead to:</p> <ul style="list-style-type: none"> - Loss of income - Additional expense to rectify resulting damage - An increase in the number of insurance claims - An increased number of complaints - Damage to the Council's reputation 		
Opportunities	<ul style="list-style-type: none"> - The Council optimises the use of its facilities - Council facilities provide an attractive and safe environment for service users - Achievement of relevant budgeted income 		
Consequences	<ul style="list-style-type: none"> - Loss of income - Additional costs - Poor publicity - Detrimental effect on staff, service users and local residents 		
Work Completed	<ul style="list-style-type: none"> - Multi-storey car parks and Howard Park added to police patrol plans - Community Protection Manager sent a letter to all head teachers of secondary schools in Baldock, Hitchin and Letchworth regarding anti-social behaviour in multi-storey car parks (February 2019) - Decided to implement a temporary measure to close both multi-storey car parks early each day, with effect from 25 March 2019 - Updated plan for Careline staff who need to park out of hours - Introduced additional patrols by Arena Security at multi-storey car parks - 2019 North Hertfordshire Community Safety Partnership Survey highlighted that in general, people were satisfied that the district was a safe place to live - NHDC officers (Grounds Maintenance and Community Safety) attended Howard Park key stakeholders meetings, which included the police, to discuss issues and links with other incidents in Letchworth and to agree related actions - Ensured that all current lighting at Howard Park is operating effectively - Use of mobile camera at Howard Park to ensure effective coverage of area 		
Ongoing Work	<ul style="list-style-type: none"> - Central logging of incidents to track the scale of any issues - Encouraging any criminal incidents to be reported to the police - Officer working group investigating longer term options for both multi-storey car parks - Officer working group implementing agreed actions to help address identified issues - Monitoring the impact of the temporary measure to close both multi-storey car parks early - Arranging to link the Park Ranger into the Letchworth town centre radio system to enable communication with shop owners and others if there are issues in the town (the system is also linked to the CCTV control room) - Review permanent cameras (with Heritage Foundation) and lighting at Howard Park to balance effectiveness and cost 		
Current Impact Score	2	Current Likelihood Score	3

New Risks - RMG

Overall Risk Score	7	Current Risk Matrix	
Date Reviewed	13-Mar-2019	Next Review Date	13-Sep-2019
Notes	15-May-2019 Since the creation of the Risk Register entry and the implementation of various mitigating measures, anti-social behaviour issues have reduced at both Howard Park and the multi-storey car parks.		
	16-Apr-2019 Since Christmas 2018, the toilets in Howard Park have been closed on and off for a period of over six weeks. Currently, they are open.		
	12-Apr-2019 Following further comments from Becky, Ian and Andrew Mills, the risk entry was updated and subsequently published on the Risk Register.		
	18-Mar-2019 Draft new risk entry created following a recommendation by the Risk Management Group on 20 February 2019 and subsequent discussions with Becky Coates, Community Safety Manager and Ian Couper. Draft risk entry circulated to Becky and Ian for further comment.		

**NORTH HERTFORDSHIRE
DISTRICT COUNCIL**



Annual Report on Risk Management

April 2018 to March 2019

**A progress report on Risk and Opportunity Management at
North Hertfordshire District Council**

Annual Report on Risk Management **2018/19**

1. Summary
2. Background
3. Significant Changes to the Corporate Risks
4. Risk Appetite
5. Insurance Review
6. Business Continuity
7. Health and Safety
8. Review of the Risk Management Framework at NHDC
9. Achieving the Significant Actions for 2018/19
10. Significant Actions for 2019/20
11. Conclusion
12. Recommendations
13. Definitions
14. Risk Matrix for Corporate Risks as at 31 March 2019

Annual Report on Risk Management

April 2018 to March 2019

1 Summary

- 1.1 To provide Full Council with an annual report on risk and opportunities management at NHDC during the financial year 2018/19, as outlined in the Risk and Opportunities Management Strategy.
- 1.2 This report aims to:
 - Confirm the Council's ongoing commitment to the management of risks and opportunities to enable the achievement of its objectives, projects, service delivery and performance management.
 - Summarise the significant changes to the Corporate Risks during the year.
 - Summarise the achievements against the significant actions for 2018/19 identified in last year's Annual Report.
 - Propose further significant actions for 2019/20, in order to maintain the Council's strong and effective risk and opportunities management processes.

2 Background

- 2.1 Throughout 2018/19, the Finance, Audit and Risk Committee (FARC) received reports on the management of the Council's Corporate Risks and where necessary, referred these reports to Cabinet.
- 2.2 In November 2018, the Risk Management Group approved minor revisions to the Risk and Opportunities Management Strategy. These amendments consisted of changing job titles to reflect the 2018 senior management restructure. The strategy is available on the Risk Management intranet page. Officers will undertake a detailed review of the strategy in 2019/20, which will include ensuring that it reflects the new Commercial Strategy and the approach to managing risks associated with major contracts.
- 2.3 Throughout the year, the Performance and Risk Officer provided ongoing training and support to officers and Members.
- 2.4 On request, the Performance and Risk Officer is able to provide 1:1 sessions to members of the FARC, covering topics such as accessing Risk Register entries on Pentana Risk, the Council's performance and risk management system.
- 2.5 The Executive Member for Finance and IT, in his role as the Member "Risk Management Champion", was a regular attendee at Risk Management Group meetings.
- 2.6 The risk management function at both a strategic and operational level is delivered and supported by the Service Director - Resources, the Controls, Risk and Performance Manager and the Performance and Risk Officer.

- 2.7 Hertfordshire County Council (HCC) continues to deliver the Council's insurance services and HCC's Risk and Insurance Manager continues to attend Risk Management Group meetings. This enables the Council to obtain an insight into emerging risks and related issues at HCC and other local authorities in Hertfordshire. The Performance and Risk Officer is a member of ALARM, the national organisation dedicated to supporting risk professionals in the public sector. Membership of ALARM provides training opportunities and enables the sharing of best practice and benchmarking data with other public sector organisations.

3 Significant Changes to the Corporate Risks

- 3.1 There is a single set of Corporate Risks, which Cabinet owns and monitors. These risks (such as key projects and risks directly related to the Council's objectives) require a high level of resources to manage and mitigate and need to be managed at a strategic level within the Council.

- 3.2 At each meeting, officers provided the FARC with updates on the assessment and management of the Council's Corporate Risks. Section 14 of this report presents a summary risk matrix, which shows the position of each Corporate Risk as at 31 March 2019 (the last meeting of the FARC for 2018/19 was on 21 March 2019). The following paragraphs summarise the changes that were reported in the past year.

3.3 Deleted Corporate Risks

The following Corporate Risks were deleted in 2018/19.

3.4 Office Accommodation

Practical completion of the District Council Offices took place on 31 May 2018 and the whole building had been handed over to NHDC. A closure report, including lessons learned, had been reported at the last Project Board meeting on 11 June 2018.

Recommended by the FARC on 24 September 2018

Approved by Cabinet on 25 September 2018

3.5 Waste

Officers had undertaken a comprehensive review of the Waste risks following the award and commencement of the new contract, which had resulted in the creation of a new parent risk and a new sub-risk, the redrafting of four existing sub-risks and the deletion of the original parent risk and five sub-risks:

- Waste and Street Cleansing Contract Renewal (Parent Risk)
- Trade Waste (Sub-Risk)
- Waste and Recycling Services for Flats (Sub-Risk)
- Commingled Waste (Sub-Risk)
- Street Cleansing (Sub-Risk)
- Shared Procurement Opportunity (Sub-Risk)

Recommended by the FARC on 24 September 2018

Approved by Cabinet on 25 September 2018

- 3.6 **New Corporate Risks**
The following Corporate Risks were introduced in 2018/19.
- 3.7 **Waste and Street Cleansing Contract Renewal - Food and Garden Waste**
Officers had created the new “Food and Garden Waste” sub-risk with an overall risk score of “5” to reflect the introduction of charging for Garden Waste, which commenced in May 2018. The overarching “Waste and Street Cleansing Contract Renewal” Corporate Risk remained at the same assessment level of “8”.
Recommended by the FARC on 18 June 2018
Approved by Cabinet on 19 June 2018
- 3.8 **Waste**
Officers had created a new parent risk, “Waste Management, Recycling and Street Cleansing” with an overall risk score of “9” and a new sub-risk, “Route Optimisation of Collection Rounds”, with an overall risk score of “7”. The creation of these new risk entries was one of the outcomes from the comprehensive review of the Waste risks that followed the award and commencement of the new contract (previously referred to in paragraph 3.5).
Recommended by the FARC on 24 September 2018
Approved by Cabinet on 25 September 2018
- 3.9 **Brexit**
Officers had created a new risk entry with an overall risk score of “9”, which reflected the current high level of uncertainty surrounding the Brexit process and the possible implications for the Council.
Recommended by the FARC on 21 March 2019
Approved by Cabinet on 26 March 2019
- 3.10 **Corporate Risks with Amended Assessments**
The regular review of the Council’s Corporate Risks includes an assessment of the impact and likelihood scores. Section 13 of this report details the definitions used for assessing scores at NHDC, which ensure a consistent approach to risk scoring.
- 3.11 **Waste and Street Cleansing Contract Renewal – Depot/Transfer Station**
Officers had increased the likelihood risk score from “Medium” to “High” and subsequently, increased the overall sub-risk score from “8” to “9”. This was to reflect the emerging issues relating to the installation of a fire suppression system and the Environment Agency permit/licence at the Buntingford Depot. Despite the change to the sub-risk score, the overarching “Waste and Street Cleansing Contract Renewal” Corporate Risk remained at the same assessment level of “8”.
Recommended by the FARC on 18 June 2018
Approved by Cabinet on 19 June 2018
- 3.12 **Waste and Street Cleansing Contract Renewal - Sale of Recyclable Materials**
Officers had increased the likelihood risk score from “Medium” to “High” and subsequently, increased the overall sub-risk score from “8” to “9”. Officers had updated the sub-risk as part of the comprehensive review of the Waste risks that followed the award and commencement of the new contract (previously referred to in paragraph 3.5) and it now incorporated commingled waste.
Recommended by the FARC on 24 September 2018
Approved by Cabinet on 25 September 2018

3.13 **North Hertfordshire Museum and Hitchin Town Hall Project**

Officers had reduced the likelihood risk score from “High” to “Low” and the impact risk score from “High” to “Medium” and subsequently, reduced the overall risk score from “9” to “3”. This reflected the completion of the purchase of 14 and 15 Brand Street and the fact that the remainder of the project was now under NHDC’s full control.

Recommended by the FARC on 21 March 2019

Approved by Cabinet on 26 March 2019

4 Risk Appetite

4.1 The Council’s “risk appetite” is its willingness to accept risks in order to realise opportunities and achieve its strategic objectives. The Council has to take risks in order to evolve and deliver its services effectively. The Council’s risk management framework ensures that it recognises the risks that accompany new objectives and opportunities, and that it manages them appropriately. The Council has to decide what risks it wants to take and what risks it wants to avoid, although it cannot or should not avoid all risks.

4.2 The Council will have a range of different appetites for different risks depending on the circumstances, and these can vary over time. The reporting of the Council’s Corporate Risks to Cabinet via the FARC, allows the significant risks the Council is prepared to take to be approved and monitored accordingly. Generally, risks with a score of “7” or above will exceed the Council’s risk tolerance and will require further controls and mitigation. As at 31 March 2019, the following Corporate Risks, which have clear links to the Council’s objectives, had a score of “7” or above:

- Brexit (9)
- Local Plan (9)
- Managing the Council’s Finances (9)
- Waste Management, Recycling and Street Cleansing (9)
- Cyber Risks (8)
- Income Generation (7)
- Sustainable Development (7)

5 Insurance Review

5.1 Hertfordshire County Council handles the Council’s insurance arrangements under a shared service arrangement.

5.2 The Council transfers some financial risks to its insurers. Public liability insurance provides the Council with insurance cover for claims made by the public for personal injury and/or property damage. These are each subject to a £10,000 excess that is charged to the responsible service area. Areas that have been subject to a claim are identified and wherever possible, action is taken to prevent future damage to property or personal injury.

5.3 Fifteen claims were received from the public relating to the policy year 2018/19. Although claims are made, these are not always successful for the claimant, as payments of compensation are made only when there is a proven legal liability. As at the end of March 2019, five of the fourteen claims relating to minor property damage had been settled. One personal injury claim was made and this was declined.

- 5.4 The Municipal Mutual Insurance (MMI) Scheme of Arrangement was triggered in 2013 and the Council now pays 25% of any new claims dating back to the period that MMI was the Council's insurers (1974 to 1993). The Council's Financial Risks make provision for any new claims and any further levy demands relating to the period that MMI were the Council's insurers.

6 Business Continuity

6.1 Business Impact Analysis

As part of the process, the core critical functions were identified and the risks mitigated (SMT - June 2018). SMT monitor these critical functions, whilst individual Service Directors retain responsibility for lower scale risks in their areas. The revised Business Continuity Plan structure is:

Corporate Level Plans

- Main Resilience Plan
- Mass Staff Absence Plan
- Recovery Plan
- Pandemic Plan
- IT Recovery Plan
- Property Services; Loss of Building (currently work in progress)
- Waste Contract (Lot 1)

Ten Core Critical Functions

- Burials
- Careline
- Emergency Planning
- Housing – Dealing With Homelessness Approaches
- Customer Service
- Communications
- IT
- Safeguarding – Managing Alerts/Concerns
- Revenues and Benefits - Payments
- Waste Management (Waste Contract/Loss of Buntingford Depot)

- 6.2 A major change to Business Continuity Planning arrangements during 2018/19 was the move back to the refurbished DCO. A storage facility is now available at Works Road, Letchworth, which houses the emergency planning equipment, IT disaster recovery and has suitable facilities to be converted to a secondary Incident Control Centre.

6.3 Business Continuity Training

The 2018/19 Resilience training programme was completed. Training focused on key response roles including Incident Manager and Reception Centre Management and staff training. With the return to the refurbished DCO complete and senior management changes in place following the restructure, training for 2019/20 will include Business Continuity sessions.

6.4 Working in Partnership

The Hertfordshire Local Resilience Forum takes a lead role in Business Continuity Planning and therefore promotes a broader understanding of issues. NHDC officers have secured good relationships with local organisations such as Churches Together, Urbaser, Pearce, Johnson Matthey and Garden Square retail. NHDC works closely with its peer authorities on topics such as cybercrime, reception centres, managing equipment, mutual aid and Brexit.

6.5 **Business Continuity Preparedness**

NHDC has a robust Business Continuity Planning framework. Despite uncertainty, work is ongoing to prepare NHDC for Brexit, with waste and food being the key areas impacted. Work with Environmental Health assisted in the promotion of a countywide Food Officer Group to examine the significant risks and work with Urbaser is taking place around waste. Brexit concerns have been raised at SMT level and recorded on the Risk Register as a Corporate Risk.

6.6 **Business Continuity Promotion**

Awareness work was carried out for Business Continuity Awareness Week in May 2018 (14 to 18 May). The theme was Organisational Resilience and NHDC published a series of key messages for businesses via Twitter. Internally, an article in the Insight magazine promoted key information for staff. The NHDC Resilience Planning booklet containing advice on Business Continuity is available on the NHDC website along with additional information and direction to Hertfordshire County Council for further guidance.

6.7 Business Continuity actions planned for 2019/20 include:

- Continue to monitor and assess potential impacts of Brexit
- Business Impact Assessments and key activities to be reviewed by SMT
- Business Continuity Plans for critical functions to be reviewed and updated as required
- Business Continuity training to be provided
- Resilience Direct will be used as a secure online external repository for NHDC's Resilience Plan documents
- Further promotion of Business Continuity Planning to the business community

7 **Health and Safety**

7.1 **DCO Heating**

The heating/cooling in the DCO continues to be a problem. Property Services are working closely with the installation company to find the optimum settings for the system. There is a trial of a retro fitted air deflector on the fifth floor and this is designed to redirect the air from the units away from desktops and disperse it across the ceiling.

7.2 **Display Screen Equipment (DSE) Risk Assessment Software**

The contract for the DSE risk assessment software provided by Cardinus has been renewed and is due for roll out at the end of May 2019. The updated programme now includes modules on working with hot desks, dual screens, rising desks, use of tablets and home working.

7.3 **Letchworth Multi-Storey Car Park**

The latest fire risk assessment highlighted a potential emergency egress issue from the town centre side of the car park after 1900 hours. The town centre gates are closed for security reasons at this time each evening and therefore the exit route from the car park through the town centre becomes unavailable.

7.4 Due to the loss of this exit, the re-routing of pedestrians across the vehicle decks to the DCO side stairs and a safe exit route increases the travel distances. The distances needed to travel will be increased further by the planned decoration works to the DCO side stairs, which will require the stairs to be closed off for approximately two weeks. The proposed routes for pedestrian exit to the DCO side of the car park after 1900 hours will be via the town centre stairs and vehicle ramps with exit from the Level 1 vehicle entrance. It is proposed to close the left side vehicle entrance to vehicles to accommodate this. The increased travel distances have been assessed by the Herts Fire and Rescue Service Fire Officer and have been deemed acceptable and within the guidelines for normal use of the car park. The Fire Officer also agreed with the proposals for management of pedestrian egress during the stairwell refurbishments.

7.5 Alternative arrangements for completion of the works have been considered. However, there would be increased costs for the Council for out of hours working and potential risks to staff and members of the public if the stairs were to remain open for the duration of the works.

7.6 **Bury Mead Road Museum Store**

The latest fire risk assessment review for the building highlighted several concerns around fire safety within the building. Discussions have taken place with the Service Director and both the Museum Manager and the Operations and Facilities Manager for Hitchin Town Hall and temporary measures have been implemented to reduce the level of risk. These include a reduction of unwanted combustible materials from the site, restricted access controlled by the Museum Manager and the relocation of all items used or loaned out on a regular basis to North Hertfordshire Museum. The regular volunteer worker engaged to catalogue items has also been relocated to the main museum in Hitchin. More works are planned to reduce the fire loading on the building further. However, due to priority being placed on the opening of the North Hertfordshire Museum, no timescales have been set for the completion of this work.

8 Review of the Risk Management Framework at NHDC

8.1 The latest risk management audit, reported by the Shared Internal Audit Service (SIAS) in March 2017, provided a substantial level of assurance and highlighted the Council’s commitment to ensuring that effective risk management underpinned all activities and supported the Council in achieving its stated objectives. The subsequent implementation of the two “Merits Attention” recommendations enhanced the risk management processes further.

9 Achieving the Significant Actions for 2018/19

9.1 Last year’s Annual Report detailed the following key action for 2018/19, to enhance implementation and development of the risk management framework:

Action	Due Date
To review the structure of the Risk Management Group following publication of the details of the corporate restructure and to make any required changes to the group’s Terms of Reference	31/08/18

- 9.2 On 22 November 2018, the Risk Management Group reviewed its structure and agreed two options for future membership. The Service Director – Resources subsequently presented these options to the Senior Management Team and it agreed that the Service Director – Commercial would join the Risk Management Group to represent the commercial side of the organisation and that the Strategic Infrastructure and Projects Manager would no longer be required to regularly attend meetings. These were the only changes required to the current membership.
- 9.3 The Risk Management Group will review its Terms of Reference during 2019/20 and agree the changes required.

10 Significant Actions for 2019/20

- 10.1 The implementation of the following key actions in 2019/20 will ensure the continued development of the risk management framework at NHDC:

Action	Due Date
To review the Risk Management Group's Terms of Reference and agree the changes required.	30/09/19
To review the Risk and Opportunities Management Strategy, including the need for changes to reflect the Council's adopted approach to commercialisation.	31/12/19

11 Conclusion

- 11.1 The Council continued to maintain robust risk management practices throughout 2018/19, including the regular review of the Corporate Risks. Section 3 of this report summarises the changes made to the Corporate Risks during the year. The outcome from the risk management framework is to ensure a better understanding of the risks and opportunities the Council faces and to determine the most effective way to manage and exploit them. As a result, the Council is more risk aware.

12 Recommendations

- 12.1 Full Council notes the continuing strong processes of the risk management framework at NHDC that supports the Council's governance framework.
- 12.2 Full Council notes the changes to the Council's Corporate Risks during 2018/19.

13 Definitions

13.1 The following are the definitions of likelihood and impact used in NHDC's Risk Management Framework.

Likelihood

1. Low	Unlikely in the next 12 months.
2. Medium	Possible in the next 12 months.
3. High	Likely in the next 12 months.

Impact

Severity of Impact Guide							
Score	General	Personal Safety	Service Disruption	Financial Loss £	Project Delay	Impact on Stakeholders /Environment	Reputation
1. Low	Consequences will not be severe and associated losses will be small	Minor injury (first aid)	Negligible affect on service provision but may have a more significant cumulative affect if action is not taken	Up to £10,000	Delivery of project delayed by weeks	No impact on stakeholders Minor damage to local environment	Minimal reputation damage (local press article)
2. Medium	Will have a noticeable affect on services	Injury (external medical treatment required)	Will cause a degree of disruption to service provision and impinge on budgets	Medium financial loss £10,000 to £100,000	Delivery of project may be delayed by months	Some impact to stakeholders Moderate damage to local environment	Coverage in national tabloid press
3. High	Can have a catastrophic affect	Serious injury or loss of life	May result in significant financial loss or major service disruption	Major financial loss exceeding £100,000	Delivery of project no longer attainable	Significant impact on stakeholders Major damage to local environment	Extensive coverage in national press/national TV item

14 Risk Matrix for Corporate Risks as at 31 March 2019

14.1 As reported to the Finance, Audit and Risk Committee on 21 March 2019 and Cabinet on 26 March 2019.

Summary Matrix

Likelihood	3 High	4	7 • Income Generation • Sustainable Development	9 • Local Plan • Managing the Council's Finances • Waste Management, Recycling and Street Cleansing • Brexit
	2 Medium	2	5 • Increased Homelessness • Workforce Planning	8 • Cyber Risks
	1 Low	1	3 • North Hertfordshire Museum and Hitchin Town Hall Project	6
		1 Low	2 Medium	3 High
		Impact		

**CABINET
30 JULY 2019**

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: STRATEGIC PLANNING MATTERS

REPORT OF THE SERVICE DIRECTOR - REGULATORY

EXECUTIVE MEMBER FOR PLANNING & TRANSPORT

COUNCIL PRIORITY : ATTRACTIVE AND THRIVING / PROSPER AND PROTECT

1. EXECUTIVE SUMMARY

1.1 This report identifies the latest position on key planning issues affecting the District

2. Recommendations

2.1 That the report on strategic planning matters be noted.

2.2 That the submission(s) in Appendices A, C and D be noted and endorsed by Cabinet.

2.3 That the submissions in Appendices B, E and F be noted by Cabinet.

3. REASONS FOR RECOMMENDATIONS

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

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 None.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1 The Executive Member for Planning and Transport and deputy has been briefed on the matters set out above.

6. FORWARD PLAN

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

7. BACKGROUND

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

7.2 A comprehensive update was provided in the report to Cabinet of June 2019. Only those matters where there has been substantive new information or change are reported upon.

8. RELEVANT CONSIDERATIONS

8.1 Other Plans and Examinations

8.1.1 **Welwyn Hatfield** – As previously reported, a consultation on potential additional sites took place, ending on Tuesday 18th June 2019. A response was prepared in consultation with the Executive Member and is attached as Appendix A.

8.1.2 **St. Albans** – The Inspector's examining St Albans plan have requested further information on the Plan's proposed approach to Green Belt matters. As a result of the issues raised they consider that the provisional dates for hearings in October 2019 may no longer be feasible.

8.2 North Hertfordshire Local Plan

8.2.1 The Inspector wrote to the Council on 9 July 2019 identifying some "issues and reservations". These relate to five main issues:

- The objective assessment of housing need
- The Green Belt Review Update
- The proposed 'East of Luton' sites
- Safeguarded land to the West of Stevenage; and
- The main modifications proposing to allocate new land for development

8.2.2 The Inspector's letter has been published on the Council's website and is also attached to this report as Appendix B. Officers in consultation with relevant Members are currently considering how best to address the Inspector's requests.

8.3 Neighbourhood Plans

8.3.1 Following consideration of the Wymondley Neighbourhood Plan at the previous Cabinet meeting, the referendum has been scheduled for Thursday August 29 2019. If a simple majority vote in favour of the Plan, it will be 'made' by the Service Director – Regulatory in consultation with the Executive Member for Planning and Transport under delegated powers and will form part of the statutory Development Plan for determining planning applications.

8.3.2 Consultation on the draft Baldock, Bygrave and Clothall Neighbourhood Plan took place in May and June 2019. A response was prepared in consultation with the Executive Member and is attached as Appendix C.

8.4 Government Announcements

8.4.1 None to report

8.5 London Luton Airport

- 8.5.1 London Luton Airport Limited (LLAL) are continuing to work towards a submission to the Planning Inspectorate of a Development Consent Order (DCO) for the proposed expansion of the airport in Spring 2020. Officers are meeting regularly with the LLAL together with the other affected authorities.
- 8.5.2 Work is reaching a conclusion in seeking to secure a Planning Performance Agreement (PPA) so that costs associated with the Council's representations on the scheme can be reimbursed in total or part. Officers have secured funding from the applicant to obtain specialist external legal advice with regard the PPA.
- 8.5.3 LLAL are proposing to run their statutory consultation of their expansion proposals from 16 October 2019 to the 11 December 2019. As part the process leading up to this statutory consultation a Statement of Community Consultation (SoCC) has been prepared which will set out how consultation will take place for the Development Consent Order. A response has been prepared in consultation with the Exec Member. See attached at Appendix D.

8.6 Other transport, planning and infrastructure matters

- 8.6.1 **A505 Transport Corridor Joint Study** – Following completion of the Stage 1 evidence gathering, officers from North Hertfordshire together with Luton, Central Bedfordshire and Hertfordshire County Council have agreed to proceed with Stage 2 of the study. This will examine existing and future pressures on the transport network
- 8.6.2 **M1 to A6 link road** - A response supporting the objection by HCC to the Central Bedfordshire Planning application to provide a road connecting the M1 to the A6 north of Luton was prepared and submitted to CBC, setting out our concerns regarding potential traffic impacts on the villages of Lilley and Hexton in connecting to the A505 and also the A505 / Pirton Road junction in Hitchin, which is already operating close to capacity. Reference is also made to the two AQMAs in Hitchin. A copy of the response is attached at appendix E.
- 8.6.3 **Aviation 2050: The Future of UK Aviation- Consultation:** sets out the Governments specific policy proposals for inclusion in the final aviation strategy, to be published later in the year. NHDC have submitted a response supporting the comments submitted by Hertfordshire County Council. See copy attached at Appendix F. The consultation document can be viewed at: <https://aviationstrategy.campaign.gov.uk/>
- 8.6.4 **Strategic planning in north-east Hertfordshire** – Work continues with the other authorities in the area (Broxbourne, East Hertfordshire, Hertfordshire County, Stevenage and Welwyn Hatfield) to explore the potential for joint approaches to the future strategic planning of the area beyond the current round of local plans.

9. LEGAL IMPLICATIONS

- 9.1 Under the Terms of Reference for Cabinet, the Constitution states that it may exercise the Council's functions as Local Planning Authority and receive reports on strategic planning matters, applications for, approval/designation, consultation/referendums revocations (or recommend revocation) of neighbourhood plans and orders, (except to the extent that those functions are by law the responsibility of the Council or delegated to the Service Director: Regulatory)

9.2 There are no new legal implications arising from this report. The preparation of statutory plans is guided by a range of acts and associated regulations including the Planning and Compulsory Purchase Act 2004 (as amended) and the Localism Act 2011. All local planning authorities are bound by a statutory Duty to Co-operate on cross-border planner matters.

10. FINANCIAL IMPLICATIONS

10.1 There are no new financial implications arising from this report. The costs of preparing the Local Plan and running the examination are reviewed on a regular basis, and are reported through the quarterly revenue monitoring reports to Cabinet.

10.2 The general costs of preparing Supplementary Planning Documents, responding to consultations on neighbouring authorities' Plans, neighbourhood plans and Government consultations and the other activities identified in this report are met through existing revenue budgets or benefit from external funding or other arrangements to recover costs.

10.3 The Government has confirmed for 2019/20 that funding is available for local planning authorities (LPAs) in respect of neighbourhood planning. LPAs can claim £20,000 once a date has been set for a referendum following a successful examination. Area designation funding has not been available for the last years to the Council as it has already designated more than 5 areas.

10.4 The financial risks associated with planning were reviewed and updated as part of the budget-setting cycle for 2019/20. Risks are identified in relation to potential additional costs associated with progressing the Plan or any future challenge to it.

11. RISK IMPLICATIONS

11.1 Sustainable Development of the District and the Local Plan are both Cabinet Top Risks. The Sustainable Development of the District has a sub-risk that covers the risks arising from the duty to co-operate with neighbouring authorities.

12. EQUALITIES IMPLICATIONS

12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

12.2 There are not considered to be any direct equality issues arising from this report. Future individual schemes or considerations may well be subject to appropriate review to ensure they comply with latest equality legislative need. Any risks and opportunities identified will also be subject to assessment for impact on those that share a protected characteristic.

13. SOCIAL VALUE IMPLICATIONS

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

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 There are no new human resource implications arising from the contents of this report. A number of appointments have been made within the planning service since the implementation of the directorate restructure in 2018. Workload and vacancies are monitored on an on-going basis. There are currently two vacancies within the Strategic Planning & Enterprise team.

15. APPENDICES

- 15.1 Appendix A Response to Welwyn Hatfield promoted sites consultation
- 15.2 Appendix B Inspector's letter re. Examination of the North Hertfordshire Local Plan 2011-2031
- 15.3 Appendix C Response to Baldock, Bygrave and Clothall Reg 16 consultation
- 15.4 Appendix D – Response to Luton SoCC
- 15.5 Appendix E – Copy of response to Central Bedfordshire Planning Application for M1 to A6 Link road
- 15.6 Appendix F – Copy of response to Aviation 2050: The Future of UK Aviation-Consultation

16. CONTACT OFFICERS

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17. BACKGROUND PAPERS

- 17.1 None

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18 June 2019

Mrs Sue Tiley
Planning Policy
Welwyn Hatfield Borough Council

Our Ref: LP/14DtC/WH
Your Ref:

By email only

Contact Officer : Clare Skeels
Direct Line : 01462 474424
E-mail : clare.skeels@north-herts.gov.uk

Dear Mrs Tiley

Welwyn Hatfield Local Plan – Promoted Sites Consultation 2019

Thank you for the opportunity to make comments on the Promoted Sites 2019 consultation document.

Whilst the District Council has a particular interest in those sites which have been put forward for consideration in Oaklands and Mardley Heath, Woolmer Green and Welwyn, it does not intend to make any detailed comments on these sites individually at this time.

We consider that the decision on which of the consultation sites to propose to be taken forward is a matter for the Borough Council having regard to other, relevant supporting evidence. We reserve the right to make additional comments at such time a holistic revised proposed development strategy for Welwyn Hatfield is presented.

However, there are a number of issues which the District Council should be take into account in determining which of the 140 sites should be allocated in the emerging Local Plan. In particular, whether the necessary infrastructure and mitigation measures can be provided in the right location. As you will be aware, the North Hertfordshire Local Plan is at an advanced stage of preparation. The Infrastructure Delivery Plan for North Hertfordshire has been prepared in the context of the allocations in the Local Plan but does not take into account any additional development on the periphery of the adjoining authorities.

Further development in Welwyn and Woolmer Green may have an impact on traffic, transport, health and education provision. The District Council would anticipate that additional work would be required to ensure that the impacts of development has been adequately assessed and that the appropriate mitigation is identified in the Welwyn Hatfield Local Plan.

We would ask that you have regard to the aims of the emerging North Hertfordshire Transport Strategy and the detailed policy wording included in our Plan (as proposed to be modified) in relation to infrastructure and cumulative impacts. In particular, we would highlight the policy criteria attached to our own proposed sites in Codicote and Knebworth. At this stage, we request that any sites pursued by Welwyn Hatfield in close proximity to these settlements seek

North Hertfordshire District Council, Council Offices, Gernon Road, Letchworth Garden City, Hertfordshire, SG6 3JF

to incorporate similar requirements and / or do not frustrate the implementation of sites within North Hertfordshire.

At this stage, these are Officer only comments and have not been endorsed by Councillors.

Yours sincerely

A handwritten signature in black ink, appearing to read 'N Smith', with a stylized flourish at the end.

Nigel Smith
Strategic Planning Manager

Examination of the North Hertfordshire Local Plan 2011 – 2031

Inspector: Mr Simon Berkeley BA MA MRTPI
Programme Officer: Mrs Louise St John Howe
louise@poservices.co.uk Mobile: 07789 486419

Mr Nigel Smith
Strategic Planning Manager
North Hertfordshire District Council

By email only

9 July 2019

Dear Mr Smith

Examination of the North Hertfordshire Local Plan 2011 – 2031

As you know, during the examination hearings the Council put forward a significant number of draft main modifications for my consideration. During that period, and subsequently, it also undertook to produce a substantial amount of additional work, largely at my request. Both this work and the draft main modifications were the subject of public consultation earlier this year, ending in April.

Since then, I have been reviewing the representations made. This has proved time consuming, as a result of the sheer number of representations and volume of material involved, and this is a task I have not yet completed. I have also been looking again at some of the evidence produced in the context of the representations made. In the light of the work I have been undertaking, I am now writing to set out the way forward for the examination, and to draw your attention some issues and reservations I have.

I have numbered to following paragraphs to assist with any necessary cross-referencing.

1. Firstly, I am acutely aware that the Council is keen to progress the examination as expediently as possible. I fully understand the reasons for that. Indeed, it is a desire I wholeheartedly share.
2. Through the recent consultation exercise, a number of the examination's participants have requested that further hearings be held. My starting point here – as set out in the Planning Inspectorate's guide '*Procedure guide for local plan examinations*' (June 2019, 5th edition) – is that further hearing sessions will not usually be held unless they are necessary to resolve a fundamental soundness issue, to deal with substantial issues raised in the representations or to ensure fairness. However, in the light of the representations, the new evidence produced during the examination and since I closed the hearings, and my re-consideration of evidence in the context of the representations, I have decided that some further hearing sessions must now take place.
3. I anticipate that this news will be received by the Council and others supporting the submitted plan with both frustration and disappointment. It is not a decision I have arrived at lightly. But I consider that there are compelling reasons for holding some further hearings, albeit on clearly defined and limited matters. I set out those reasons below.

The objective assessment of housing need ('the OAN')

4. As you are aware, the new National Planning Policy Framework 2019 ('the 2019 NPPF') includes 'transitional arrangements' whereby local plans submitted on or before 24 January 2019 are to

be examined on the basis of the National Planning Policy Framework 2012 ('the 2012 NPPF'). That is the basis for this examination. Consequently, the 2012 NPPF and the Planning Practice Guidance ('PPG') supporting it remain 'in force' for the purpose of this examination.

5. In relation to identifying the OAN, the PPG says:

"Wherever possible, local needs assessments should be informed by the latest available information. The National Planning Policy Framework is clear that Local Plans should be kept up-to-date. A meaningful change in the housing situation should be considered in this context, but this does not automatically mean that housing assessments are rendered outdated every time new projections are issued." (Paragraph: 016 Reference ID: 2a-016-20150227)

6. This gives rise to two questions: whether the OAN is informed by the latest available information; and if it is not, whether the latest available information would give rise to a 'meaningful change' in the housing situation. Since the last hearing sessions, 2016-based population and household projections have been published. These projections represent the latest available information and the OAN underpinning the Local Plan is not informed by them. My task, then, is to establish whether these projections lead to a 'meaningful change' in the housing situation.
7. There are two points to raise here. Firstly, my consideration of this point is critical to the examination – my conclusions regarding the OAN and the soundness of the Local Plan's housing requirement depend on it. But because of the timing of the publication of the 2016-based projections, this point is not one that has been discussed at any hearing session. This is such a fundamental issue that it would, in my view, be unfair to participants to proceed without a hearing.
8. Secondly, I am not entirely clear about the evidence and arguments made out in writing on this issue. The Council's note '*Implications of new household projections for NHDC Local Plan*' [ED159] considers the 2016-based household projections. At Table 1, figures are presented taking the 2016-based household projections as the starting point, then adding vacancy rates and market signals uplifts in line with the method used to calculate the two OANs on which the Local Plan is based. These suggest that the OAN for the Stevenage HMA part of North Hertfordshire is 10,900, and that the OAN for the Luton HMA portion is 100 homes. This is 2,800 homes fewer than the OAN figure of 13,800 on which the submitted Local Plan requirement of 14,000 is founded. I will say now that, taking these figures at face value and considering the context here, I regard this to amount to a 'meaningful change'.
9. However, I am not adequately certain about the appropriateness of the method used to arrive at the figures in Table 1. In particular:
- it would help if the precise vacancy rates and market signals uplifts applied were set out and briefly explained;
 - I am not clear as to whether the vacancy rates and market signals uplifts previously applied remain appropriate for the purpose of establishing an OAN based on the 2016-based household projections; and
 - in order to identify an appropriate OAN for North Hertfordshire based on the 2016-based projections, I cannot tell whether the figures should be adjusted in order to address any issues there may be with the 2016-based household projections, including in relation to household formation rates and the issues on which the Government has expressed concern.

In short, I have reservations as to whether the Council's note sets out appropriate and robust OAN figures on the basis of the 2016-based projections. Considering the task with which I am charged in relation to the aforementioned 'meaningful change' issue, this is a shortcoming that must be resolved.

10. I note that Table 2 in the Council's note provides figures referred to as the 'potential 20-year standard method figures using 2016-based household projections'. This appears, in effect, to generate OAN figures by inputting the 2016-based household projections into the standard method formula set out in the PPG supporting the 2019 NPPF. However, it is plain from the revised PPG supporting the 2019 NPPF that the 2014-based household projections should be used in conjunction with the standard method formula. I am concerned that these figures are therefore not consistent with national policy, and as such I have doubts about their usefulness. It may, though, be instructive for the purpose of comparison to present the OAN figure derived from the standard method formula using the 2014-based projections.
11. Considering the above, I regard exploration of the OAN at a further hearing to be essential.

The Green Belt Review Update

12. Also among the new evidence produced by the Council during the examination is the 'Green Belt Review Update 2018' [ED161 A and B] ('the Green Belt Update'). The Green Belt Update essentially revisits the original Green Belt Review (July 2016) [CG1] in the light of the Court of Appeal judgement in the Samuel Smith Old Brewery case¹, and aims to ensure that the visual dimension of 'openness' is fully considered.
13. The Green Belt Update reaches some conclusions which differ to those in the original Review. Notably, it concludes that some sites proposed for allocation which were previously considered to make a 'moderate contribution' to the Green Belt actually make a 'significant contribution'. I note the Council's overall view on this point, being in each case that exceptional circumstances still exist to justify the allocation proposed. Nonetheless, the Green Belt Update alters the context here – it is not the evidential basis on which the previous hearings were held. As with the question of the OAN, this is a matter of fundamental importance. Consequently, I consider that it would be unfair to interested participants to proceed without exploring this point at a further hearing session.
14. In the light of the representations, I have reviewed again some of the evidence underpinning the selection of sites for allocation. I am not clear from this, or from the previous hearing sessions, precisely how the exercise of reviewing the Green Belt has affected the site selection process. In particular, I am struggling to understand how, or indeed whether, the contribution – whether it be moderate, significant, or whatever – made to the Green Belt by any individual parcel of land has influenced its selection or rejection. Put simply, I cannot see how the conclusions of the Green Belt review exercise have informed the selection of sites. The Sustainability Appraisal (2016) [LP4] does not appear to draw on the outputs of the Green Belt Review to any meaningful extent or make any distinction between land that contributes moderately to the Green Belt and land that contributes significantly. This may be a problem in itself. Similarly, in the Green Belt Update, there is little in the way of justification for the conclusion that while some land is now considered to make a significant contribution to the Green Belt, it should nonetheless remain allocated for development (or, in one case, for 'safeguarding').

¹ Samuel Smith Old Brewery v North Yorkshire County Council [2018] EWCA Civ 489

Programme Officer: Mrs Louise St John Howe, PO Services, PO Box 10965, Sudbury, Suffolk, CO10 3BF

15. If the Council's stance on this is that the contribution made by land to the Green Belt really makes no difference, then it should say so. If that is the case, the Council should also clearly explain why it has reached this conclusion – that is to say, to unambiguously state the imperative for allocating land irrespective of the contribution made by it to the Green Belt. Whatever the Council's view on this, it is a point on which greater clarity is essential in taking the examination forward, and a further hearing is necessary in this regard.

The proposed 'East of Luton' sites

16. Three sites are proposed primarily for housing development adjacent to Luton in order to provide 1,950 homes to assist in addressing Luton's unmet need for housing. They are on land that is currently Green Belt. Much evidence has been produced in relation to these sites, and they have been the subject of extensive discussion at hearing sessions. In the light of this discussion, the Green Belt Update, the responses to the recent consultation exercise and my further review of the evidence, I have reservations about the justification for the allocation of these sites.
17. As a brief aside, paragraph 39 of the Council's note [ED159] appears to indicate that the East of Luton sites "... *would still be required to make a positive contribution towards housing needs from the wider [Luton] housing market area ...*". So far as I am aware, the purpose of these sites is in specific relation to the identified unmet needs of Luton Borough, rather than those of the wider Luton HMA. That is, at least, what I have heard at the hearings so far and is what is set out in paragraph 4.9 of the Council's Updated Statement of Common Ground with Luton Borough Council [ED18]. For the avoidance of any doubt, I ask that the Council clarifies the situation here.
18. These three East of Luton sites are among those where re-evaluation through the Green Belt Update has led to a change in the Council's view. Rather than making a moderate contribution to the Green Belt, the Council now considers their contribution to be significant. Consequently, the development of them proposed through the Local Plan would be more harmful than previously considered by the Council to be the case. This is a factor that is relevant to the consideration of whether or not exceptional circumstances exist to warrant the 'release' of the Green Belt land involved.
19. More fundamentally, though, I have misgivings about the Council's current demonstration of exceptional circumstances in respect of these sites. I recognise that they would make a valuable contribution in relation to the unmet need for housing in Luton, and I do not underestimate the acute and pressing nature of that need. In aiming to assist Luton Borough Council, the Council's intentions are undoubtedly laudable and strike a harmonious chord with the objectives of national policy. Indeed, helping neighbouring authorities in this way is precisely the kind of outcome the Duty to Cooperate ('the DtC') is intended to secure. That said, the fact that a local plan allocation is borne of engagement through the DtC does not absolve it from the requirement of being evidentially based, or somehow lessen the imperative in that respect, particularly where it is necessary to demonstrate exceptional circumstances.
20. I note that these sites have been considered through the '*Luton HMA Growth Options Study*' (2016) [HOU7] ('the Growth Options Study'). This, in essence, assesses the suitability of 'locations' in relation to deliverability, viability, environmental constraints and accessibility. But unless I have misunderstood or missed something here, neither this document nor any other produced to the examination provides a comparative assessment of the numerous options

considered for addressing the unmet housing needs of Luton – by which I mean an assessment that analyses the site options and then, through comparison, arrives at recommendations or conclusions founded on a clearly reasoned justification. The *'Luton HMA and Site Selection Assessment Report'* (2016) [HOU8] by Peter Brett Associates also considers site options for meeting Luton's needs, but the area of search is confined to areas within North Hertfordshire. From my understanding of it, the *'Strategic Housing Land Availability Assessment 2016 Update'* [HOU9] does not cast the net any further afield. Consequently, all comparative analysis is limited to land within North Hertfordshire – that is to say, it is predicated on the Council's decision that North Hertfordshire should set out to provide land to meet Luton's needs.

21. In different circumstances, that might not be a shortcoming. The problem here, however, is that the land proposed for that purpose is in the Green Belt, and exceptional circumstances must be demonstrated to exist to justify its 'release'. This is a high bar. I am concerned that, in order to overcome it, it may be necessary to show (through a comparative assessment of the kind I have described above) that the sites involved are preferable to all other potential options. It is difficult to see any particular reason why the consideration of alternatives to meet Luton's unmet needs should be limited to North Hertfordshire. Indeed, I am concerned that the Luton HMA may represent the most appropriate 'area of search' for this purpose. I am struggling to understand how exceptional circumstances can exist if one is left wondering whether there might be preferable options elsewhere within the applicable housing market area.
22. This is a point that was taken up by Natural England in its response (dated 30 November 2016) to the Proposed Submission Local Plan consultation. In section 8 of that letter, Natural England says "*There hasn't been an adequate assessment of alternatives [to the East of Luton sites]. The Sustainability Appraisal should set out alternative locations/sites considered to meet the housing need elsewhere ... Thus alternatives [to the East of Luton sites] should be presented [in the Sustainability Appraisal] both within Luton and other neighbouring local authorities*". Paragraph 4.12 of the Statement of Common Ground between the Council and Natural England [ED52] reiterates Natural England's stance on this matter. I note the Council's view, set out in the 'Sustainability Appraisal Supplementary Paper' [LP8] that "*... it is not in the authority's jurisdiction to make judgements regarding the acceptability of these alternative sites [within the Luton HMA but outside of North Hertfordshire]*". That may be so. It is, perhaps, for this very reason that local authorities are required to cooperate on cross boundary issues and to this end are encouraged to undertake joint studies where relevant.
23. On this point, I will say that I do not regard the apparent deficiency of an even and consistent comparative assessment of options within the Luton HMA to be a failing under the DtC. Rather, so far as I can tell and in the absence of any compelling evidence to the contrary, it seems that the undertaking of a Luton HMA-wide comparative analysis of this sort has not been thought necessary by any of the local authorities concerned. However, it does lead me to doubt the evidential justification for allocating the East of Luton sites and the robustness of the Sustainability Appraisal in this respect.
24. As I have said at the outset of this letter, my commentary here should not be taken as 'interim findings' as such, and I have not reached a firm view on these matters. I set them out here to alert the Council and other participants that I do presently have reservations. However, I am not satisfied that the specific points raised above have as yet been adequately explored at a hearing session and, as such, I am not currently able to reach a final and fully informed conclusion.

Consequently, I have decided that a further hearing session considering these matters is absolutely necessary.

25. I ask the Council to consider carefully my misgivings. To assist, I would suggest that there are several possible ways forward.
- a) If I have either misunderstood the evidence supporting the Council's demonstration of the exceptional circumstances relating to the East of Luton sites, or have missed something, the Council should produce a concise note to enlighten me.

If I have not misunderstood the evidence or missed something, the Council could:

- b) seek to explain why an even and consistent comparative assessment of the site options across the Luton HMA (with conclusions drawn on a clearly reasoned basis) is not necessary to demonstrate that exceptional circumstances exist to warrant the 'release' of the East of Luton sites from the Green Belt; or
- c) if, in the light of this letter the Council concludes that such an assessment is necessary but is absent, the Council could request that I suspend the examination to allow it to be undertaken; or
- d) put forward a main modification deleting the East of Luton sites from the Local Plan. If this path is pursued, it is highly likely that, in order to be sound, the Local Plan should include a commitment to further joint working with the other local authorities in the Luton HMA to identify the most appropriate sites for meeting Luton's unmet housing need and to bring forward a development plan document allocating any sites in North Hertfordshire identified through this analysis.

There may, of course, be other options and I leave the Council to consider the alternatives.

26. If the Council finds itself considering options c) and d) listed above, I would strongly recommend d). This has already been a complicated and lengthy examination. Of the two, option d) has the benefit of avoiding what could prove to be – given the joint working likely to be required – a very prolonged suspension, which in turn would run the risk of elements of the evidence base becoming outdated.

Safeguarded land to the West of Stevenage

27. I also have reservations about the demonstration of exceptional circumstances in relation to the land to the West of Stevenage currently in the Green Belt that is proposed to be identified as 'safeguarded land'. The Green Belt Update also alters the assessment of the contribution made by this land to the Green Belt – it is now considered by the Council to make a significant contribution, rather than a moderate one. Again, this is a factor that is relevant to the consideration of whether or not exceptional circumstances exist to warrant the 'release' of the Green Belt land involved.
28. Added to this, I have doubts about the strength of the arguments underpinning the Council's justification for identifying this as 'safeguarded land'. The planning history of the land in question is unlikely to amount to an especially forceful argument – the fact is that the land is presently in the Green Belt and does not have planning permission for development. The need to provide opportunities for future growth is a valid point, but is one that could apply in support of any land adjacent to any settlement. The continuing disagreement between the Council and Stevenage Borough Council about which local authority's future housing needs the land should

address muddies the waters somewhat. The Council's rather non-committal stance on this adds to the ambiguity, which also does not help. Indeed, these latter factors suggest that important decisions remain to be made by the two authorities. Given that this all relates to yet unknown future housing needs, that is perhaps not surprising. Nevertheless, in the context of this degree of uncertainty, and taking account of the significant contribution the land in question is now judged by the Council to make to the Green Belt, there is a risk that the exceptional circumstances necessary to warrant the 'release' of the land from the Green Belt may not exist.

29. Again, this commentary is not a 'finding' of any sort. I am not presently able to reach a conclusion on this matter without a further hearing session.

The main modifications proposing to allocate new land for development

30. A number of the draft main modifications put forward by the Council which have now been consulted upon propose the allocation of new land for development that was not included in the submitted Local Plan. Numerous representations have been made about these draft modifications. People's lives can be affected by the allocation of land for development, for example where they live next to or nearby a proposed site. It is, therefore, only right that those who have submitted written representations in this regard should be able to have their say at a hearing, as would have been the case if the land had been included at submission.

The way forward

31. I ask the Council to now carefully consider all of the issues and reservations I have set out in this letter. Before the further hearing sessions I have identified as being necessary can take place, both I and participants will need to know the Council's position on the points raised. Indeed, I am not able to formulate the focussed Matters and Issues for the further hearings until I have clarity in this respect.
32. I therefore request that the Council produces concise papers setting out:
- a) what the Council considers to be the most appropriate OAN figure founded on the 2016-based projections, including any uplifts and the reason for them, explaining the alternatives and why the selected figure is considered to be the most appropriate. This should indicate the Council's view as to whether the most appropriate 2016-based OAN figure represents a 'meaningful change' from the OAN currently underpinning the Local Plan housing requirement. It should also respond to my comment above about the consistency with national policy of using the 2016-based household projections in the applications of the standard method formula;
 - b) how the assessment of the Green Belt contribution made by any given parcel of land has influenced the choice of sites for allocation, and particularly how the Council's site selection process has distinguished between land that makes a moderate contribution to the Green Belt and land that makes a significant one. If it is the case that the degree of contribution made has had no influence, then this should be unambiguously stated. This paper should also explain the justification for the conclusion reached in the Green Belt Update that land now identified as making a significant contribution to the Green Belt should nonetheless be allocated for development;
 - c) in the light of my reservations, the Council's stance in relation to the East of Luton sites. This paper should address all the issues I have raised in this respect, and should clarify the

position in relation to the unmet housing need that the three sites concerned are intended to provide for – those of Luton Borough, or those of the wider Luton HMA.

- d) in the light of my comments above, the Council's position in relation to the safeguarded land to the West of Stevenage. If the Council intends that this site should remain in the Local Plan, it would assist to set out comprehensively in this paper the full justification for it and the Council's case in relation to the existence of the exceptional circumstances necessary;
- e) the justification for each area of new land proposed for allocation through the draft main modifications, including the demonstration of exceptional circumstances where relevant.

It is difficult for me to second guess how long it may take the Council to undertake the actions I have identified above. I would therefore be grateful if you would provide me with a realistic timescale at the earliest opportunity, to assist me with programming for this examination and other work. I am keen to establish a timeline for taking the examination forward, and to begin to identify possible dates for hearing sessions, which I intend to hold as soon as it is possible to do so. Once matters are clearer from your perspective, I ask that you discuss scheduling with my Programme Officer, Mrs St John Howe.

As I have already mentioned, I have yet to complete my review of the representations submitted in response to the consultation undertaken earlier this year, although it is well progressed. I anticipate concluding this work within the next few weeks or so. If I do identify any additional areas where a further hearing will be necessary, I will inform you at that time.

For the avoidance of doubt, while I am completing my review of the representations and as the Council undertakes the tasks I have set, I will not be accepting any further correspondence from other participants. There will be a full opportunity for others to have their say once the Council has completed and published the papers I have requested. Indeed, as I have indicated, I will set out further focussed Matters and Issues for the examination, and I will invite participants to provide statements addressing the questions therein, in due course. I ask the Council to place a message explaining this on the examination web page.

Finally, I would reassure the Council that I remain committed to progressing the examination to a point where a sound plan can be adopted. While this may mean modifying the Local Plan further, depending on the conclusions I reach following the further hearing sessions, I am optimistic that this examination can reach a positive outcome, one way or another.

I hope that this letter is self-explanatory and of assistance. However, if you do have any questions then please do not hesitate to ask, as always via Mrs St John Howe. Please place a copy of this letter on the examination web page.

Yours sincerely

Simon Berkeley

Inspector

Baldock, Bygrave and Clothall Neighbourhood Plan : Consultation Draft – June 2019

NHDC Officer Response

In making this response, Officers recognise the significant amount of work that has been undertaken in the preparation of this draft neighbourhood plan for Baldock, Bygrave and Clothall.

Page / Section or Policy reference	NHDC Officer comments
Page 5 1 st paragraph	<p>The first paragraph sets out how the County Council intends to phase the proposed developments for Baldock. Whilst this might be the intention of the County Council at the time of writing, circumstances may lead to a change in the way the developments might be phased.</p> <p>Consideration should be given to delete this part of the sentence.</p>
Page 5 3 rd paragraph	<p>The second sentence states:</p> <p>“It also requires new link roads to the north and south-east of Baldock to help take traffic away from the centre of the town.”</p> <p>Whilst both Policy SP14: Site BA1 – North of Baldock and Policy BA3 – Land south of Clothall Common require new link roads to be provided as part of a development scheme, these are not necessarily aimed at helping to take traffic away from the town. Officers consider that this statement could be misleading.</p>
Page 8 Policy G1	<p>There is a balance between the provision of additional car parking at the station, managing on-street parking and the need to encourage people to use sustainable modes of transport. The policy and supporting text could be stronger in promoting and encouraging more sustainable modes of transport .</p>
Page 9 1 st paragraph	<p>Officers are concerned that the neighbourhood plan states that land allocated in the Local Plan, BE2 : Royston Road could be considered for use as car parking for the railway station. The Local Plan has safeguarded land for employment uses across the District to ensure that the employment needs of the District in the period up to 2031 will be provided for.</p> <p>Whilst the neighbourhood plan states that the loss would be insignificant, the District Council would not want to compromise the use of safeguarded employment land and therefore objects to this statement.</p> <p>In order for the District Council to support this proposal, the Neighbourhood Plan would need to (i) provide evidence to demonstrate that the loss of employment land would not materially impact upon the strategic employment aims of the Plan, (ii) identify an alternate site(s) where an equivalent amount of employment could be re-provided and / or (iii) demonstrate the impacts of providing car parking in this location both in terms of car movements and upon sustainable travel.</p>
Page 12	<p>The first sentence of the policy could be simplified by deleting the examples included in the policy text, as these are already included in the explanatory</p>

Policy G3	text.
Page 15 4 th paragraph	The neighbourhood plan could identify buildings of local importance for the parishes of Bygrave and Clothall and include them as an appendix. Where appropriate this could include identification of buildings to be considered as non-designated heritage assets for the purposes of national policy (see Paragraph 197 and Annex 2 of the NPPF)
Page 16 Policy E1 2 nd paragraph	The first sentence of this paragraph refers to “... <i>applications for these sites should provide for or contribute towards...</i> ”. Is this correct? Is the intention that this policy is only applied to applications for the sites BA1, BA2, BA3, BA4 and BA10? The Policy and supporting text appears to neglect opportunities for improving sustainable transport modes to the parishes of Bygrave and Clothall, and also towards Letchworth.
Page 18 Policy E2	The provisions of this policy appear to contradict the statement earlier in the neighbourhood plan (page 5) which states that the Local Plan does not make suitable provision for open space and recreational facilities as the policy states that publicly accessible open space should be provided in accordance or in excess of NHDC standards. The title of the policy should be amended to include sports and recreation facilities, as these are also included in the policy provisions.
Page 20 4 th paragraph	The reference to the Hertfordshire Design Review Service should be deleted.
Page 22 Policy E5	The phrase “pre-application” can be used specifically to describe early confidential discussions between a developer and the local planning authority. Consideration might be given to re-wording the criterion to describe early discussions? It should be noted that the developer will be required to submit a statement of community involvement to demonstrate how the community has been involved in the development of the proposals.
Page 24 Policy E6	The wording of the policy in the draft neighbourhood plan is more restrictive than the requirements set out in Policy SP14: Site BA1 – North of Baldock (k) of the Local Plan. Officers have investigated the impact that this requirement would have on development. The requirement to maintain a 250m buffer would reduce the land available for development at the far eastern end of BA1 by approximately 3 – 3.5Ha. In order for the District Council to support this proposal, the Neighbourhood Plan would need to ensure that there is evidence to justify this distance and that there is no conflict with the overall aims of the Local Plan to deliver 2,800 home and the associated infrastructure.
	Criterion (b) – this criterion is not easy to read. It would be beneficial if the views are identified on a map to make it clear which views are being referred to in the policy. The inclusion of text from the Design Guidance would help to make the policy clearer. (See additional comments)
	Criterion (d) – This could be made clearer if text from the Design Guidance

	was reflected or included into this criterion. (See additional comments)
	Criterion (e) – Whilst Officers recognise that concern has been expressed from residents that increased traffic flows should be minimised (page 25), it might be that there is insufficient evidence from the traffic modelling to justify the provision of any measures to minimise perceived increases in traffic flows.
	Criterion (f) – Bygrave Parish Council should be deleted from the policy. This is too specific. The requirement for a community hall should be sufficiently flexible for any community group, including the Parish Council.
Page 28	Officers consider that the wording in Policy E8 (b), “avoid new buildings on that part of BA3 that lies immediately to the east of the existing properties on Aleyn Way and Merchants Walk, and on the higher ground immediately south of Royston Road, which should be retained and enhanced as space for informal outdoor recreation” is too restrictive. The “corridor” through this part of the site known as BA3, might be able to accommodate the required “link” road and some development and the policy should be more flexible.
Page 39 Annex D	In addition to the list of Buildings of Local Importance in Baldock, the neighbourhood plan could also include suggestions for the villages of Clothall, Bygrave and Luffenhall. See comments against p.15 above.

Baldock, Bygrave and Clothall Neighbourhood Plan – Design Guidelines

Page / Section or Policy reference	NHDC Officer comments
General comments	As a general comment, the Design Guidance is not very specific to the allocated sites in Baldock, particularly in relation to the guidance set out for urban extensions.
Page 24 3 rd paragraph	Cycle paths – the final sentence in this section provides some clarity to Policy E6 : Development north of the railway. This sentence should be reflected or simply repeated in the policy to ensure that the policy requirement for the treatment of Bygrave / Ashwell Road is clearer.
Page 25	<p>Landmarks and vistas – the second paragraph appears to provide additional clarity for Policy E6(c). This sentence should be repeated in the policy to ensure that the policy requirement for the views across the valley from upper Bygrave to Baldock is clear.</p> <p>A map illustrating the important views into and out of Baldock would be helpful.</p>
Page 58 BA6: Land at Icknield Way	The Design Guidance includes details for one of the sites allocated in the Local Plan for residential development. It should be noted that a planning application has been submitted for BA6: Land at Icknield Way and negotiations are at an advanced stage.



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Date : 18 July 2019

Fergus McMorrow
GL Hearn Limited
Prudential Building
11-19 Wine Street
BRISTOL BS1 2PH

Our Ref:
Your Ref:

Contact Officer : Clare Skeels
Direct Line : 01462 474424
E-mail : clare.skeels@north-herts.gov.uk

By email only

Dear Sirs

Statement of Community Consultation for London Luton Airport – Statutory Consultation 2019

Thank you for the opportunity to comment on the Statement of Community Consultation – Statutory Consultation 2019.

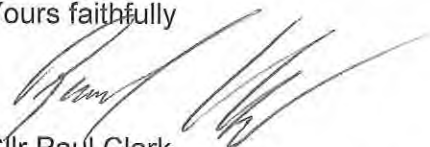
The Council notes that the comments made in respect of the draft Statement of Community Consultation earlier in the year have been incorporated into the Statutory Consultation document. The Council also welcomes the addition of the maps in the appendices which clearly set out the geographical extent for the distribution of information leaflets and the associated consultation events.

However, the Council is still unconvinced that the chosen consultation venue in Letchworth Garden City is the most appropriate. It is considered that the Mrs Howard Memorial Hall, Norton Way South, Letchworth Garden City is a more central location with sufficient car parking and access to public transport and could attract more visitors.

In terms of Section 4 of the SoCC, "Publicising the Consultation", the Council's comments about the extent of the geographical coverage for the leaflet distribution remain unresolved. Whilst the following parishes may not lie in the London Luton flightpath, the Council considers that there maybe significant effects in these parishes from any proposed development of the airport and consider that residents and businesses should be made aware of the proposals at the earliest opportunity. The Council would like to see leaflets distributed in the following parishes: Offley & Cockernhoe; Lilley; Hexton; Kings Walden; St Pauls Walden; Preston; Langley; St Ippolyts; Kimpton; Knebworth and Wymondley.

Appendix 2 of the SoCC should be updated to reflect the addition of consultation events at Breachwood Green and Redbourn and the listed event at Whitwell to illustrate where leaflets will be distributed in these locations.

Yours faithfully


Cllr Paul Clark
Executive Member for Planning and Transport

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NORTH HERTFORDSHIRE DISTRICT COUNCIL
Council Offices, Town Lodge, Gernon Road, Letchworth Garden
City, Hertfordshire, SG6 3JF



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7 June 2019

Stuart Robinson
Principal Planning Officer
Central Bedfordshire Council
Priory House, Monks Walk
Chicksands, Shefford,
Bedfordshire
SG17 5TQ

Our Ref: LS/CBC/
Your Ref: CB/19/00887/FULL
(M1-A6 link)
Contact Officer: Louise Symes
Direct Line: (01462) 474359
E-mail: louise.symes@north-herts.gov.uk

Dear Mr Robinson,

**North Hertfordshire District Council response to Planning Application -
CB/19/00887/FULL (M1-A6 link)**

Thank you for the opportunity for North Hertfordshire District Council (NHDC) to comment upon Central Bedfordshire Council's planning application CB/19/00887/FULL to provide a road connecting the M1 to the A6 north of Luton (the Scheme) and would appreciate it if you would accept our late response.

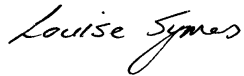
NHDC wish to support the objection submitted by Hertfordshire County Council as the Highway Authority for Hertfordshire to the proposed Scheme given the likely impacts on highway network through North Hertfordshire. (Email from Anthony Collier dated 6 June 2019 - Copy attached). The District Council is particularly concerned about the possible impacts on the village of Lilley and Hexton in connecting to the A505 and also the A505 / Pirton Road junction in Hitchin, which is already operating close to capacity. Hitchin already has two AQMAs due to a considerable amount of traffic passing through the town from Central Bedfordshire and Luton along the A505 from the west and A600 corridor from the north towards the A1(M) along the A602 at junction 8.

Reference is also made to the signed Memorandum of Understanding (MOU) between our two authorities in respect of the Central Bedfordshire Local Plan 2015-2035, with regard to transport modelling issues. The MOU clearly sets out our Council's concerns over the adequacy of the transport evidence base for the Central Bedfordshire Local Plan and potential mitigation measures. Paragraph 3.22 of the signed MOU states:

'3.22 The modelling to support the M1-A6 link road scheme will investigate the impact on Hexton and Lilley as part of the detailed business case. Once CBC know the results of this work, and if an impact is identified in North Herts, we will share this information with NHDC for consideration. (See copy of signed MOU attached – dated 2 October 2018)'

In conclusion, and in light of HCC comments we are of the view that this clause has not been sufficiently met in terms of the assessment work in the TA and the likely impacts of the Scheme on key roads and junctions within North Hertfordshire.

Yours sincerely

A handwritten signature in black ink that reads "Louise Symes". The signature is written in a cursive style with a large, stylized 'L' and 'S'.

pp. Ian Fullstone
Service Director Regulatory

Hertfordshire County Council Objection to Planning Application for M1-A6: CB/19/00887/FULL

Hertfordshire County Council (HCC) has reviewed the planning application submission for Central Bedfordshire Council's planning application CB/19/00887/FULL to provide a road connecting the M1 to the A6 north of Luton (the Scheme). HCC wish to object to the proposals as the application does not appropriately consider the impacts on Hertfordshire's highway network. HCC wish to object for the following reasons:

- 1) Whilst we are aware that the proposed scheme will effectively act as an urban distributor road for a strategic housing site allocation, this application is for a strategic road link. Based on the evidence provided there does not appear to be a case for a strategic road between the M1 and A6. A strategic road will draw drips from the local highway network onto this link creating new rat running problems and seemingly provides no strategic function. A more appropriate approach would be to facilitate trips into the Luton area by more sustainable means rather than simply adding to an already congested network.
- 2) The proposed Scheme does not comply with Policy SA1 of the Central Bedfordshire Pre Submission Local Plan 2018-2035, the full intention of this policy was to ensure proper masterplanning of the site to ensure all impacts, including transport, were fully mitigated.
- 3) We are concerned about the accuracy of modelling of junctions, particularly in Hertfordshire. The TA acknowledges the lack of confidence in the direct use of the CBLTM model (see section 7.4). A key issue is that the base model does not include M11 Junction 11A and the M1 – A6 link. Traffic patterns will have changed significantly in the area since then. As a result, the data and traffic figures have been manipulated to assess impacts.

For example, to try and factor in the deficiencies in the model traffic counts have been collated in 2018 to try and obtain a more accurate representation of actual flows, the model was then used to establish the difference between the base year and forecast year with the scheme with these flows being added to the observed traffic counts. These in turn appear to have had some rather complex manual adjustments made to them to get the relative turning proportions to be 'more accurate'. In Hertfordshire further adjustments have been made using Temprow growth leading to counterintuitive flow changes and we have little confidence in the results.

- 4) There does not appear to be a submitted RSA for review – this should be provided to establish an understanding of the impact of the proposals on the safety of the Junction 11A. as there are currently a large number of collisions already occurring at the Junction 11A. A New junction arm would introduce more opportunities for conflict.

Further information supporting the above is as follows:

- 5) The Scheme is not in accordance with Policy SA1 in that it has not been provided alongside North Luton developments.

The Policy specifically states : -

*...Development in the Strategic Land Allocation will be permitted in accordance with other relevant policies in the Development Plan and the principles set out below. These principles will be defined in more detail through the preparation of a Development Brief which will include a phasing plan. Planning permission will **only be granted for development following the Council's adoption of this Development Brief.** ...*

*...In order to ensure the development will be supported by the local and strategic infrastructure needed to ensure sustainable development, in the context of pooling restrictions and multiple landownerships, **the Council will refuse any piecemeal planning permission that would undermine the Council's ability to deliver the required infrastructure.***

There is a clear intention that this link should be designed and delivered in the context of the development.

Granting planning permission for a link road which appears not to consider or plan for the intended growth will severely hamper the ability of the proposed site allocation, known as North of Luton, to deliver a sustainable community which can maximise the number of trips being made by sustainable means.

Building a strategic road through the middle of a development is very likely to create severance to the community that live on the north side of the road and act as a barrier to active travel resulting in a car dependant community.

- 6) Provision of this link in isolation does not appear to provide any benefit to the wider network. Scenario 6 is the 2022 'background' traffic scenario without the M1-A6 link road. According to the CBLTM, background growth in CB and Luton will impact Lilley significantly (without the M1-A6 link). We would like to understand how this assumption has come to be. Due to this assumption of growth, the scenarios (7 and 1c) with the link road appear to have negligible impacts through Hertfordshire.
- 7) The approach to transport modelling is questionable, for example, to try and factor in the deficiencies in the model traffic counts have been collated in 2018 to try and obtain a more accurate representation of actual flows, the model was then used to establish the difference between the base year and forecast year with the scheme with these flows being added to the observed traffic counts. These in turn appear to have had some rather complex manual adjustments made to them to get the relative turning proportions to be 'more accurate'
- 8) For the three identified junctions in Hertfordshire, the difference between the 2018 observed data and the 2022 base CBLTM forecast was so significant that no forecast data from the model has been used at all and instead Temprow forecast has been utilised, this approach is questionable and we would suggest this approach will actually mean that the impact of the new link road is not being accounted for in the modelling at these junctions.

- 9) It's also important to note that the Temprow growth rates applied (as outlined in Tables 7.12 and 7.13 show that for some reason lower growth rates have been applied for Scenario 7 and 1c, in some cases compared with the base scenario 6. The reason for this is unclear and illogical and is basically the reason for the fact we are seeing flow reductions at some of our key junctions.
- 10) There does not appear to be a submitted RSA for review – this would be helpful to get sight of due to the number of collisions already occurring at the J11A junction – especially as a new junction arm would introduce more opportunities for conflict.

Summary

HCC wishes to recommend refusal of the application.

The Scheme is not in accordance with Policy SA1 and there does not appear to be the evidence to support the promotion of a strategic road link.

Furthermore, HCC have little confidence that the assessment work in the TA is accurately depicting the likely impact of the Scheme on key roads and junctions within Hertfordshire. Due to limitations of the CBLTM, it has not been possible to use it directly in the junction assessments, particularly at the key junctions identified in Hertfordshire (where traffic growth rates have been based on TEMPro). Consequently, the TA does not include any information on flow changes on our highway links or information on how journey times may change. There are no detailed assessments of the impact on our junctions. The report states that the flow changes are relatively minor but an increase of 40 vehicles in the PM peak at the A505 / Pirton Road junction in Hitchin (Junction 21), which is already operating close to capacity, could have a significant impact on queues and delays.

MEMORANDUM OF UNDERSTANDING

BETWEEN

NORTH HERTFORDSHIRE DISTRICT COUNCIL

AND

CENTRAL BEDFORDSHIRE COUNCIL

IN RESPECT OF

**THE NORTH HERTFORDSHIRE LOCAL PLAN, PROPOSED SUBMISSION VERSION,
OCTOBER 2016**

1 Introduction

- 1.1 This Memorandum of Understanding (MoU) has been prepared jointly by North Hertfordshire District Council (NHDC) and Central Bedfordshire Council (CBC).
- 1.2 The Memorandum sets out the confirmed points of agreement between NHDC and CBC with regard to the North Hertfordshire Local Plan and supporting evidence base, which will assist the Inspector during the Examination of the Local Plan.
- 1.3 Local Authorities are required through the Duty to Co-operate (the Duty) to engage constructively and actively on an on-going basis on planning matters that impact on more than one local planning area.
- 1.4 The National Planning Policy Framework (NPPF) sets out the requirement that public bodies should cooperate on planning issues that cross administrative boundaries and, at Paragraph 156, identifies a series of strategic priorities:
 - The homes and jobs needed in the area.
 - The provision of retail, leisure, and other commercial development.
 - The provision of infrastructure for transport telecommunications, waste management, water supply, wastewater, flood risk and coastal change management.
 - The provision of minerals and energy (including heat).
 - The provision of health, security, community and cultural infrastructure and other local facilities.
 - Climate change mitigation and adaptation, conservation and enhancement of the natural and historic environment including landscape.
- 1.5 The NPPF requires Local Planning Authorities to work collaboratively with other bodies to make sure that these strategic priorities are properly co-ordinated across local boundaries and clearly reflected in individual Local Plans.
- 1.6 Local Planning authorities are expected to demonstrate evidence of having effectively cooperated to plan for issues with cross- boundary impacts when their Local Plans are submitted for examination.

2 Background

- 2.1 This MoU relates to the representations made by CBC to NHDC's Proposed Submission Local Plan (October 2016).
- 2.2 CBC is at an earlier stage of plan preparation; and, at the time of writing, Regulation 18 consultation is anticipated to be undertaken in June 2017.

3 Duty to Cooperate

- 3.1 NHDC and CBC have co-operated constructively, actively and on an on-going basis of the plan's production.
- 3.2 CBC has continuously responded to public consultations and liaised with Officers as the Local Plan process has developed. This has helped inform both the strategy and policy framework within the plan.
- 3.3 Comments received from CBC have been taken into account during the preparation of the plan so that it addresses the requirements of the Duty and the NPPF and supports sustainable development.

4 Summary

- 4.1 CBC **agrees** that the draft North Hertfordshire Local Plan, November 2016 is sound insofar as it relates to matters covered by the Duty to Co-operate and that both NHDC and CBC will continue to work together to try to find solutions for any sites where there remains a disagreement over their allocation.
- 4.2 We, the undersigned, set out in this memorandum those matters of joint or strategic interest to both authorities as they are dealt with in the North Hertfordshire Local Plan in accordance with paragraph 181 of the NPPF.
- 4.3 All matters where the two authorities perceive that there is a joint strategic interest are detailed in this memorandum. Matters which are not considered to be of joint strategic interest are excluded.

5 Agreed Matters

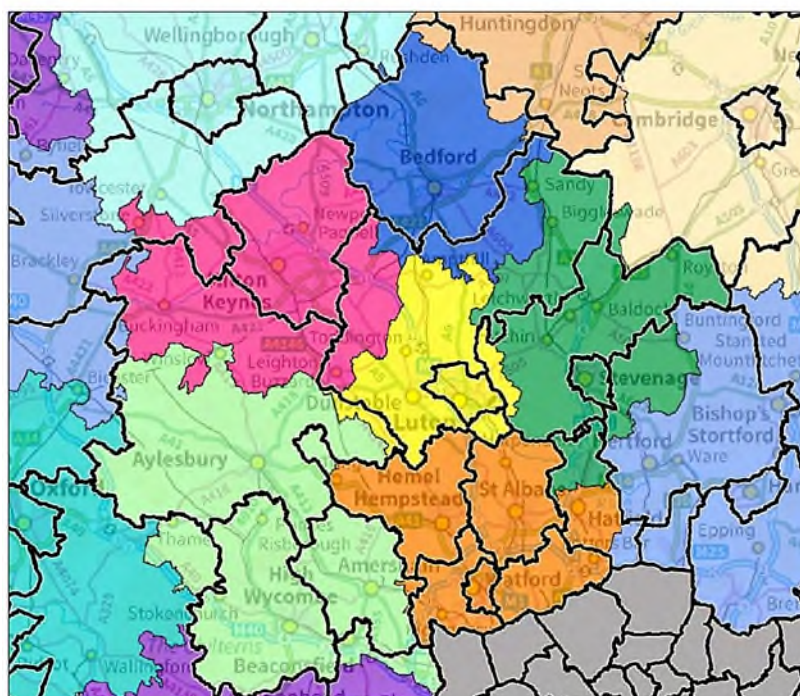
Housing market areas and housing need

- 5.1 NHDC and CBC have worked in conjunction over a number of years to establish an agreed evidence base for the relevant housing market areas.
- 5.2 The Housing Market Areas in Bedfordshire and surrounding areas (ORS, December 2015) study was commissioned by North Hertfordshire District Council, Central

Bedfordshire Council, Bedford Borough Council, Luton Borough Council, Milton Keynes Council, Stevenage Borough Council and Aylesbury Vale District Council.

- 5.3 The study identifies the Luton Housing Market Area to cover the whole of Luton and a significant proportion of Central Bedfordshire as well as smaller parts of Aylesbury Vale and North Hertfordshire Districts (see plan below).
- 5.4 The study identifies a Stevenage Housing Market covering the majority of North Hertfordshire and the south-east of Central Bedfordshire along with the whole of Stevenage Borough and parts of East Hertfordshire District and Welwyn Hatfield Borough.
- 5.5 Therefore the geography of functional housing market areas for NHDC is an **agreed** matter between NHDC and CBC.

Figure 38: Functional Housing Market Areas with Local Authority Boundaries



Source: Housing Market Areas in Bedfordshire and surrounding areas (ORS, December 2015) (HOU 003d)

- 5.6 It is **agreed** that both authorities have worked to the pragmatic, 'best fit' relationships identified in the study to determine their objectively assessed housing needs (OAHN) through Strategic Housing Market Assessments (SHMAs) and that both authorities have actively participated in the preparation of the other's evidence base.
- 5.7 Both authorities **agree** that objectively assessed housing needs (OAHN) have been determined to a common methodology and that this appropriately addresses the requirements of the NPPF and planning practice guidance.
- 5.8 It is **agreed** that NHDC's housing target of at least 14,000 new homes for North Hertfordshire's own needs is appropriate for the plan period 2011-2031.

- 5.9 CBC **agrees** that NHDC has planned to meet its housing needs in full and therefore does not require assistance from any other authority, including Central Bedfordshire, to help meet its objectively assessed needs.
- 5.10 The two authorities **agree** that, in light of a number of factors, it would not be appropriate for CBC to make provision for any portion of NHDC's OAHN over the period to 2031. These factors include (but are not necessarily limited to):
- CBC's own substantial OAHN and the need to try and identify sufficient sites and land within CBC to address this;
 - Perpetuating historic patterns of housing provision in the area, whereby constraints in housing delivery within Hertfordshire have been a factor in driving migration rates out of the county into CBC;
 - The significant unmet housing need from Luton and the requirement for both authorities to consider how they might positively and proactively address this under the Duty (see below);
 - That NHDC's evidence base identifies sufficient opportunities to meet the District's OAHN in full; and
 - The sustainability implications of making housing provision away from the location in which the need has been identified.

Unmet Housing Need from Luton

- 5.11 NHDC and CBC **agree** that there is a significant level of unmet housing need arising from the Luton Borough Council (LBC) authority area and that this has been quantified as approximately 9,300 dwellings following an update of the Luton SHLAA (2016).
- 5.12 The Luton Housing Market Area Growth Options Study was undertaken by Luton Borough Council, North Hertfordshire District Council, Central Bedfordshire Council and Aylesbury Vale District Council (March 2017). The conclusions of the study are **agreed** as unmet housing need arising from Luton within the Luton HMA could be accommodated on sites within the HMA area. However, the level of unmet need to be delivered in Central Bedfordshire is yet to be tested through the Central Bedfordshire Local Plan.
- 5.13 CBC **agrees** that NHDC can contribute 1,950 new homes towards the unmet housing needs of Luton during the NHDC plan period 2011-2031. It is additionally **agreed** that the allocations to the east of Luton (EL1, 2 and 3) are the appropriate scale and extent to ensure NHDC has maximised its contribution to the unmet need arising from Luton.

Housing allocations

- 5.14 It is acknowledged that CBC has raised concerns regarding a particular proposed site at Lower Stondon, LS1 (see 'Infrastructure' below) but it is **agreed** that these are detailed matters of soundness and not a joint strategic issue under the Duty.

Infrastructure

- 5.15 Both NHDC and CBC **agree** that the potential further development of Lower Stondon – including NHDC site LS1 and any future sites identified by CBC - would have cross-boundary impacts on services and infrastructure provided within both authorities' administrative areas, particularly in terms of highways and community facilities. If site LS1 is allocated within the adopted North Hertfordshire local plan, both parties **agree** to work together and with other relevant organisations to deliver the services and infrastructure required to support the development. This may include the use of planning obligations or CIL, where relevant.

Employment

- 5.16 CBC **agrees** that the balance between housing and jobs is appropriate for North Hertfordshire and that the NHDC plan offers sufficient flexibility to meet the objectively assessed need over the plan period.
- 5.17 NHDC and CBC are in **agreement** that, having regard to updated evidence produced by Stevenage Borough Council (SBC) and the outcomes of the Examination of the SBC plan to date, there is shortfall of employment land arising from Stevenage.
- 5.18 NHDC and CBC **agree** that future employment requirements for Stevenage are driven, in part, by current commuting patterns whereby there are significant commuting flows from both authorities to Stevenage.
- 5.19 NHDC, SBC and CBC have worked together to identify the geography of the Functional Economic Market Area (FEMA) (2015) and this is **agreed** between the two authorities. Both authorities **agree** that the shortfall from Stevenage should be addressed within this geographic area. Both NHDC and CBC have signed MoUs with Stevenage as part of their Examination, and have agreed in principle to make some provision towards their unmet employment need.
- 5.20 It is **agreed** that NHDC site BA10 at Royston Road, Baldock is capable of making a substantial contribution towards the unmet employment need of Stevenage and is an appropriate location to do so. It is **agreed** that the MOU between CBC and SBC, which identifies the potential for a further contribution along the A1 Corridor, provides further flexibility in this regard and ensures that the unmet needs from Stevenage can be addressed.

- 5.21 It is **agreed** that further DtC discussions between NHDC, CBC and SBC will be required to address the Stevenage unmet need. NHDC and CBC **agree** to monitor their employment requirements on an on-going basis as their respective plans progress.

Green Belt

- 5.22 CBC **agrees** with the NHDC approach to meeting its housing need in terms of the Green Belt assessment.
- 5.23 CBC **agrees** that the extent, release and creation of Green Belt in the North Hertfordshire Local Plan are appropriate and that exceptional circumstances have been demonstrated in the plan and associated evidence base.

New settlement

- 5.24 Both NHDC and CBC **agree** that a new settlement is not a reasonable alternative (in the meaning of the term) to meet any substantial proportion of OAHN for the period to 2031. A new settlement in northern Hertfordshire would not start delivering new homes until at least the end of the respective local plan periods. A site for a new settlement has not been promoted, identified or tested, and would require very significant public intervention to commence. Both authorities **agree** that new settlement options should, however, be explored for the following plan period.
- 5.25 Both authorities **agree** that providing for future housing needs beyond the current Plan periods will be challenging and that joint working (potentially also involving other neighbouring authorities) will be required in order to investigate the potential to deliver a new garden town or settlement(s) in a sustainable location that could meet a substantial proportion of the future housing needs of the respective authorities.

Transport

- 5.26 Both authorities **agree** to continue to work closely in order to identify and resolve any transport issues. These include, but are not necessarily limited to, the capacity of the A1 corridor, potential implications relating to the proposed Baldock site allocations and associated roads, the A507 / A600 and the cumulative impacts of development across the two authorities on the highway network.
- 5.27 NHDC **agrees** to work in close collaboration with CBC and Hertfordshire County Council (HCC) to share the transport modelling undertaken for the NHDC Local Plan.
- 5.28 NHDC and CBC **agree** to work with each other and HCC as required if further transport modelling is required.

Ian Fullstone
Head of Development and Building Control
Signed on behalf of
Central Bedfordshire Council
26th April 2017



Andrew Davie
Development Infrastructure Group Manager
Signed on behalf of
Central Bedfordshire Council
26th April 2017



Councillor David Levett
Executive Member for Planning and
Enterprise
Signed on behalf of
North Hertfordshire District Council
26th April 2017



Councillor Sue Clark
Deputy Executive Member for Regeneration
Signed on behalf of
Central Bedfordshire Council
26th April 2017



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20 June 2019

Aviation Strategy
Department for Transport
33 Horseferry Road
London
SW1P 4DR

Our Ref: PN19.1.9/Aviation/LS
Your Ref:
Contact Officer: Louise Symes
Direct Line: (01462) 474359
E-mail: louise.symes@north-herts.gov.uk

Dear Sir/Madam,

Aviation 2050: The Future of UK Aviation - Consultation

Thank you for the opportunity for North Hertfordshire District Council to comment on the above Strategy.

Given the close proximity of Luton Airport located near the administrative boundary of Luton Borough Council with North Hertfordshire District Council (NHDC), and as one of the ten local authorities within Hertfordshire, NHDC wishes to support the comments as submitted by Hertfordshire County Council to the above consultation.

The District Council requests that the comments as set out in the Hertfordshire County Council letter dated 20 June 2019 are also recorded as those from NHDC. (See Copy of letter attached).

Yours sincerely

A handwritten signature in black ink that reads 'Louise Symes'.

Louise Symes

Strategic Infrastructure & Projects Manager

**Director of Environment and Infrastructure: Mark Kemp
Hertfordshire County Council**

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20th June 2019

Dear Sir/Madam,

Aviation 2050 The Future of UK Aviation - Consultation

Thank you for the opportunity to comment on the above.

Strategic points

The general package of measures

The overall general package of measures proposed within the Strategy appear to be reasonably comprehensive and coherent. Perhaps inevitably, at times the Strategy is very high level and even where there are specific proposals, their success will depend much upon implementation. The County Council supports the overall approach subject to suitable monitoring mechanisms being put in place.

Managed and Co-ordinated Approach to Aviation Growth

In response to various Government/regulator and other aviation consultations over recent years the County Council has pointed to a lack of a managed and co-ordinated approach to aviation growth. In its response to an earlier consultation on the development of this Strategy, for example, the County Council observed:

'The current manner in which capacity enhancement materialises in the UK is somewhat haphazard. Individual airports come forward with planning applications for growth proposals independently of each other when they make their individual business decisions. Similarly, airspace change proposals emerge sporadically from airports apparently in isolation from each other, but each likely (in the south east at

least) to form an important part of the strategic change in airspace structure that is being progressed and will release additional capacity into the system. Meanwhile, Government makes the decision on the new runway for the UK (informed by an Airports Commission process which itself generated a huge range of potential growth proposals at existing and potential new airports), which has knock-on effects in some way or another to other processes. The Strategy process needs to review all mechanisms involved in bringing forward growth and articulate options and seek views on how these can best be operated and coordinated for the UK as a whole. That might consider issues such as:

- *how and to what extent is forecast aviation growth to be managed – is Government adopting a predict and provide approach or will demand be managed.*
- *how the airspace modernisation process is to be managed, communicated and strategically coordinated.*
- *clarity on responsible/accountable bodies for the whole sector.*
- *how the planning system can work best to bring forward aviation growth.*
- *how best use of existing runway capacity means at individual airports is to be identified (if this is not already articulated within airport masterplans), communicated and managed and strategically assessed to assess whether ‘best’ growth equates to ‘desired’ growth at a national level.*
- *the mechanism through which new runway proposals are to be brought forward.*
- *how all the responsible/accountable bodies are going to work strategically to bring forward growth.’*

In the case of airspace modernisation, the Strategy recognises the importance of strategic management of the modernisation programme – without which aviation growth aspirations will not be achieved. But there are other areas where that management does not appear to be quite so proactive. Any airport in the UK can now, for example, come forward with proposals for making best use of existing runways and infrastructure with the benefit of in-principle Government support – in effect representing a free-for-all where such capacity exists. And in terms of location(s) for future new runway development, the Government favours a stronger role for industry in coming forward with proposals, rather than the process being run nationally with Government direction.

The County Council is of the view that Government should take strategic oversight of all matters relating to where and how growth is to be brought forward and managed.

Planning for growth – physical development and/vs airspace availability

The two main regulatory processes that facilitate the throughput growth of airports are the planning process and airspace change process. The planning process delivers the on-the-ground physical infrastructure and the airspace change process manages any changes to/operation of airspace required to enable aircraft to use the airport and any other strategic changes required to airspace generally.

Heathrow is currently progressing a planning application for its third runway, Luton is progressing a planning application to grow to 32 million passengers per annum

(mppa), London Stansted has been given the planning go-ahead to grow to 43mppa and Gatwick is considering seeking planning consent to grow to 70mppa. Despite these planning processes there remains uncertainty as to whether the airspace that exists within the south of England is able to accommodate it.

The main concern of some commentators and communities is that the planning process is approving airport capacity growth without the certainty that airspace can accommodate it and without evidence of where specific flightpaths, and therefore greatest impacts, will be. At least in the short term, this situation does not deliver confidence in the manner in which growth is being brought forward. At best, the planning process can only take a most informed view on where, on balance, future flightpaths are likely to be broadly located. There are those that take the view that the airspace change process should precede the planning process, enabling planning applications to thoroughly consider the environmental implications of growth.

Whilst the airspace modernisation process will to a significant degree reduce the uncertainty relating to airspace availability, the location of flightpaths required at individual airports and give certainty to the shape of the strategic airspace network, the County Council is very concerned about the current ongoing incompatibility between the planning and airspace change processes. Government should consider and provide advice on how this should be addressed.

Embedding aviation growth and the role of individual airports within economic/industrial/spatial planning frameworks

In response to various Government/regulator and other consultations over recent years the County Council has pointed to the need for aviation development and growth to be properly accounted for in broader planning/spatial/economic/transport/other strategies prepared by responsible agencies that have similarly long term timeframes. The Strategy recognises these interactions with wider spatial planning to some degree, for example:

'Increasingly airports are becoming regional transport hubs which support multiple businesses, labour markets, and population centres. Their development needs to be planned in that context and included in relevant regional, spatial, and economic development strategies.'

But the process of embedding airports and aviation within forward-looking plans and strategies could be improved significantly. By way of local example, the current Development Consent Order process for London Luton Airport to grow to 32mppa has not featured in the preparation of any strategic strategies looking to the long term. There is not even a masterplan for the airport that provides the strategic framework for the planning application.

Government could usefully use this Strategy to articulate that it expects airports and their growth to be strategically integrated into long term strategies at local, sub-regional and regional level – for example economic/industrial strategies, spatial strategies, transport strategies, growth deals, etc.

Specifically

Ensure aviation can grow sustainably – a partnership for sustainable Growth

The Strategy states that:

‘Aviation provides significant economic and social benefits to the UK. It is an industry that contributes at least £22 billion to our economy, supports half a million jobs, serves 284 million passengers and transports over 2 million tonnes of freight a year. Forecasts show that demand for aviation will continue to rise in the period up to 2050. The government welcomes the industry’s future expansion. However, its growth must be sustainable – with affected communities supported and the environment protected. It is therefore vital that the government, the regulator, the industry and other interested parties work in partnership to achieve this shared goal.’

The Strategy recognises that there are challenges that need to be addressed:

‘Growth can have significant environmental impacts which affect local communities and increase emissions. There are also significant infrastructure constraints which require urgent attention, such as the need to modernise our airspace, improve transport links to airports and consider whether new runways are required. Therefore, while the government supports continued growth in aviation over the next 30 years, it also believes that the UK must be more ambitious on environmental protection to ensure that growth is sustainable.’ The strategy commits to providing the necessary framework for this to happen and believes *‘a partnership approach is required between the government, the regulator, the industry and other interested parties to ensure that necessary conditions are met in respect to infrastructure, community investment and environmental measures – providing long-term confidence for the industry and communities’.*

The County Council strongly supports the Partnership approach, but there are a multitude of mechanisms and processes at different administrative and spatial levels (local, regional and national) where the partnerships either are known not to exist and are proposed to be formulated, exist and need to be made more effective or indeed are not yet known and need to emerge over time taking into account the framework and operational experience. Much will therefore depend upon effective implementation and this is perhaps an area which Government could usefully take oversight of.

Future growth

Government believes that forecast aviation demand up to 2030 can be met through a Northwest runway at Heathrow and by airports beyond Heathrow making best use of their existing runways, subject to environmental issues being addressed. The Strategy states that whilst Government is not at the point of making a decision on long term need, it is seeking views on how best to make any future decision, should that be required. It believes that any new framework for growth could accommodate additional runways beyond 2030 if a needs case is proven and suitable conditions are met in respect of sustainability. The Strategy proposes to ask the National

Infrastructure Commission (NIC) to include airport capacity in future national infrastructure assessments to determine whether there is a needs case for further runways. The County Council supports this approach.

The Strategy states that there are options for how to reach a decision on location, subject to the grant of the necessary planning permission or development consent. This could be through a NIC sector study; an independent commission (like the Airports Commission); or an aviation NPS to either set out the criteria any development consent application would need to meet, or by naming airport(s). The Strategy states that at this stage the Government's preferred approach is a National Policy Statement (NPS) to set out the criteria but not name specific airports, so leaving it to industry to determine whether and when to bring forward applications.

The County Council has historically taken the view that Government should have a strong management/oversight role in strategically managing all aspects of aviation growth (which to some extent is happening in relation to airspace modernisation), including the growth aspirations of individual airports across the country and how these could best be brought forward in the interests of the nation and regions. The County Council remains of the view that direct Government involvement is required, particularly as decisions about new runway/growth proposals:

- involve infrastructure of at least regional and likely national importance.
- are not just about infrastructure – they have much wider economic, social and environmental implications which need to be balanced at a strategic level by Government, not by commercial operators.

Modernising our airspace for the future

The Strategy highlights that the UK's airspace is *'an essential, but invisible, part of our national transport infrastructure, and is also some of the most complex in the world. However it has not undergone significant change since the 1950s, and this outdated infrastructure is struggling to keep pace with the growing demand for aviation, which can lead to delays'*. The overall objective for airspace modernisation is to deliver quicker, quieter and cleaner journeys and more capacity for the benefit of those who use and are affected by UK airspace. It also recognises that although airspace modernisation is a national programme, there is a particular and immediate challenge in the south of the UK to coordinate multiple airspace changes across different airports in order to modernise airspace.

National Air Traffic Services (NATS) has produced a feasibility report that advises that there is sufficient airspace to meet airports' potential future demands for airspace subject to the introduction of new technology. Department for Transport and Civil Aviation Authority (CAA) have asked NATS to work with key stakeholders to develop a coordinated implementation plan and timeline for airspace changes (or airspace change masterplan) that will be required in the future in the south of the UK, involving a group of at least 8 and up to 15 airports [commonly referred to as Future Airspace Strategy Implementation South (FASI South)]. The level of interdependence creates a risk that a single airport, if behind schedule could hold up the entire programme. To address this risk, Government is proposing legislation which would give the Secretary of State the power to direct airports or air navigation

service providers to take forward airspace changes where they are unable or unwilling to do so.

The review of airspace over the south of England stalled in 2014. The consequences of the delay in this strategic overhaul of airspace is having a very significant detrimental impact upon communities in Hertfordshire. The County Council has previously written to Government, in response to a consultation on UK Airspace Policy, calling for airspace modernisation to progress as quickly as possible *'As growth continues there is an environmental imperative to ensure that the environmental improvements that can be secured through airspace modernisation are brought forward for communities as reasonably practicable as it is to do so. A key part of that modernisation is to reignite the London Airspace Management Programme as a matter of urgency and the Government should use all appropriate powers to ensure that process progresses as quickly as possible.'*

Given the immediate importance of strategic airspace modernisation to communities in Hertfordshire, the County Council strongly supports the commitment of Government to the introduction of governance arrangements and legislation to achieve modernisation as soon as is practicably possible. The County Council is aware of resource pressures that exist at the CAA relating to its ability to manage the scale of airspace change processes underway and programmed. Government should consider whether additional resources could usefully be deployed, wherever necessary, to ensure modernisation is achieved in a timely manner and as efficiently as possible.

Airspace Change Interaction with noise policy

The Strategy recognises that whilst airspace modernisation will bring noise benefits for many people, it could create increased noise for others. It states that Government believes it is essential that communities are able to understand the technical detail contained within airspace change consultations so that they can engage fully with them and proposes to ask Independent Commission on Civil Aviation Noise (ICCAN) to consider how they can best facilitate this. The County Council supports this role for ICCAN, but calls for public consultation on how this might be taken forward.

Community engagement and sharing benefits from growth

Airport consultative committees

The Strategy states that airports should create opportunities for communities to engage, particularly on issues which have the most direct impact on them such as road and rail access, airspace change and noise policy. It indicates that Government will work closely with airport consultative committees to explore the potential for supplementary guidance. The County Council is supportive of a review of the role of consultative committees and the potential for supplementary guidance.

Community funds

The Strategy identifies that a number of airports, in recognition of their impact on local communities and as a matter of good corporate social responsibility, have

community funds which exist to provide funding for local community projects and proposes. Given there is currently no national policy on such funds the Strategy proposes that Government produce guidance on minimum standards for funds. This is supported by the County Council.

Managing noise

The impact of aviation noise and current action

The Strategy recognises that disturbance from aircraft noise has negative impacts on the health and quality of life of people living near airports and under flightpaths. It refers to the new environmental noise guidelines for the European region published by the World Health Organisation (WHO) and agrees with the ambition to reduce noise and to minimise adverse health effects, but wants policy to be underpinned by the most robust evidence on these effects, including the total cost of action and recent UK specific evidence which the WHO report did not assess. The County Council is of the view that the Government's position on the WHO guidelines is fundamental to its approach to noise and should be resolved in advance of publication of the Strategy.

Towards a stronger noise policy framework

The current overarching policy, originally set out in the 2013 Aviation Policy Framework, is *'to limit and, where possible, reduce the number of people in the UK significantly affected by aircraft noise as part of a policy of sharing benefits of noise reduction with industry in support of sustainable development'*. The Strategy states that Government recognises that there has been uncertainty on how this policy should be interpreted, measured and enforced and intends to put in place a stronger and clearer framework which addresses the weaknesses in current policy and ensures industry is sufficiently incentivised to reduce noise, or to put mitigation measures in place where reductions are not possible.

The proposed new measures are:

- setting a new objective to limit, and where possible, reduce total adverse effects on health and quality of life from aviation noise. This brings national aviation noise policy in line with airspace policy updated in 2017.

The new objective is no longer restricted only to the number of people significantly affected by noise and is broadened to reduce total adverse effects which will include all adversely affected. The introduction of reference to health and quality of life also appears positive.

- developing a new national indicator to track the long term performance of the sector in reducing noise. This could be defined either as a noise quota or a total contour area based on the largest airports.

As a measure of collective progress, a national indicator would be of use, but the County Council considers it would have been useful had the consultation included potential options for consultees' views.

- routinely setting noise caps as part of planning approvals (for increase in passengers or flights).

This is current practice and does not introduce anything new.

- The aim is to balance noise and growth and to provide future certainty over noise levels to communities. It is important that caps are subject to periodic review to ensure they remain relevant and continue to strike a fair balance by taking account of actual growth and the introduction of new aircraft technology. It is equally important that there are appropriate compliance mechanisms in case such caps are breached and Government wants to explore mechanisms by which airports could 'pay for' additional growth by means of local compensation as an alternative to the current sanctions available.

Caps set within planning consents are a fundamental part of the decision making process – they are invariably one of the most important constraints placed upon development to protect communities from the adverse impacts of growth. There are statutory measures to enforce breaches in planning consent. This proposed measure appears to suggest that Government is supportive of operators buying their way out of breaches of planning controls designed to minimise the noise impact upon communities. This approach does not sit comfortably with the regulatory planning regime and potentially undermines the confidence of communities in the controls the planning system puts in place. The County Council is very strongly of the view that this approach is not one the Strategy should promote as a matter of common practice.

- requiring all major airports to set out a plan which commits to future noise reduction, and to review this periodically. This would only apply to airports which do not have a noise cap approved through the planning system and would provide similar certainty to communities on future noise levels. Government wants to see better noise monitoring and a mechanism to enforce these targets as for noise caps. The noise action planning process could potentially be developed to provide the basis for such reviews, backed up by additional powers as necessary for either central or local government or the CAA.

The County Council supports this measure, but considers it should be applied to airports with planning caps and be a fundamental objective of noise action plans produced by airports.

The consultation states that Government is of the view that avoiding people being exposed to aircraft noise in the first place is preferable to taking action through mitigation. Given Government's priority to provide new homes, it is unrealistic to expect that new homes will not be built in areas affected by aircraft noise to some extent. The County Council supports proposals to:

- develop tailored guidance for housebuilding in noise sensitive areas near airports.
- improve flight path information for prospective home buyers so that they can make better informed decisions

The Strategy proposes a range of new measures to ensure better noise outcomes from the way aircraft operate, by increasing uptake of best practice operating procedures and improving compliance with mandatory controls. The County Council supports these.

The Strategy states that there is already reasonable compliance with noise controls at many airports and, in the first instance, Government proposes to seek voluntary compliance with these new measures and points to ICCAN having been asked to consider compliance and enforcement as a priority work area and in the longer term. The Strategy also states that Government proposes to look into creating new statutory enforcement powers for ICCAN or CAA if other measures prove insufficient to drive the outcomes it wants. The County Council supports to commitment to the possibility of creating new statutory enforcement powers.

The Strategy states that Government is also proposing new measures to improve noise insulation schemes for existing properties, particularly where noise exposure may increase in the short term or to mitigate against sleep disturbance. Whilst imposing costs on the industry, they are an important element in giving impacted communities a fair deal. The County Council supports the proposed new measures.

Night flights

Whilst the document recognises that *'People find night flights the most disturbing.....'* and sets out the current arrangements for controlling/placing restrictions on night flights, the proposed new measures within the *'stronger noise policy framework'* it contain no proposals in relation to night noise. The County Council is of the view that the Strategy should at least give a strong steer that the partnership approach should give high priority to exploring all available options and mechanisms to restricting/alleviating the impacts of night noise.

Air quality

The Strategy states that *'government recognises that air pollution is the top environmental risk to health in the UK and it remains determined to improve air quality. A cleaner, healthier environment benefits people and the economy'* and proposed a range of measures to take further action to ensure aviation's contribution to local air quality issues is properly understood and addressed. The County Council welcomes the recognition of the importance of air quality and supports the measures proposed.

Regional transport hubs/surface access

The County Council supports the range of measures proposed in relation to regional transport hubs and surface access. The County Council also supports Government maintaining its current policy that the provision and funding of surface access infrastructure and services to airports is primarily the responsibility of the airport operator but where there are significant non-airport user benefits from changes and enhancements to the infrastructure and services government would consider making a funding contribution to reflect these.

Regional Growth and Connectivity

The County Council supports the recognition of the importance of airports to their local areas, sub-regions and regions and connectivity between them domestically and internationally through hub airports.

Yours sincerely,

Paul Donovan
Environment and Infrastructure Department
Hertfordshire County Council

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**CABINET
30 JULY 2019**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: COUNCIL PLAN 2020 - 2025 AND COUNCIL OBJECTIVES FOR 2020-2025

REPORT OF THE POLICY AND COMMUNITY ENGAGEMENT MANAGER

EXECUTIVE MEMBER; LEADER OF THE COUNCIL

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

1. EXECUTIVE SUMMARY

1.1 This report proposed a refreshed Council Plan and process for finalising the Plan.

2. Recommendations

2.1 That Cabinet reviews and comments on the draft Council Plan, comprising at this stage of the document – ‘ North Hertfordshire District Council: Working with our Communities, It’s Your Council’ 2020 - 2025 and agrees the following Council Objectives:

- Be a more welcoming and inclusive **council**,
- Building thriving and resilient **communities**,
- Responding to challenges to the **environment**,
- Enabling an enterprising and co-operative **economy**,
- Supporting the delivery of good quality and affordable **housing**.

2.2 Notes the intention to finalise a draft for Full Council approval, following consideration with the leadership team, Member Workshop and further Cabinet meeting.

3. REASONS FOR RECOMMENDATIONS

3.1 The Council plan is a key element of the corporate business planning process, as a high level strategic document it sets out the Council’s priorities for the next year. As an overarching policy framework document it guides and influences the use of Council resources; providing a focus for activities, plans and services of the Council provide.

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 new administration has considered and proposed some draft Objectives, which will be reviewed and approved by this Cabinet, following the Overview and Scrutiny Committee consideration of 16th July 2018. Executive Members will consider the proposed priorities with the senior Leadership team. A Member workshop will take place on 18 September 2019 to consult and agree on the outcomes for each of the objective priority areas. The final draft Council Plan will be considered at a Special Cabinet Meeting in the Autumn on a date to be arranged and thereafter recommended to Full Council.

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 27th June 2019.

7. BACKGROUND

- 7.1 The Corporate Business planning process dictates the Council's high level objectives are determined alongside consideration of budget position (Medium Term Financial Strategy) of the authority. At the meeting of the 30th July 2019, Cabinet will consider and agree to amend the Council's objectives.

8. RELEVANT CONSIDERATIONS

- 8.1 The Council Plan attached as Appendix A provides a basic overview of objectives . The finalised draft of the Plan will need to identify the actions the Council will carry out to ensure the Council Plan is being delivered. Budgets must then be allocated to enable 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 Council Plan therefore needs to reflect any recent changes in:
- Legislation, which may require changes to existing services, or delivery of new services.
 - Capacity, since the authority has reduced headcount over recent years whilst statutory requirements placed on the authority have continued to rise.
 - Financial constraints – work on the future funding of Local Authorities through a Fair Funding Formula and 75% retention of Business rates has not progressed in line with the original timetable. Alongside the delay to Central Government carrying out a Spending Review, this means that there is significant uncertainty over funding over the medium term. This is covered in more detail in the Medium Term Financial Strategy, but means that the Council has to prudently plan what it can afford to deliver until there is greater certainty. The emphasis for Council spend remains the day to day service delivery. Firstly of those which the Council has a statutory duty to provide and secondly those that are determined as a Council priority to be funded.

- 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.

The Council Plan will therefore need to highlight key issues and aims of the district. The Plans will need to set out the context in which the local authority operates, its ambitions and the links to the Medium Term Financial Strategy. The format of the Plan has been reviewed to provide an easy summary of Objectives. The priorities once finalised shall provide the key information. The Council Plan will inform the subsequent agreement of the Service Plan prepared by Senior Management Team and subsequent Directorate Action Plans.

8.3 Having liaised with the administration prior to finalising the report the following Council Objectives for 2020-2025 are proposed :

- Be a more welcoming and inclusive **council**,
- Building thriving and resilient **communities**,
- Responding to challenges to the **environment**,
- Enabling an enterprising and co-operative **economy**,
- Supporting the delivery of good quality and affordable **housing**.

8.4 Subject to Cabinet’s consideration, the Council Plan at Appendix A will be further developed as outlined in 5.1 above, and referred to Council for adoption on 21st November 2019. All projects included in the Council Plan should be subject to the provision of sound business cases with specific targets established as they are introduced. The Council’s performance against these will be monitored and reported on a regular basis.

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 Council Plan 2020-2025 at Appendix A represents the objectives and priority areas of work.

9.3 The council objectives agreed for 2020-2025 onward will provide high level reference points that will assist the Council making clear and effective decisions

10. FINANCIAL IMPLICATIONS

- 10.1 There could be significant financial implications arising from some of the headline commitments within the Council Plan. The actual impact will depend on the details that will sit behind these as the Plan is developed. The Medium Term Financial Strategy (MTFS) is being considered in advance of the final Council Plan to provide time for Officers and Members to develop savings ideas, including efficiencies, service changes and income generation. The MTFS sets a target for the delivery of net savings of £300k for 2020/21 (and £900k per year by 2023/24), As this is a net target, this does allow for additional costs relating to new priorities but does require that these will increase the gross savings (efficiencies, income generation or service changes) that need to be delivered.
- 10.2 The Council will continue to face difficult spending decisions in view of the current economic climate and the expected continuing reduction in government support in future years. The availability of funding will impact on the services that can be delivered. Individual projects will be costed to enable decisions to be made on the overall programme of activity that the Council can deliver.
- 10.3 The Council received significant capital funding from the housing stock transfer to settle (formerly North Herts Homes) (set-aside receipts). It has supplemented this with the receipts from the sale of surplus land and buildings (capital receipts). The strategy adopted by the Council has been to concentrate capital funding on those schemes that reduce revenue costs or generate income. Over the next five years it is forecast that the set-aside receipts will all be used, and therefore capital funding will have to come from capital receipts or borrowing. The availability of assets that can be sold to generate capital receipts is also reducing. It is therefore important that any agreed capital projects reflect corporate priorities, to ensure effective use of diminishing capital resources particularly in view of the fact that capital spend is also required to maintain existing service provision.

11. RISK IMPLICATIONS

- 11.1 The adoption of the Council Plan and within it the Council's Objectives for 2020 - 2025 is a significant part of the Council's Business Planning processes for the next financial year. A robust Corporate Business Planning process that links the Council Plan with the Medium Term Financing Plan 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 Council Plan 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 8.4. The resources needed to deliver services are considered and addressed through the Corporate Business Planning process. Once these objectives are agreed for retention, then these will be cascaded to staff with several reminders via Insight, the SCF and the intranet.

15. APPENDICES

15.1 Appendix A - draft Council Plan 2020-2025 outline

16. CONTACT OFFICERS

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16.5 Kerry Shorrocks, Corporate HR Manager
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17. BACKGROUND PAPERS

17.1 None.

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Foreword by the Leader (TBC)

Introduction by the Chief Executive (TBC)

1.0 Purpose of the plan

The Council plan lays out how North Hertfordshire District Council will achieve its aims for the district. The plan sets out the priorities that the Council will address over the next five years. The more detailed Service Plan and supporting Action Plans show what will be done by individual service areas.

1.1 Vision

To make North Hertfordshire a district in which everyone who lives, works or visits is able to flourish.

2.0 Objectives (based on district comparison):

- Be a more welcoming and inclusive **council**,
- Building thriving and resilient **communities**,
- Responding to challenges to the **environment**,
- Enabling an enterprising and co-operative **economy**,
- Supporting the delivery of good quality and affordable **housing**.

2.1 Definition of Objectives –

2.2 Council-

Engaging with and welcoming the contributions of residents, community groups and businesses; working collaboratively with local people.

2.3 Communities -

Engaging and supporting our communities to ensure they are thriving and resilient. Advocating for local people; striving to ensuring good access to vital services through effective partnership working.

2.4 Environment –

Providing a clean and safe environment, in consultation and partnership with local people. Protecting the natural and built environment through an effective green spaces strategy, addressing the impacts of climate change; environmental crime; in our approach to waste and recycling, food hygiene and the management of air quality areas

2.5 Economy –

Moving to an increasingly innovative and inclusive Council, committed to generating community wealth, by seeking commercial and investment opportunities and through proactive engagement with a wider range of small and medium sized businesses to build a sustainable local economy through proactive engagement with a wide range of small and medium sized businesses. Also engaging with residents, staff and Councillors to continue to embrace modern working practices through the use of IT and a commitment to a paperless Council; to increase the efficiency of services and access to them by residents

2.6 Housing -

Enabling and supporting the delivery of good quality and affordable housing in the district, ensuring both new and existing housing is fit for purpose, including a commitment to consultation and ensuring communities have the infrastructure they need.

Building more effective relationships with local housing associations and recognise our role in the fight against homelessness.

Supporting Parishes with Neighbourhood plans.

**CABINET
30 JULY 2019**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: MEDIUM TERM FINANCIAL STRATEGY

REPORT OF THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER FOR FINANCE AND IT

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 2020/21 to 2024/25 to guide and inform the Corporate Business Planning Process. The strategy highlights the significant uncertainties faced by the Council in forecasting its funding, expenditure and income in 2020/21 and beyond. It recommends a budget strategy based on estimates of a number of factors, but that amendments to that strategy may be required as further information becomes available.

2. Recommendations

2.1 That Cabinet recommends to Full Council the adoption of the Medium Term Financial Strategy 2020-25 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 2020/2021 to 2024/2025, culminating in the setting of the Council Tax precept for 2020/21 in February 2020.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 The Council needs to have a strategy for setting its budget to ensure that it meets its statutory duty to set a balanced budget over the medium term, and ensure that spend is prioritised towards delivering statutory services and its strategic aims (as set out in the Council Plan). It was considered whether to delay this MTFS to follow the same timeline as the Council Plan. However, the development of savings ideas takes time and it was felt necessary to commence this as early as possible. Having a MTFS provides a structure for formulating, discussing and agreeing savings ideas. To avoid conflict with the Council Plan, the MTFS is focused on headline information and refers to a net savings target, to allow opportunities for investments.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 The Executive Member for Finance and IT, the Deputy Executive Member for Finance and IT and the Leader of the Council have been consulted in developing this Strategy.
- 5.2 No external consultation has been undertaken in the preparation of this report.
- 5.3 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.
- 5.4 As in previous years, Member workshops will be held in regard to corporate business planning proposals.

6. FORWARD PLAN

- 6.1 This does not include a key executive decision (as the approval of the MTFS is a matter for Full Council) however it was notified to the public in the Forward Plan on the 7th June 2019.

7. BACKGROUND

- 7.1 The Council is required to set a balanced budget each year. This can include using reserves if this is affordable over the medium term. The Council therefore sets a 5 year Medium Term Financial Strategy each year to help determine the approach that it will take to setting the detailed budget for the following year.
- 7.2 As the Council's budget and its objectives are inextricably linked, it is also important to align the MTFS with the Council Plan. 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. Therefore the MTFS and Council Plan would normally be considered in the same committee cycle. As detailed in section 4.1 it is considered necessary to agree the final MTFS ahead of the final Council Plan. Setting the budget for 2020/21 (and beyond) is an iterative process and this can reflect changes to the Council Plan, as well as the other uncertainties reference in Appendix A and 8.1 below. The draft Council Plan is being considered by Cabinet at the same time as the MTFS.

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 funding, expenditure and income 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 12th September 2019.

9. LEGAL IMPLICATIONS

- 9.1 Cabinet's terms of reference include at 5.6.37 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 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 Revenue financial implications are covered in Appendix A.
- 10.2 The main purpose of the Medium Term Financial Strategy is to consider the revenue funding, income and expenditure for the Council. This includes considering the revenue implications of capital expenditure which are linked to the reduced income from treasury investments (as capital reserves are spent) and the costs of borrowing (which may be required when reserves are used up. The Strategy does also consider discretionary capital spend (i.e. not directly linked to continuing service delivery) and the need to deliver value for money. This would include using capital expenditure to reduce revenue costs or generate income.

11. RISK IMPLICATIONS

- 11.1 The key risks within the budget assumptions are referred to in Appendix A.
- 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 The MTFS attempts to align resources to the delivery of the Council Plan, which sets the corporate objectives. Through 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 relevant Efficiency or Investment options.

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 assumptions in relation to inflation over the period of the MTF5. As the actual rate of inflation will be subject to national pay bargaining, the actual costs will depend on the results of those negotiations. The budget also makes assumptions around funding for increments. The budget does not make any allowance for pay increases above inflation. This means that there will be no improvement to the Council’s ability to attract staff in relation to pay, which will particularly impact on difficult to fill posts. The Human Resources Team and the Senior Management Team continually try to identify staff benefits that are not related to pay, and therefore more affordable.

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.

14.3 The development of budget proposals will take up staff time. As they are developed these budget proposals will identify the ongoing impact on staff.

15. APPENDICES

15.1 Appendix A- Medium Term Financial Strategy 2020-25

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17. BACKGROUND PAPERS

17.1 None.

NORTH HERTFORDSHIRE DISTRICT COUNCIL

MEDIUM TERM FINANCIAL STRATEGY

2020-2025

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1.0 Introduction

- 1.1 The Medium Term Financial Strategy (MTFS), the Council's key financial planning document, is an integral part of the Council's Corporate Business Planning process. The Council operates a system of priority led budgeting, with those district priorities set out in the "Council 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. Over the last few years, the Council has taken the opportunity to increase 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 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 2020/21 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 budget agreed by Full Council in February 2019, set the 2019/20 budget and indicative budgets for the years up to 2022/23 as follows:

£000	2019/20	2020/21	2021/22	2022/23
Net revenue expenditure	15,136	14,808	14,911	15,021
Estimated Funding	15,136	14,417	14,655	15,082
Use of General Fund reserves	0	391	256	(61)
General Fund brought forward	7,055	7,055	6,664	6,408
General Fund carried forward	7,055	6,664	6,408	6,469
Assumed savings and income efficiencies still to be identified and delivered (cumulative)	0	300	700	1,200

- 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 2018/19 (subject to audit) was a General Fund Balance that was higher (£7.862 million) than estimated above. This was primarily due to underspends against budget. Some of the underspends have been carried forward, which increases the forecast spend in 2019/20 by £474k compared to budget. This means that the net position is an improved General Fund position by £333k. As at the end of 2019/20 the earmarked reserves also included £368k of gains from Business Rate pooling. It is forecast that this could be released to the General Fund.
- 2.4 To refresh the MTFS for the period 2020-25 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 and areas of uncertainty.

Expenditure

- 2.5 The current budget includes an allowance for pay inflation of 2% each year. Pay awards for lower earners tend to be greater than for higher earners, which means an average 2% pay award would actually be less than this for a proportion of the workforce. The Council is part of national pay bargaining. The initial request from UNISON is significantly higher than 2%, and is the greater of £10 per hour or a 10% increase. In essence the percentage allowance in the MTFS is an estimate of where the negotiations will end up. The cost of an average pay award of 2.7% (which was the end result for 2019/20) would be an additional £94k per year (£376k cumulative over 4 years). A separate allowance is budgeted for the payment of increments, which is based on the grade profile of current staff. As the allowances above reflect national pay bargaining, they do not affect the differentials between what North Herts pays compared with other Councils. This means that where the Council has posts that are difficult to recruit to, this position is unlikely to improve in terms of pure pay rewards. However the Council does implement and promote the other advantages of working for us. A more fundamental review of our pay scales could be carried out, but is likely to be a very significant cost pressure and the impact on being able to recruit is very uncertain. This will need to be kept under review in the context of our ability to recruit to vacant posts.
- 2.6 Employees of the Council are eligible to join the Local Government Pension (LGPS), indeed new employees are now auto-enrolled in to the pension scheme. The LGPS provides a pension that is based on average career earnings. For service up to the year 2014, the pension is based on final salary. The Council pays employer contributions in to the fund. Due to various factors, including pensioners living longer, the contributions that the Council has made in the past have not been sufficient to cover future liabilities. As a result the Council now pays a lump sum towards past service costs and a percentage of payroll costs to cover the estimated cost of the pensions being accrued by current employees. Every 3 years, an actuary undertakes a valuation of the pension fund to determine future contribution rates. This valuation is being carried out at the moment, using data as at 31st March 2019. The results will be published in the Autumn and any change in contribution rates/ amounts will be applicable from 1st April 2020. The current estimate included in the MTFS is that the lump sum and percentage rates will be unchanged. The likelihood is that any change will result in an increased cost.
- 2.7 Hertfordshire County Council as Waste Disposal Authority have the power to direct where the Council sends its residual and green waste. At the moment, the Council delivers this waste to transfer locations in Hitchin and Cumberlow Green. Whilst this is not expected to change over the medium term period, there could be significant impacts over the long term.
- 2.8 The budget for 2019/20 included additional one-off investments for Citizens Advice North Herts (£50k), Age UK (£20k), Minority Ethnic Forum (£25k) and Health and Wellbeing activities (£50k). The assumption is that these will remain as one-off (as budgeted) and there will be no ongoing costs in 2020/21 onwards. The Memorandum of Understanding arrangements where there is ongoing funding will be renegotiated in advance of the end of existing agreement periods.
- 2.9 It is assumed that any other revenue growth will be fully funded by additional off-setting savings.

Income

- 2.10 The Council currently receives payments from HCC under an arrangement known as the Alternative Financial Model (AFM). These payments are intended to provide an incentive for the Council to introduce measures that reduce residual waste. HCC are consulting on making changes to the AFM that would see a reduction in the total amount that was allocated. This would have an impact on the income that the Council would receive. The Council currently receives funding above what is budgeted (and this is put in to an earmarked reserve) and also funds some discretionary waste reduction activities. Over the medium term the impact of the income reduction can be managed, but it is expected to have an impact in the longer term (see 2.12 below).

- 2.11 The take-up of the chargeable garden waste service has exceeded the original forecasts of 26%. The budget for 2019/20 is based on an estimated take-up of 52% and an annual charge of £40, although the three month extension to the 2018/19 charging period means that only 9/12ths of the income will be accounted for in 2019/20. In 2020/21 (with a full year of income) the Council would be estimated to generate an overall net surplus (after accounting for capital charges and overheads) at this level of take-up. Given that the £40 was set based on benchmarking against other Authorities to assess its reasonableness and was also subject to feedback through a consultation process, it is proposed to retain it at this level. But to take reasonable measures to reduce the surplus, no inflationary increases will be added and concessionary discounts will be reviewed. However this review will need to be mindful of the administrative practicalities of introducing concessionary charging and that budget will need to be identified. The surplus will initially provide protection against the risks associated with providing the service, if required, and where appropriate be used against wider waste and environmental service costs. For any increases in take-up above the current budgeted level, the creation of an environmental investment budget will be proposed as part of the 2020/21 budget process (subject to Full Council approval). The net income (after reflecting the amounts paid to Urbaser for collection and other direct costs) from households above the 52% take-up level will be allocated to this budget. This can be used alongside AFM funding (see paragraph 2.10), and in the longer term may provide an alternative funding source for AFM related activities (although see 2.12 below).
- 2.12 In February 2019, Central Government released a consultation on their emerging Waste Strategy. Various elements of this could have cost implications for the Council if they were introduced. The most significant of these proposed changes are:
- Introduce consistent waste collection across all areas of the Country (e.g. same materials in the same types of bins) and being stopped from charging for garden waste collections. The Council would expect significant 'new burdens' funding if this was introduced, particularly in relation to garden waste charging.
 - Introduction of a Deposit Return Scheme, which would have an impact on what the Council would collect at the kerbside. It is likely to mean that the higher value recycling materials would be taken to deposit return locations, leaving the Council to collect the remainder. This would affect the net costs of disposal for recycling materials.
 - Extended Producer Responsibility- places the financial burden for waste on those that are producing it at source. This in turn would affect how waste collection and disposal are funded. It would need to be determined how this affects the funding that the Council receives. It is likely to have an impact on the future of the AFM.
- 2.13 The Council is estimating that it might make a surplus (after accounting for capital charges and overheads) on off-street car parking in 2019/20, and therefore would expect that this would also be the case for 2020/21. This surplus can be significantly affected by capital charges, particularly in relation to property revaluations. Whilst there has been provision in the budget for capital works associated with parking, these have been delayed pending the implementation of the parking strategy. This has also had an impact on the total cost of off-street parking provision. In general, parking charge levels are set to manage demand and reflective of the cost of alternative parking locations. It is proposed that the budgeted assumption that parking charges increase by the Consumer Price Index (CPI) + 2% is changed to increase by 2% only, as this better matches the expected increases in costs of parking provision and the level of increase required to manage parking demand. This is for modelling purposes and actual increases will be considered each year as part of the more detailed budget setting process. The budget setting process for 2020/21 onwards will need to consider the current review being undertaken and recruitment of parking posts to deliver the 2019-2031 adopted Parking Strategy. In addition the Parking Strategy has an associated Action Plan which has some significant investment proposals such as pay-on-foot that will need to be factored in (subject to a business case) to any future budgets. Furthermore that the implementation of evening and Sunday charging will be aligned to the needs to manage parking within the overall parking strategy, and any budgetary change relating to this will need to be reflected in detailed budget setting.

Funding

- 2.14 2019/20 is the final year of the current settlement period in relation to Central Government funding. This covers Revenue Support Grant (RSG) and retained Business Rates. The Ministry for Housing, Communities and Local Government (MHCLG) is due to introduce a new Fairer Funding Formula and 75% Business Rates Retention in 2020/21. These are both currently being delayed by other Central Government priorities. The Central Government spending review has also been delayed. This means that there is no certainty over the amount of funding that Local Government will receive in total, how this will be distributed across Authorities, and how risks and rewards for changes in Business Rates will work. Furthermore it is not known when there will be greater clarity. It would be hoped that the longer the delay, the greater the transitional protection and therefore the closer the funding will be to current levels. The current assumption is that funding from Business Rates will be subject to a £1m reduction in 2020/21 (in line with the previously expected negative RSG), and then increase with inflation thereafter.
- 2.15 Central Government also determine the extent to which Local Authorities can raise Council Tax, without the need for a Local Referendum. Over the last two years this has allowed increases of up to 3% (or £5 for a band D if that is greater). This was a temporary increase to reflect inflation. It is currently expected that the limits for 2020/21 onwards will revert back to the greater of 2% or £5 (for a band D property). It is expected that amount of Business Rate funding that Local Authorities can retain will be based on an assumption that Councils increase Council Tax by as much as they are able. The MTFs therefore makes this assumption in forecasting future Council Tax funding.
- 2.16 The future of New Homes Bonus funding is very uncertain. The level of incentive has been reduced substantially over recent years, from 6 years down to 4, and the introduction of a baseline. It has also been proposed that the current system will be replaced in an attempt to better incentivise the building of new homes.
- 2.17 The Council gained from Business Rate pooling in 2018/19 by £368k. This has been retained in the earmarked reserve, but based on forecasts of collection fund positions it is assumed that it can be released to support general fund expenditure in 2020/21. The Council is part of a Business Rate Pilot in 2019/20. It is forecast that the gains from this could be in excess of £800k, but this will not be known until after the end of the year, and therefore after the 2020/21 budget has been set. At this stage it can not be assumed for 2021/22 either. The Council should not assume that these gains will continue in the new funding systems.

Reserves and Resilience

- 2.18 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 allowance of known risks is based on estimating the monetary impact of an event happening and applying a percentage to this based on the likelihood of it happening (high, medium or low). The allowance for unknown risks has been based on 5% of net expenditure. As the Council has become more reliant on generating income to set a balanced budget, an additional 3% of budgeted income (excluding Housing Benefit) will also be included in determining the minimum level.
- 2.19 In response to the issues faced by Northamptonshire County Council, and concerns over the financial health of other Local Authorities, the Chartered Institute of Public Finance and Accountancy (CIPFA) are in the process of developing a financial resilience tool. This uses historic publicly available data to compare indicators of financial stress across similar Local Authorities. This is currently at a draft stage, but it is expected to be finalised in time for the setting of budgets for 2020/21. Chief Finance Officers will be expected to consider it when commenting on the robustness of estimates within the budget.

2.20 The overall message is that having reserves at the minimum level would make the Council very unresilient. Therefore in setting a medium term budget, the Council should plan to have sufficient breathing space above the minimum level, particularly when the uncertainties described above are considered.

2.21 The forecasts over a four year period are shown in the table below. These totals could be affected by the significant uncertainties highlighted above, and realistic alternative forecasts show that the net funding position in 2020/21 could be improved by £1m (if negative RSG was not implemented) or could be £2m worse (if rough estimates of the uncertainties all went the wrong way).

£000	2020/21	2021/22	2022/23	2023/24	Cumulative
Net expenditure brought forward	14,597	14,638	14,739	15,087	14,597
Ongoing base budget adjustments, including previously identified savings	(63)	(103)	87	0	(79)
Net additional savings, service changes or income generation to be identified	(300)	(300)	(250)	(50)	(900)
Pay inflation and increments	328	319	319	319	1,285
Contractual inflation	282	430	430	430	1,572
Income inflation	(205)	(245)	(238)	(254)	(1,142)
Pension scheme contribution increases	0	0	0	0	0
Other adjustments	0	0	0	0	0
Net Expenditure- to be funded from taxation and general grants	14,638	14,739	15,087	15,532	15,532
Council Tax	(11,755)	(12,125)	(12,501)	(12,884)	
Revenue Support Grant	0	0	0	0	
Business Rates- including tariff adjustment	(1,660)	(1,710)	(1,761)	(1,814)	
New Homes Bonus	(844)	(844)	(844)	(844)	
Other	24	24	24	24	
Pooling gain funding	(368)	0	0	0	
Net funding position (use of reserves)	35	84	5	15	
Reserve balance b/f	7,862	7,827	7,743	7,738	
Reserve balance c/f	7,827	7,743	7,738	7,723	

2.22 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 As highlighted in paragraph 2.21 there is currently high uncertainty in relation to funding, cost and income pressures in 2020/21. It would be impractical to wait for these to be resolved before starting budget work for 2020/21. Therefore the strategy to be adopted is a target of £300k net

savings (including service changes, efficiencies , income generation and any investments) for 2020/21, alongside consideration of options for further savings in future years (noting a current target of at least £900k by the end of 2023/24) . If a worse position transpires then it will be necessary to use reserves to balance the budget in 2020/21, bring forward identified savings options as quickly as possible and start to develop additional ideas for later years. If a better position transpires then the medium term impact of this will need to be considered in determining the potential for additional investments (on top of any that are funded from achieving net savings of £300k).

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

3.3 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. The number of new homes per year is based on prudent estimates and could be higher. However, Central Government could also make changes to the baseline which would reduce the funding that the Council gets.
- 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 an average of 2 % per year.
- 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
- Any future changes to the local Council Tax Reduction Scheme will aim to have a cost neutral impact.
- 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.

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 £15 million, the minimum 5% balance is in the region of £750k.

The Bellwin scheme may be activated where an emergency or disaster involving destruction of or danger to life or property occurs and, as a result, a local authority incurs expenditure on, or in connection with, the taking of immediate action to safeguard life or property, or to prevent suffering or severe inconvenience, in their area or among its inhabitants. The scheme makes provision to reimburse the cost of local authority actions taken in the immediate phase of an emergency, not those taken as part of the recovery phase. Any claim is subject to a threshold (i.e. costs have to exceed this amount before a claim can be made) and for North Hertfordshire this is around £27k. So the need to potentially fund £27k should be borne in mind when setting a General Fund balance.

As the Council becomes more dependent on income, its net budget does not fully reflect the financial risks that it faces. So an additional 3% of budgeted income (excluding Housing Benefit) will also be included as a component in determining the minimum General Fund level. This would provide an additional allocation of around £390k (based on income of around £13m).

In addition to the allowances above for non-specific unknown risks, an additional allowance is made for specific known risks. 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.

Use of Capital

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

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

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

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

ANNEX 2 Roles and Responsibilities

The role of Councillors in this process is to:

- set vision and strategic direction
- agree the Council's high level objectives and priorities
- agree the specific projects to achieve the priorities
- agree the rolling MTFS including decisions on the time-frame to be covered, external influences to be considered and included, strategy for use of balances, assumptions regarding government support and the implications of doing so, income policy, capital strategy and setting indicative council tax levels for future years
- scrutinise proposals for funding prioritisation and de-prioritisation as set out by managers
- decide between options presented
- decide on options for increasing fees & charges where a proposed approach varies from that outlined in the income policy

- give due consideration to both the risks and opportunities of options as the council necessarily explores new avenues
- discuss savings suggestions and income generation proposals with relevant Officers.
- take a corporate overview of the budget position once decisions on individual prioritisation have been taken.
- set the level of Council Tax each year
- scrutinise and monitor the budget throughout the year

The role of all Officers is to:

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

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

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

CABINET
31 JULY 2019

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: FIRST QUARTER REVENUE MONITORING 2019/20

REPORT OF THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER FOR FINANCE AND IT

COUNCIL PRIORITY : RESPONSIVE AND EFFICIENT

1. EXECUTIVE SUMMARY

- 1.1. The purpose of this report is to inform Cabinet of the summary position on revenue income and expenditure forecasts for financial year 2019/20, as at the end of the first quarter. The forecast variance is a **£239k decrease** on the net working budget of £15.797million for 2019/20, with an ongoing impact in future years of a **£130k decrease**. Within these summary totals there are several budget areas with more significant variances, which are detailed and explained in table 3. The report also provides an update on;
- the progress with the delivery of planned efficiencies (paragraph 8.3)
 - the use of budget approved to be carried forward from 2018/19 (paragraph 8.4)
 - performance against the four key corporate 'financial health' indicators (paras 8.5 -8.7)
 - the overall forecast funding position for the Council and factors that may affect this (paras 8.8 – 8.14)

2. Recommendations

- 1.1. That Cabinet note this report.
- 1.2. That Cabinet approves the changes to the 2019/20 General Fund budget, as identified in table 3 and paragraph 8.2, a £239k decrease in net expenditure.
- 1.3. That Cabinet notes the changes to the 2020/21 General Fund budget, as identified in table 3 and paragraph 8.2, a £130k decrease in net expenditure. These will be incorporated in the draft revenue budget for 2020/21.

3. REASONS FOR RECOMMENDATIONS

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

1. ALTERNATIVE OPTIONS CONSIDERED

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

2. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

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

3. FORWARD PLAN

- 3.1. This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 7th June 2019.

4. BACKGROUND

- 7.1. Council approved the revenue budget for 2019/20 of £15.251 million in February 2019. As at quarter 1 the working budget has increased to £15.797 million. Table 1 below details the approved changes to this budget to get to the current working budget:

Table 1 - Current Working Budget

	£k
Original approved budget for 2019/20	15,251
Quarter 3 2018/19 Revenue Monitoring report – 2019/20 budget changes approved by Cabinet (March 2019)	25
2018/19 Revenue Outturn Report – 2019/20 budget changes approved by Cabinet (June 2019)	521
Current Working Budget	15,797

- 7.2. The Council is managed under Service Directorates. Table 2 below confirms the current net direct resource allocation of each Service Directorate in 2018/19 and how this has changed from the allocations published in the quarter three monitoring report.

Table 2 – Service Directorate Budget Allocations

8. R	Service Directorate	Original Budget	Changes approved at Q3 2018/19	Changes approved at Outturn 2018/19	Other Budget Transfers	Current Net Direct Working Budget
		£k	£k	£k	£k	£k
	Chief Executive	1,599	0	349	(129)	1,819
	Commercialisation	(494)	(17)	0	(2)	(513)
	Customers	3,498	0	(13)	80	3,565
	Legal & Community	2,283	2	17	13	2,315
	Place	4,683	41	69	18	4,811
	Regulatory Services	1,145	(1)	58	10	1,212
	Resources	2,537	0	41	10	2,588
	TOTAL	15,251	25	521	0	15,797

ELEVANT CONSIDERATIONS

REVENUE INCOME AND EXPENDITURE

- 3.1 Service Managers are responsible for monitoring their expenditure and income against their working budget. Table 3 below highlights those areas where there are forecast to be differences. An explanation is provided for each of the most significant variances, which are generally more than £25k. The final column details if there is expected to be an impact on next year's (2020/21) budget:

Table 3 - Summary of significant variances

Budget Area	Working Budget £k	Outturn £k	Variance £k	Reason for difference	Estimated Impact on 2020/21 £k
Employee Costs – Voluntary Redundancies	355	274	(81)	Variance represents the saving in employee costs from the two voluntary redundancies agreed by Full Council in February 2019. Part of the saving in 2019/20 has been used to fund some temporary additional staffing resource.	(107)
Business Rates Expenditure	619	550	(69)	Underspend variance in 2019/20 is primarily due to a backdated adjustment to rates payable on the North Hertfordshire Museum and Community Facility. This reduction however is estimated to be more than offset in future years by the phased withdrawal of transitional relief. Relief was granted where there were significant changes in the rateable value of Council assets from the 2017 revaluation, most notably in respect of several Council car parks.	10
Investment Interest Income	(300)	(372)	(72)	Increase in forecast income is due to higher than planned cash balances available for investment at the start of the year following the re-profiling of the Capital Programme reported in the second half of 2018/19.	0
Total of explained variances	674	452	(222)		(97)
Other minor balances	+15,123	+15,106	(17)		(33)
Overall Total	+15,797	+15,558	(239)		(130)

- 8.2. Cabinet are asked approve the differences highlighted in the table above (a £239k decrease in spend), as an adjustment to the working budget (recommendation 2.2). Cabinet are asked to note the estimated impact on the 2020/21 budget (a £130k decrease in budget) which will be incorporated in to the 2020/21 budget setting process (recommendation 2.3).
- 8.3. The original approved budget for 2019/20 (and therefore working budget) included efficiencies totalling £610k, which were agreed by Council in February 2019. Any under or over delivery of efficiencies will be picked up by any budget variances (table 3

above). However there can be off-setting variances which mean that is unclear whether the efficiency has been delivered. Where this is the case, this will be highlighted. The current forecast is that all the efficiencies approved in February will be delivered.

- 8.4. The working budget for 2019/20 includes budgets totalling £689k that were carried forward from the previous year. These are generally carried forward so that they can be spent for a particular purpose that had been due to happen in 2018/19 but was delayed into 2019/20. At quarter one, it is forecast that all carry forward budgets will be spent in 2019/20.
- 8.5. There are 4 key corporate ‘financial health’ indicators identified in relation to key sources of income for the Council. Table 4 below shows the income to date and forecasts for the year. A comparison is made to the original budget to give the complete picture for the year. Each indicator is given a status of red, amber or green. A green indicator means that they are forecast to match or exceed the budgeted level of income. An amber indicator means that there is a risk that they will not meet the budgeted level of income. A red indicator means that they will not meet the budgeted level of income. Currently three of the indicators are green and one is amber.
- 8.6. The amber status for Land Charges income is based on the actual income to date. Activity in quarter one was similar to that of the last financial year, where a total income outturn of £145k for 2018/19 was reported. A similar outturn for 2019/20 would represent approximately a £20k shortfall on the original budget expectation. Whilst the income budget may still be achieved from an increase in activity over the remainder of the year, there is a risk that the budgeted level of income may not be met.
- 8.7. The actual income to date for planning application fees is increased by the reversal in the current year of the £335k accounting adjustment posted at the end of 2018/19, as highlighted and explained in the Outturn Report 2018/19. Income receipts received in the first quarter in respect of planning applications totalled £262k, which is slightly above the budget expectation. As in 2018/19, an accounting adjustment will be posted at the end of 2019/20 to ensure that the reported income total reflects only the income received from planning applications resolved in this financial year, in accordance with accounting policy. Accounting adjustments do not affect the cash the Council receives.

Table 4 - Corporate financial health indicators

Indicator	Status	Original Budget £k	Actual income to date £k	Forecast income for the year	Projected Variance £k
Planning Application Fees (including fees for pre-application advice)	Green	(950)	(597)	(950)	0
Land Charges	Amber	(164)	(38)	(164)	0
Car Parking Fees	Green	(1,809)	(454)	(1,897)	(88)
Parking Penalty Charge Notices	Green	(532)	(137)	(532)	0

FUNDING, RISK AND GENERAL FUND BALANCE

- 8.8. The Council's revenue budget is funded from the following main sources; Council Tax, New Homes Bonus and Retained Business Rates income. The Council was notified by Central Government in February 2019 of the amount of New Homes Bonus it could expect to receive in 2019/20 and planned accordingly.
- 8.9. Council Tax and Business Rates are accounted for in the Collection Fund rather than directly in our accounts, as we also collect them on behalf of other bodies. Each organisation has a share of the balance on the Collection Fund account. At the end of 2018/19 there was a surplus on the NHDC share of the Council Tax Collection Fund of £279k and a deficit on the Business Rates Collection Fund of £604k.
- 8.10. It was expected in the budget report for 2019/20 that the Council Tax Collection Fund would have a surplus recorded at the end of 2018/19 of £300k. This total included the accumulation of annual surpluses recorded for prior financial years. The budget for 2019/20 built in the transfer of this £300k surplus from the Collection Fund to fund the Council's General Fund activities in 2019/20 and this amount is therefore included in the funding total in table 5 below. The £11k shortfall between the £300k surplus anticipated at the end of 2018/19 and the actual surplus recorded of £279k will be incorporated in the calculation of the surplus or deficit recorded for 2019/20, with any impact affecting the Council Tax income total for 2020/21.
- 8.11. The Central Government return submitted in January 2019 estimated a Business Rates Collection Fund deficit for 2018/19 of £58k. The contribution to the Collection Fund required in 2019/20 in respect of the deficit for 2018/19, as shown in table 5, is based on this January estimate. The £546k difference between the actual deficit of £604k and the January estimate of £58k will be included in the calculation of the estimated surplus/deficit for 2019/20 (submitted to Central Government in January 2020), and hence will affect the calculation of the Council's retained business rates income for 2020/21. The increase in the deficit was based on the Council being more prudent about the level of appeals it should make provision for.
- 8.12. As has been previously notified, Hertfordshire was successful in becoming a Business Rate pilot in 2019/20. The overall benefits to the Council of being part of the pilot were set out in a report to the Cabinet meeting on 10th September 2018. The actual gain will be dependent on the overall Business Rates collected across Hertfordshire, as well as within North Hertfordshire. Monthly monitoring of the expected gain is being developed by Hertfordshire County Council. These forecasts will be a guide only as Business Rate income can be subject to significant fluctuations, particularly across 10 billing authorities. Therefore the final position will not be known until after the end of the current year and hence after the 2020/21 budget has been set. Depending on the confidence in forecasts and the margin for error, it may be possible to incorporate some of the gain into the 2020/21 budget, but most of it would only be available in 2021/22. It should also be noted that any gain will be a one-off.
- 8.13. The Council also receives compensation in the form of a grant from Central Government for business rate reliefs introduced, which goes in to our funds rather than the Collection Fund. In 2018/19 NHDC received grant totalling £1.435m and the current expectation for 2019/20 is £1.922m. We are holding the grant received in a reserve to fund the repayment of deficits recorded in future years. Some of the amount held in reserve will therefore be used in this year to fund the repayment of the £58k deficit highlighted above.

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

Table 5 – General Fund impact

	Working Budget £k	Q1 Projected Outturn £k	Difference £k
Brought Forward balance (1st April 2019)	(7,862)	(7,862)	-
Net Expenditure	15,797	15,558	(239)
Funding (Council Tax, Business Rates, NHB)	(15,319)	(15,319)	0
Contribution to Funding Equalisation Reserve	68	68	0
Contribution to Collection Fund	58	58	0
Funding from Reserves (including Business Rate Relief Grant)	(58)	(58)	0
Carried Forward balance (31st March 2020)	(7,316)	(7,555)	(239)

8.15. The minimum level of General Fund balance is determined based on known and unknown risks. Known risks are those things that we think could happen and we can forecast both a potential cost if they happen, and percentage likelihood. The notional amount is based on multiplying the cost by the potential likelihood. The notional amount for unknown risks is based on 5% of net expenditure. There is not an actual budget set aside for either of these risk types, so when they occur they are reflected as budget variances (see table 3). We monitor the level of known risks that actually happen, as it highlights whether there might be further variances. This would be likely if a number of risks come to fruition during the early part of the year. We also use this monitoring to inform the assessment of risks in future years. The notional amount calculated at the start of the year for known risks was £1,203k, and by the end of quarter one a total of £17k has come to fruition. The identified risk realised in the first quarter relates to;

- Elections team staffing resource. Due to unforeseen turnover of staff, a consultant was employed to assist with the preparations for the District and European elections (included within other minor variances in table 3). £17k

Table 6 – Known financial risks

	£'000
Original allowance for known financial risks	1,203
Known financial risks realised in Quarter 1	(17)
Remaining allowance for known financial risks	1,186

9. LEGAL IMPLICATIONS

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

10. FINANCIAL IMPLICATIONS

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

11. RISK IMPLICATIONS

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

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. For any individual new revenue investment proposal of £50k or more, or affecting more than two wards, a brief equality analysis is required to be carried out to demonstrate that the authority has taken full account of any negative, or positive, equalities implications; this will take place following agreement of the investment.

13. SOCIAL VALUE IMPLICATIONS

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

14. HUMAN RESOURCE IMPLICATIONS

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

15. APPENDICES

- 15.1. None.

16. CONTACT OFFICERS

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**CABINET
30 JULY 2019**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: FIRST QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2019/20

REPORT OF THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER FOR FINANCE AND I.T.

COUNCIL PRIORITY : RESPONSIVE AND EFFICIENT

1. EXECUTIVE SUMMARY

- 1.1 To update Cabinet on progress with delivering the capital and treasury strategy for 2019/20, as at the end of May 2019 and updated for significant events during June.
- 1.2 To update Cabinet on the impact upon the approved capital programme for 2020/21 – 2023/24. The current estimate is a decrease in spend in 2019/20 of £1.398million and an increase in spend in future years of £1.408million. The most significant individual change relates to the reprofiling of the John Barker Place budget into 2020/21.
- 1.3 To inform Cabinet of the Treasury Management activities in the first two months of 2019/20. The current forecast is that the amount of investment interest expected to be generated during the year is £0.372million. This is an increase of £0.072million on the working budget.

2. Recommendations

- 2.1 That Cabinet notes the forecast expenditure of **£7.822million** in 2019/20 on the capital programme, paragraph 8.2 refers.
- 2.2 That Cabinet approves the adjustments to the capital programme for 2019/20 onwards as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend in 2020/21 by **£1.408million**.
- 2.3 That Cabinet notes the position of the availability of capital resources, as detailed in table 3 paragraph 8.6 and the requirement to keep the capital programme under review for affordability.
- 2.4 Cabinet is asked to note the position of Treasury Management activity as at the end of May 2019.

3. REASONS FOR RECOMMENDATIONS

- 3.1 Cabinet is required to approve adjustments to the capital programme and ensure the capital programme is fully funded.
- 3.2 To ensure the Council's continued compliance with CIPFA's code of practice on Treasury Management and the Local Government Act 2003 and that the Council manages its exposure to interest and capital risk.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Options for capital investment are considered as part of the Corporate Business Planning process.
- 4.2 The primary principles governing the Council's investment criteria are the security of its investments (ensuring that it gets the capital invested back) and liquidity of investments (being able to get the funds back when needed). After this the return (or yield) is then considered, which provides an income source for the Council. In relation to this the Council could take a different view on its appetite for risk, which would be reflected in the Investment Strategy. In general, greater returns can be achieved by taking on greater risk. Once the Strategy has been set for the year, there is limited scope for alternative options as Officers will seek the best return that is in accordance with the Investment Strategy.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 Consultation on the capital expenditure report is not required. Members will be aware that consultation is incorporated into project plans of individual capital schemes as they are progressed.
- 5.2 There are quarterly updates with the Authority's Cash Manager, Tradition and regular meetings with Treasury advisors (Link).

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 7th June 2019.

7. BACKGROUND

- 7.1 In February 2019, Council approved the Integrated Capital and Treasury Strategy for 2019/20 to 2022/23. This was a change from having a separate Capital Programme and Treasury Strategy. The change was in response to guidance from the Ministry for Housing, Communities and Local Government (MHCLG) and the Chartered Institute of Public Finance and Accountancy (CIPFA). To be consistent with the strategy (and the guidance), the monitoring reports for Capital and Treasury are also integrated.

- 7.2 The Medium Term Financial Strategy for 2019 to 2024 confirmed that the Council will seek opportunities to utilise capital funding (including set aside receipts) for invest to save schemes and proposals that generate higher rates of return than standard treasury investments. This is one way the Council will allocate resources to support organisational transformation that will reduce revenue expenditure.
- 7.3 Link Asset Services Ltd were first contracted to provide Treasury advice for the financial year 2012/13 and this arrangement has been extended until 2019/20. The service includes:
- Regular updates on economic and political changes which may impact on the Council’s borrowing and investment strategies
 - Information on investment counterparty creditworthiness
 - Technical updates
 - Access to a Technical Advisory Group.

8. RELEVANT CONSIDERATIONS

- 8.1 The Council has £114.5 million of capital assets that it currently owns. This value of these assets has increased since the Investment Strategy was set to reflect the property valuations that are required for the Statement of Accounts and the capital spend at the end of the financial year. The most significant addition is the capitalisation of the vehicles used in the waste contract. A summary of the assets owned and the changes in valuation are shown in Appendix A. The Investment Strategy set out the reasons for owning assets that are not for service delivery, including an assessment of Security, Liquidity, Yield and Fair Value. There have been no changes in relation to these since the Strategy was set.

Capital Programme 2019/20

- 8.2 The full capital programme is detailed in Appendix B and shows the revised costs to date, together with the expected spend from 2019/20 to 2022/23 and the funding source for each capital scheme.
- 8.3 Capital expenditure for 2019/20 is estimated to be **£7.822million**. This is a reduction of **£1.398million** on the forecast in the 2018/19 Capital Programme Outturn report (reported to Cabinet on 11th June 2019). The decrease in spend in 2019/20 is largely due to the reprofiling the John Barker Place. Table 1 below details changes to capital programme.

Table 1- Current Capital Estimates

	2019/20 £M	2020/21 £M	2021/22 to 2023/24 £M
Original Estimates approved by Full Council February 2019	8.213	0.962	2.128
Changes approved by Cabinet in 2018/19 Capital Outturn report	1.007	0	0
Revised Capital estimates at start of 2019/20	9.220	0.962	2.128
Changes at Q1 detailed in this report	-1.398	1.408	0
Current Capital Estimates	7.822	2.370	2.128

8.4 Table 2 lists the schemes in the 2019/20 Capital Programme that will start or continue in 2020/21:

Table 2: Scheme Timetable Revision:

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

Scheme	2019/20 Working Budget £'000	2019/20 Forecast Spend £'000	Difference £'000	Reason for Difference	Estimated impact on 2020/21 onwards £'000
John Barker Place, Hitchin	1,096	0	-1,096	Settle have submitted revised plans for pre-application advice and are waiting for confirmation from their Board to proceed with the revised application.	1,096
Property Improvements	278	100	-178	A review of the Condition Survey will be undertaken during the year.	178
Letchworth Multistorey Parapet / Soffit / Decoration	134	0	-134	On hold until the Parking review is complete.	134
Total Revision to Budget Profile			-1,408		1,408

8.5 There is just one minor change to the overall costs of schemes in 2019/20 being an increase of £0.01million.

Capital Programme 2019/20 Funding onwards

8.6 Table 3 below shows how the Council will fund the 2019/20 capital programme.

Table 3: Funding the Capital Programme:

	2019/20 Balance at start of year £M	2019/20 Estimated Additions £M	2019/20 Funding Used £M	2019/20 Balance at end of year £M
Useable Capital Receipts and Set-aside Receipts	8.490	4.950	(6.667)	6.773
S106 receipts			(0.219)	
Other third party grants and contributions			(0.936)	
Total	8.490		(7.822)	

- 8.7 The availability of third party contributions and grants to fund capital investment is continuously sought in order to reduce pressure on the Council's available capital receipts and allow for further investment. Additional capital receipts are dependent on selling surplus land and buildings. Ensuring that the Council gets best value from the disposal of land and buildings can take a long time and therefore the amounts that might be received could be subject to change. This will be kept under review throughout the year.
- 8.8 The Council's Capital Financing Requirement at 31st March 2019 was negative £5.9 million. Based on current forecasts it is expected to remain negative during 2019/20, which means that the Council does not have a need to borrow to fund capital spend.

Treasury Management 2019/20

- 8.9 Whilst the Council does not have a need to borrow for capital spend, it still holds historic borrowing that is uneconomical to repay early. Borrowing can also be used for short-term cashflow purposes. During April and May no borrowing was take out and no historic borrowing became due for repayment.
- 8.10 The Council invests its surplus cash in accordance with the Investment Strategy (see paragraph 4.2). This surplus cash is made up of capital funding balances, revenue general fund balance, revenue reserve balances and variations in cash due to the timing of receipts and payments. During April and May the Council had an average investment balance of £34.4 million and invested this in accordance with the treasury and prudential indicators as set out in the Integrated Capital and Treasury Management Strategy and in compliance with the Treasury Management Practices.
- 8.11 The Council generated £0.062 million of interest during the first two months of 2019/20. The average interest rate on all outstanding investments at the 31 May was 1.17%. Based on current investments and forecasts of interest rates and cash balances for the remainder of the year, it is forecast that the Council will generate £0.372 million of interest over whole of 2019/20.
- 8.12 As at 31 May the split of investments was as shown in the table below. Due to the time it takes to open investment accounts with non-UK banks, the Council currently still has all of its investments with UK institutions:

Banks	33%
Building Societies	42%
Local Authorities	22%
Money Market Funds	3%

- 8.13 The level of risk of any investment will be affected by the riskiness of the institution where it is invested and the period that it is invested for. Where an institution has a credit rating this can be used to measure its riskiness. This can be combined with the period remaining on the investment to give a historic risk of default percentage measure. The table below shows the Historic Risk of Default for outstanding investments at 31st May. The most risky investment still has a historic risk of default of below 1%. It should also be noted that in general the interest rate received is correlated to the risk, so the interest income received would be less if it took on less risk. As stated in paragraph 8.10, all investments have been made in accordance with the Investment Strategy.

Borrower	Principal Invested £M	Interest Rate %	Credit Rating	Days to Maturity at 31 st May	Historic Risk of Default %
Public Sector Deposit Fund	1.0	0.77	AAA	1	0.000
Lloyds Bank	1.0	1.00	A+	3	0.001
National Counties Bldg Soc	1.0	1.00	*	3	0.001
Dumfries & Galloway Council	1.0	0.85	AA	19	0.001
Santander UK Bank	1.5	0.85	A+	30	0.004
Barclays Bank	0.5	0.90	A	44	0.006
Lloyds Bank	0.5	1.00	A+	44	0.006
Yorkshire Bild Soc	2.0	0.94	A-	46	0.007
Lloyds Bank	0.5	0.90	A+	51	0.008
Slough Borough Council	3.0	0.98	AA	58	0.004
Principality Bldg Soc	1.0	1.00	BBB+	58	0.025
Nottingham Bldg Soc	0.5	1.05	*	74	0.032
Barclay Bank	0.5	0.64	A	75	0.011
Lancashire County Council	2.0	1.10	AA	89	0.006
Santander UK Bank	1.0	0.97	A+	104	0.015
Principality Bldg Soc	1.0	0.99	BBB+	109	0.046
Lloyds Bank	1.0	1.15	A+	157	0.023
North Lanarkshire Council	1.0	0.80	AA	167	0.019
Barclays Bank	2.0	1.00	A	177	0.026
Cambridge Bldg Soc	1.0	1.25	*	181	0.079
Darlington Blsg Soc	1.0	1.30	*	223	0.098
Coventry Bldg Soc	1.0	0.99	A-	261	0.038
Yorkshire Bldg Soc	1.0	0.96	A-	261	0.038
Lancashire County Council	1.0	1.1	AA	292	0.019
Hinckley & Rugby Bldg Soc	2.0	1.35	*	328	0.144
Dudley Bldg Soc	1.0	1.3	*	341	0.561
Marsden Bldg Soc	1.5	1.6	*	601	0.724
Monmouthshire Bld Soc	1.0	1.5	*	727	0.876
	32.5	1.17			

* Unrated Building Societies Historic Risk of Default is based on a Fitch (a credit rating agency) rating of BBB.

9. LEGAL IMPLICATIONS

9.1 Cabinet's terms of reference under 5.6.7 specifically includes "to monitor expenditure on the capital programme and agree adjustments within the overall budgetary framework". The Cabinet also has a responsibility to keep under review the budget of the Council and any other matter having substantial implications for the financial resources of the Council. By considering monitoring reports throughout the financial year Cabinet is able to make informed recommendations on the budget to Council. The Council is under a duty to maintain a balanced budget.

- 9.2 Section 151 of the Local Government Act 1972 states that:
“every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs.”
- 9.3 Asset disposals must be handled in accordance with the Council’s Contract Procurement Rules.

10. FINANCIAL IMPLICATIONS

- 10.1 The main financial implications are covered in section 8 of the report.
- 10.2 The Authority operates a tolerance limit on capital projects that depends on the value of the scheme and on this basis over the duration of the programme it should be anticipated that the total spend over the period could be around £1.731million higher than the estimated budget of £12.320million.
- 10.3 The capital programme will need to remain under close review due to the limited availability of capital resources and the affordability in the general fund of the cost of using the Council’s capital receipts. When capital receipts are used and not replaced the availability of cash for investment reduces. Consequently interest income from investments reduces. £1.0million currently earns the Authority approximately £12k a year in interest. The general fund estimates are routinely updated to reflect the reduced income from investments. When the Capital Financing Requirement (CFR) reaches zero the Council will need to start charging a minimum revenue provision to the general fund for the cost of capital and will need to consider external borrowing for further capital spend. The CFR at the 31 March 2019 was negative £6million.
- 10.4 The Council also aims to ensure that the level of planned capital spending in any one-year matches the capacity of the organisation to deliver the schemes to ensure that the impact on the revenue budget of loss of cash-flow investment income is minimised.

11. RISK IMPLICATIONS

- 11.1 The inherent risks in undertaking a capital project are managed by the project manager of each individual scheme. These are recorded on a project risk log which will be considered by the Project Board (if applicable).The key risks arising from the project may be recorded on Pentana (the Council’s Performance & Risk management software). Some of the major capital projects have been included in the Council’s Corporate Risks (such as the new North Hertfordshire Museum). The Corporate Risks are monitored by the Finance, Audit and Risk Committee and Cabinet.
- 11.2 Risks associated with treasury management and procedures to minimise risk are outlined in the Treasury Management Practices document, TMP1, which was adopted by Cabinet in July 2003 and is revisited annually as part of the Treasury Strategy review. The risk on the General Fund of a fall of investment interest below the budgeted level is dependant on banks and building societies need for borrowing.

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 directly arising from the adoption of the Capital Programme for 2018/19 onwards. For any individual new capital investment proposal of £50k or more, or affecting more than two wards, an equality analysis is required to be carried out. This will take place following agreement of the investment proposal.

13. SOCIAL VALUE IMPLICATIONS

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

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 There are no direct human resource implications.

15. APPENDICES

- 15.1 Appendix A - Capital Assets as at 31 March 2019.
15.2 Appendix B - Capital Programme Detail including Funding 2018/19 onwards.
15.3 Appendix C - Treasury Management Update

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17. BACKGROUND PAPERS

- 17.1 Investment Strategy (Integrated Capital and Treasury Strategy)
<https://democracy.north-herts.gov.uk/documents/s4263/Appendix%20A-%20Investment%20Strategy.pdf>

Appendix A

Capital Assets

Asset Type	Asset	Reason for ownership	31 st March 2018 Value (£000)	31 st March 2019 Value (£000)
Investment Properties	Various	Retained to generate income	17,710	18,899
Surplus Land and buildings	Various	Held for future sale or development	6,738	10,446
Offices and Storage	DCO	Staff offices, customer service centre and democratic facilities	5,547	4,912
Offices and Storage	Various	Off-site storage, back-up IT and emergency planning	438	451
Leisure Facilities	Hitchin Swim Centre / Archers	Service use	7,711	7,483
Leisure Facilities	Letchworth Outdoor Pool	Service use	2,617	2,695
Leisure Facilities	North Herts Leisure Centre	Service use	12,942	12,612
Leisure Facilities	Royston Leisure Centre	Service use	7,847	7,474
Leisure Facilities	Pavilions	Service use	2,001	1,759
Leisure Facilities	Recreation Grounds / Play Areas / Gardens / Allotments	Service use	6,117	5,829
Community Centres and Halls	Various	Community facilities, generally operated by third parties	11,775	11,545
Markets	Hitchin Market	To provide a market	137	136
Museums and Arts	Hitchin Town Hall and District Museum	District-wide museum and community facility	11,136	12,491
Museums and Arts	Letchworth and Hitchin museums, Burymead store	Museum storage	1,465	1,425
Cemeteries	Various	Service use	1,479	1,465
Community Safety	Various CCTV cameras	Service use	62	41
IT	Various computer equipment and software	To enable the delivery of other services	376	323
Parking	Various car parks	Service use	9,448	9,478
Waste Collection	Vehicles / Bins	Service use	696	3,390
Public Conveniences	Various	Subject to leases/ management arrangements	610	558
Residential Property	Provide Housing at Market Rents	Generate income	0	18
Assets Held for Sale	Ivel Court		0	627
Other	Various	Various	365	457
Total			107,217	114,514

Project	Service Directorate	Spend For	
		2019/20 Funding £	2020/21 Funding £
40 KVA UPS Device or Battery Replacement	Customers	7,000	0
Additional PC's - Support Home Working/OAP	Customers	13,000	0
Additional Storage	Customers	25,000	0
Alternative to safeword tokens for staff/members working remotely	Customers	8,000	0
Back-up Diesel 40 KVA Generator (DCO)	Customers	20,000	0
Baldock Town Hall project	Legal and Community	48,700	0
Bancroft Recreation Ground, Hitchin, Multi Use Games Area (MUGA)	Place	164,200	0
Cabinet Switches - 4 Floors	Customers	0	0
Cadcorp Local Knowledge & Notice Board Software	Customers	5,200	0
Channel shift - processing of housing register applications	Regulatory	40,000	0
Core Backbone Switch	Customers	20,000	0
Council property improvements following condition surveys	Resources	100,000	432,800
Customer Self Serve Module	Customers	3,000	0
Cyber Attacks - Events Monitoring Software Solution	Customers	30,000	0
Cycle Strategy implementation (GAF)	Regulatory	278,000	0
Decommissioning of Play Areas	Place	103,800	0
Dell Servers	Customers	65,000	0
DR Set-up	Customers	49,800	0
EA Agreement (MS EA) TN agreed funded within 4571 Account	Customers	0	0
Email / Web Gateway with SPAM Filtering Software Solution - Licence 3 Year Contract	Customers	0	39,000
Email Encryption Software Solution	Customers	0	45,000
Energy efficiency measures	Resources	8,500	0
Green Infrastructure implementation (GAF)	Regulatory	185,000	0
Hitchin & Letchworth Outdoor Pool Automatic Chemical Dosing Pumps	Place	20,000	0
Hitchin Multi Storey Safety and Equalities Act improvements	Resources	39,300	0
Hitchin Outdoor Pool Showers and Toilets	Place	9,200	0
Hitchin Swimming Pool Car Park extension	Place	497,700	0
Hitchin Town Hall Acoustic Panelling	Commercial	30,000	0
Hitchin Town Hall Additional Bar Facility	Commercial	15,000	0
Hitchin Town Hall Sprung Floor Replacement	Commercial	75,000	0
Installation of trial on-street charging (GAF)	Regulatory	50,000	0
John Barker Place, Hitchin	Regulatory	0	1,096,000

Lairage Multi-Storey Car Par - Structural wall repairs	Resources	120,700	0
Laptops - Refresh Programme	Customers	0	6,000
Leisure Condition Survey Enhancements	Place	64,000	23,000
Letchworth Multi_storey Car Park - parapet walls, soffit & decoration	Resources	0	133,800
Letchworth multi-storey car park - lighting	Resources	19,700	0
Letchworth Outdoor Pool safety surface	Place	10,000	0
Microsoft Enterprise Software Assurance	Customers	358,000	0
New Blade Enclosure	Customers	32,000	0
NH Museum & Community Facility	Commercial	29,800	0
Norton Common Wheeled Sports improvements	Place	26,500	0
Off Street Car Parks resurfacing and enhancement	Resources	77,100	0
PC's - Refresh Programme	Customers	19,800	17,000
Private Sector Grants	Regulatory	60,000	60,000
Provide housing at market rents.	Commercial	2,981,500	0
Refurbishment and improvement of community facilities	Legal and Community	612,900	120,000
Refurbishment of lifts at Lairage Car Park	Resources	360,000	0
Renovate play area Howard Park, Letchworth	Place	0	75,000
Renovate play area King George V Recreation Ground, Hitchin	Place	75,000	0
Renovate play area, District Park, Gt. Ashby	Place	75,000	0
Replace and enhance lighting at St Mary's Car Park	Resources	60,000	0
Replace items of play equipment Holroyd Cres, Baldock	Place	0	10,000
Replace items of play equipment Wilbury Recreation Ground, Letchworth	Place	10,000	0
Replace items of play equipment, Chiltern Road, Baldock	Place	10,000	0
Replacement SAN	Customers	110,000	0
S106 Projects	Various	128,800	0
Security - Firewalls	Customers	14,000	0
Software for personalised bills and annual billing.	Customers	6,000	0
Storage Facilities	Commercial	48,700	0
Tablets - Android Devices	Customers	14,000	12,000
Telephony system	Customers	10,600	0
Town Centre pay & display machines for on-street charging	Regulatory	235,000	0
Transport Plans implementation (GAF)	Regulatory	250,000	0
Walsworth Common Pavilion - contribution to scheme	Place	0	300,000
Walsworth Common Pitch Improvements	Place	92,500	0

7,822,000	2,369,600
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Appendix B

precasts		Funding			
2021/22 Funding £	2022/23 Funding £	Funded from capital contributions	Funded from Government Grant	Funded from s106 contributions	Balance funded from Capital Receipts/ Set- aside receipts
0	0	0	0	0	7,000
0	0	0	0	0	13,000
0	0	0	0	0	25,000
0	0	0	0	0	8,000
0	0	0	0	0	20,000
0	0	0	0	800	47,900
0	0	60,000	0	60,100	44,100
18,000	0	0	0	0	18,000
0	0	0	0	0	5,200
0	0	0	0	0	40,000
0	0	0	0	0	20,000
255,000	0	0	0	0	787,800
0	0	0	0	0	3,000
0	0	0	0	0	30,000
0	0	0	278,000	0	0
0	0	0	0	0	103,800
0	0	0	0	0	65,000
0	0	0	0	0	49,800
0	450,000	0	0	0	450,000
0	0	0	0	0	39,000
0	0	0	0	0	45,000
0	0	0	0	0	8,500
0	0	0	185,000	0	0
0	0	0	0	0	20,000
0	0	0	0	0	39,300
0	0	0	0	0	9,200
0	0	0	0	0	497,700
0	0	0	0	0	30,000
0	0	0	0	0	15,000
0	0	0	0	0	75,000
0	0	0	50,000	0	0
0	0	0	0	270,400	825,600

0	0	0	0	0	120,700
0	0	0	0	0	6,000
0	39,000	0	0	0	126,000
0	0	0	0	0	133,800
0	0	0	0	0	19,700
0	0	0	0	0	10,000
0	0	0	0	0	358,000
0	0	0	0	0	32,000
0	0	29,800	0	0	0
0	0	0	0	26,500	0
0	0	0	0	0	77,100
17,000	0	0	0	0	53,800
60,000	60,000	0	0	0	240,000
0	0	0	0	0	2,981,500
0	0	0	0	0	732,900
0	0	0	0	0	360,000
0	0	0	0	0	75,000
0	0	0	0	0	75,000
0	0	0	0	0	75,000
0	0	0	0	0	60,000
0	0	0	0	0	10,000
0	0	0	0	0	10,000
0	0	0	0	0	10,000
0	0	0	0	0	110,000
0	0	0	0	128,800	0
14,000	0	0	0	0	28,000
0	0	0	0	0	6,000
0	0	0	0	0	48,700
15,000	0	0	0	0	41,000
0	0	0	0	0	10,600
0	0	0	0	0	235,000
0	0	0	250,000	0	0
0	0	250,000	0	37,000	13,000
0	0	83,000	0	2,300	7,200

379,000	549,000	422,800	763,000	525,900	9,407,900
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Treasury Management Update

Period Ended 31 May 2019

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Treasury Management Update

Period Ended 31 May 2019

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that members be updated on treasury management activities regularly (annual, mid-year or quarterly reports). This report, therefore, ensures this Council is implementing best practice in accordance with the Code.

1. Annual Investment Strategy

The Investment Strategy (integrated Capital and Treasury) for 2019/20, which includes the Annual Investment Strategy, was approved by the Council on 7th February 2019. It sets out the Council's investment priorities as being:

- Security of capital;
- Liquidity; and
- Yield.

The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in higher rates in periods up to 24 months.

Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the first two months of 2019/20.

The average level of funds available for investment purposes during April and May was **£34.4m**. The Council holds **£20.5m** core cash balances for investment purposes (i.e. funds available for more than one year). The investment portfolio yield for the first two months of the year is 1.03%.

Investments at 31st May 2019

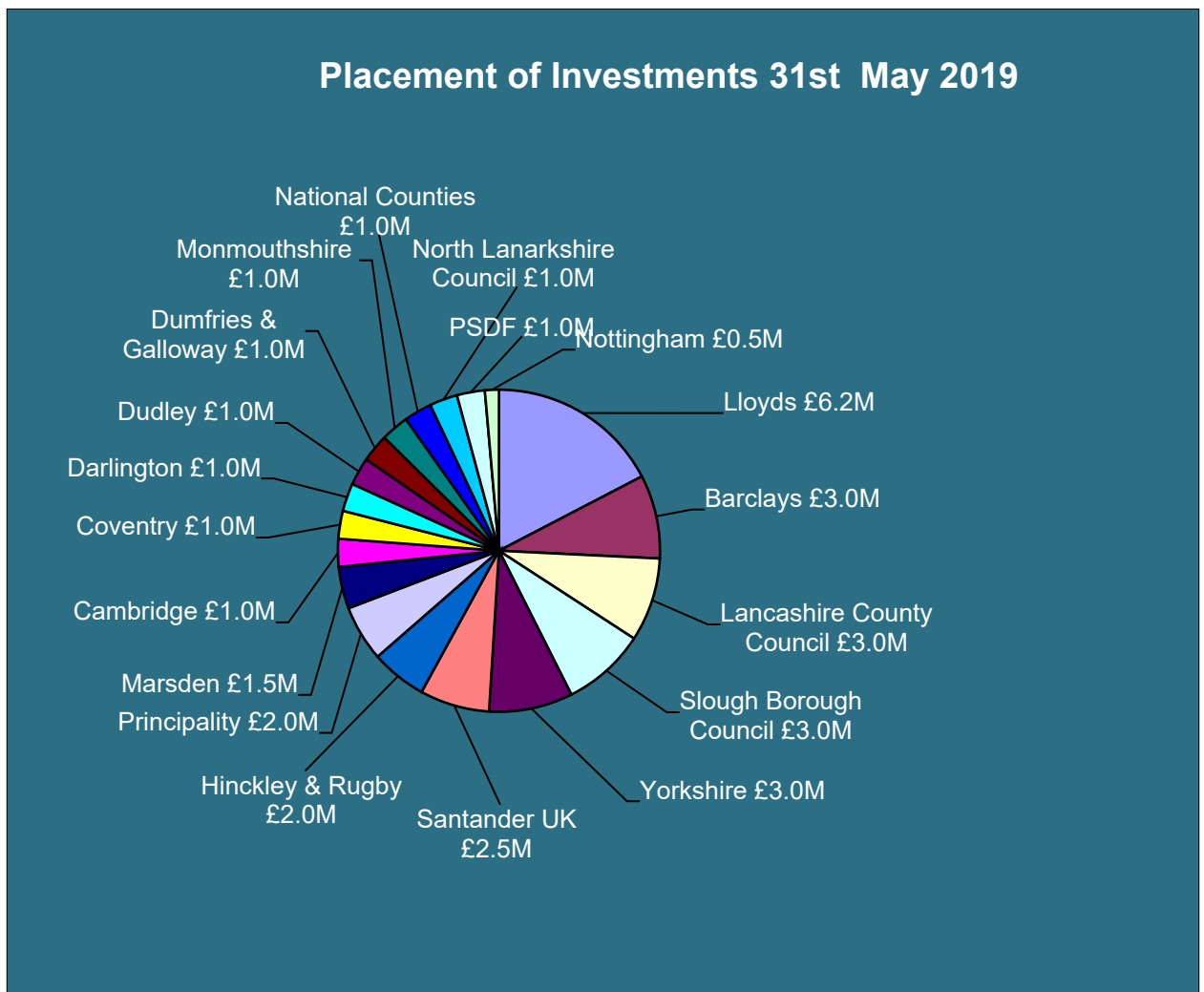
	Amount	Average
	£	Interest Rate %
Managed By NHDC		
Banks	11,700,000	0.99
Building Societies	6,500,000	0.98
Local Authorities	8,000,000	1.02
Money Market Fund	1,000,000	0.87
NHDC To Total	27,200,000	1.00
Managed by Tradition		
Building Societies	8,500,000	1.40
Tradition Total	8,500,000	1.40
TOTAL	35,700,000	1.17

In percentage terms, this equates to:

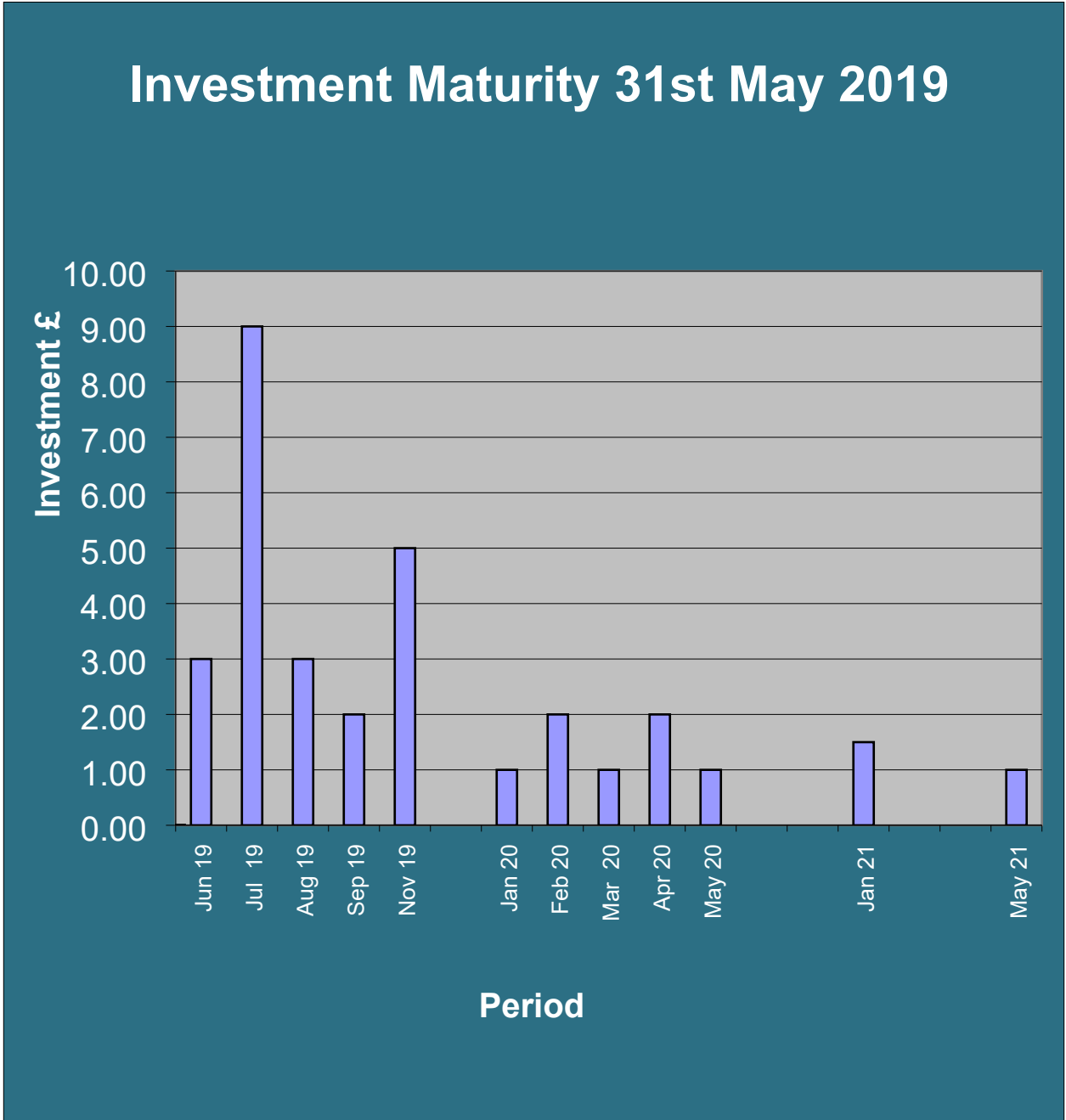
	Percentage
Money Market Funds	3
Local Authorities	22
Banks	33
Building Societies	42

The approved 19/20 strategy is that no more than 60% of investments should be placed with Building Societies with a maximum value of £18M. The value at 31st May was £15M

The pie chart below shows the spread of investment balances as at 31 May 2019. This is a snapshot in time that demonstrates the diversification of investments.

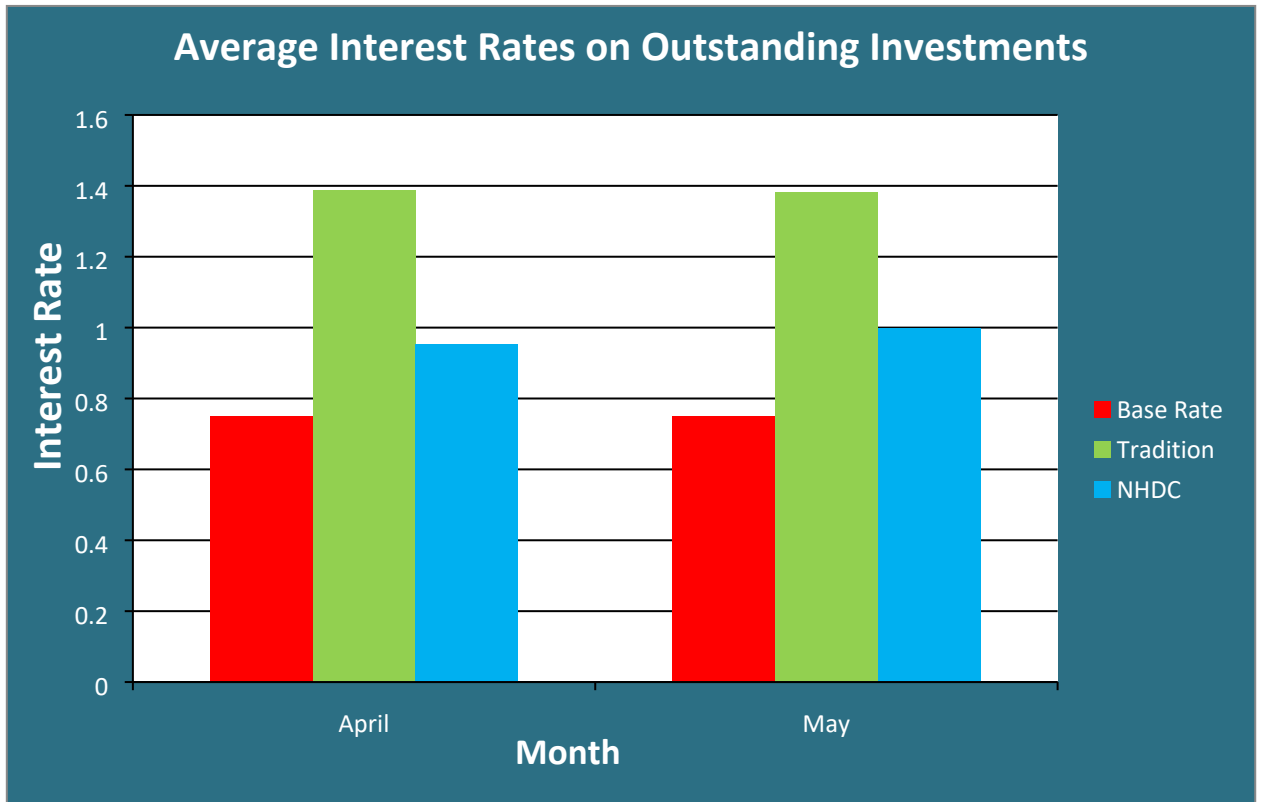


The chart below shows the Council’s investment maturity profile. (This does not include the £1.0M held in the Public Sector Deposit Fund Money Market account or £3.2M held in the Lloyds current account which can be called back on any day).



The Council’s Original budgeted investment return for 2019/20 was £0.300M. The projection at end of May was £0.372M. The increase is mainly due to a higher level of balances which means investments can be made for longer periods and achieve a higher interest rate.

The graph below shows the average rate of interest on outstanding investments at 31st May.



The higher rates achieved through Tradition reflect that these are longer-term investments. In general, the Council can currently achieve similar rates for the same length of investment. The Council only undertakes new investments through Tradition where the rate achieved (after fees) are greater than what the Council could achieve for a similar investment.

The Service Director - Resources confirms that the approved limits within the Annual Investment Strategy were not breached during April and May.

Treasury indicator below shows the capital value and expected income from Capital Investment assets, alongside any borrowing that is attached to those assets and the expected cost of that borrowing.

Year	Capital value of investment assets £m	Expected annual income from investment assets £m	Loans linked to investment assets £m	Expected annual borrowing costs for loans linked to investment assets £m
2019/20	18.899	1.089	0	0
2020/21	18.899	1.139	0	0
2021/22	18.899	1.189	0	0
2022/23	18.899	1.189	0	0
2023/24	18.899	1.189	0	0

2. New Borrowing

No borrowing was undertaken during April and May.

The Council's capital financing requirement (CFR) for 2019/20 is expected to be -£1.596M - £5.91M at the end of 18/19). The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances (internal borrowing). The CFR is negative as the Council has more cash investments than borrowing. The balance of external and internal borrowing is generally driven by market conditions.

It is anticipated that long term borrowing will not be undertaken during this financial year.

Loans Outstanding at 31 May 2019

	Amount	Average Interest Rate
	£	%
Public Works Loans Board	£440k	9.70

Estimated outstanding debt:

Year	Forecast Borrowing £m	Forecast other long-term liabilities £m *	Forecast External £m	Total Debt	Operational Boundary £m	Authorised Limit £m
31 st March 2019 (Actual)	0.440	2.724	3.164		4.1	10
31 st March 2020 (Forecast)	0.423	2.270	2.693		3.6	9
31 st March 2021 (Forecast)	0.405	1.816	2.221		3.1	9
31 st March 2022 (Forecast)	0.387	1.362	1.749		2.6	8
31 st March 2023 (Forecast)	0.367	0.908	1.275		2.0	7
31 st March 2024 (Forecast)	0.347	0.454	0.801		1.5	7

* Comprises the finance lease relating to Letchworth Multi-storey car park and the forecast impact of the finance lease for waste vehicles.

The external borrowing forecast can be used to give an indication of the borrowing that may be required, which is combined with outstanding existing borrowing. The Council will also borrow for short-term cash-flow needs if required. The actual borrowing that is taken out will depend on the latest forecasts and the offers that are available at the time that it is required. There will also be a consideration of when any other borrowing becomes due, with the aim of achieving a spread of these dates. This is to try and avoid refinancing risk. The Council is required to set indicators for the maturity structure of its borrowing. Given the low level of borrowing that the Council currently has and is forecast to have, it is considered appropriate to maintain full flexibility as to the exact duration of any borrowing undertaken.

To manage refinancing risk, the Council sets limits on the maturity structure of its borrowing. However these indicators are set relatively high to provide sufficient flexibility to respond to opportunities to repay or take out new debt (if it was required), while remaining within the parameters set by the indicators. Due to the low level of existing borrowing, the under 12 months limits have a broad range to allow for cash-flow borrowing (if it was required).

Maturity Period	Lower %	Upper %
Under 12 months	0	100
12 months to 2 years	0	50
2 years to 5 years	0	60
5 years to 10 years	0	70
10 years to 20 years	0	80
20 years and above	0	100

The Council does not have a need to borrow, so therefore does not currently need to apply a Minimum Revenue Provision (MRP).

There is a prudential indicator that compares the net cost of financing (i.e. borrowing costs less income generated from investments) with the net revenue budget of the Council. This will be looked at later in this document after considering investments and their forecast returns. However the indicator below considers the cost of borrowing as a % of the net revenue budget of the Council.

Year	Estimated cost of borrowing £m	Forecast net revenue budget	Estimated cost of borrowing as a % of net revenue budget
2019/20	0.042	15.558	0.27
2020/21	0.041	14.808	0.28
2021/22	0.040	14.911	0.27
2022/23	0.039	15.021	0.26
2023/24	0.037	15.021	0.25

The Council is required to set a prudential indicator that estimates financing costs (cost of borrowing less income from investments) as a percentage of its net revenue budget.

Year	Estimated cost of borrowing £m	Less: Forecast of interest earned £m	Net Financing Costs £m	Forecast net revenue budget	Estimated cost of borrowing as a % of net revenue budget
2019/20	0.042	0.372	-0.330	15.558	-2.121
2020/21	0.041	0.417	-0.376	14.808	-2.539
2021/22	0.040	0.516	-0.476	14.911	-3.192
2022/23	0.039	0.526	-0.487	15.021	-3.242
2023/24	0.037	0.584	-0.547	15.021	-3.642

3. Debt Rescheduling

No debt rescheduling was undertaken during the quarter.

4. Compliance with Treasury and Prudential Limits

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators, (affordability limits), are included in the approved TMSS.

During April and May the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury Management Practices. The prudential and treasury Indicators are shown in Appendix 1.

APPENDIX 1: Prudential and Treasury Indicators for 2019-20 as at 31 May 2019

Treasury Indicators	2019/20 Budget £'000	31.05.19 Actual £'000
Authorised limit for external debt	9,000	440
Operational boundary for external debt	3,600	440
Gross external debt	2,548	440

Maturity structure of fixed rate borrowing - upper and lower limits		
Under 12 months	17	17
12 months to 2 years	18	18
2 years to 5 years	58	58
5 years to 10 years	82	82
10 years to 20 years	15	15
20 years to 30 years	250	250

Prudential Indicators	2019/20 Budget £'000	31.05.19 Actual £'000
Capital expenditure The budget is the expected capital expenditure during the year. The actual total is spend to date. Only at the end of the year will actuals get close to the budget.	9,220	271
Capital Financing Requirement (CFR) The total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. The year end position reflects the budgeted capital spend during the year. A negative total means that there is no borrowing requirement.	-0,063	-5,919
In year borrowing requirement	0	0
Ratio of financing costs to net revenue stream Net expenditure/ (income) from borrowing and investments, as a % of the Council's net revenue. This is negative as the Council is currently receiving a net income from investments.	-1,969	-2,51

**CABINET
30 JULY 2019**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: PLAYGROUNDS

REPORT OF THE SERVICE DIRECTOR PLACE

EXECUTIVE MEMBER FOR ENVIRONMENT AND LEISURE

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

1. EXECUTIVE SUMMARY

- 1.1 To consider retaining two of the plays areas originally agreed to be decommissioned that the Executive Member has requested to retain until a decision is made regarding their future.

2. Recommendations

- 2.1 For Cabinet to approve delaying the removal of play equipment at Betjeman Road and Farrier Court both in Royston until the 31st March 2020, and agree the additional expenditure of £4,400 for 2019/20, .
- 2.2 For Cabinet to recommend to full Council a revenue budget of £4,400 for the financial year 2020/21 (as part of the budget setting process) to further delay removal of play equipment at the two play areas in Royston until 31st March 2021 to provide sufficient time to re-evaluate the current Green Space Management Strategy (GSMS) with regard to playground provision in the District and align this with a review of the Medium Term Financial Strategy (MTFS).

3. REASONS FOR RECOMMENDATIONS

- 3.1 To delay the removal of the remaining two play areas identified for decommissioning, to allow sufficient time to evaluate the current GSMS (which may include re-evaluation of demand) with regard to playground provision in the District and review the MTFS.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 To implement the recommendations of Cabinet 27th March 2018 and continue to remove the two identified sites.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 There has been consultation with Executive Members regarding the content of this report.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 1st July 2019.

7. BACKGROUND

- 7.1 Previous reports have identified the evolution of this issue and the work undertaken to retain the identified play areas as identified in appendix A.

- 7.2 Appendix B identifies those play areas reported to Cabinet in March 2018 that were being considered for closure. Generally, members wished to find alternative solutions before closure of play areas. The best example was working with Gt Ashby community council, who now fund those play area identified for closure. Members in Royston also looked at finding funding to retain two play areas identified for closure. The original three month period was extended with the Executive Member's approval to provide more time to secure external funding. When the new Executive Member was appointed, he wanted to cease all decommissioning of play areas to allow an updated review of their usage; all those identified for decommissioning had been fully removed by the end of April 2019 with the exception of the two in Royston. Officers have continued to withhold decommissioning the two play areas in Royston until Cabinet have had the time to consider and agree the way forward.

- 7.3 Following Cabinet 27th March 2018 Officers have worked to deliver the decommissioning of the identified play areas. This was completed in April 2019 at the following locations – Jackman's Creamery Letchworth, Oaktree Close Letchworth, Linnett Close Letchworth, Symonds Road Hitchin, Dacre Road Hitchin and Ivel Way Baldock.

- 7.4 In addition the play area at Chiltern Road Baldock has been renovated using agreed Capital Budgets that incorporated salvageable equipment from the locations noted above.

8. RELEVANT CONSIDERATIONS

- 8.1 The recommendations of this report are in contradiction to the currently agreed Greenspace Management Strategy (GSMS) 2017 – 2021 which was designed to meet the Council's current Medium Term Financial Strategy (MTFS)

- 8.2 The review of play areas as part of the GSMS was to ensure that we maintained play areas that had reasonable levels of use and considered closing those that had low and poor use. Opportunities were provided for third parties to fund or manage those facilities identified for decommissioning.

- 8.3 Retention of the two sites in Royston – Betjeman Road and Farrier Court will incur on going maintenance costs plus future capital investment that has previously been identified as a saving. Retention of Betjeman Road and Farrier Court in Royston for 2019/20 as a maximum financial liability on the 2019/20 revenue budget of £4,400.
- 8.4 Retention of these two sites may raise concerns about those sites already decommissioned and potential challenges from other community groups. It may be difficult to provide evidence to support the retention of these two play areas particularly as the current decommissioning programme is in accordance with the agreed the GSMS and MTFs.
- 8.5 It has been discussed with the Executive Member that the new administration wishes to review the GSMS and MTFs, therefore providing an extension of time for the two remaining play areas identified for decommissioning until the end of the financial year 2020/21 may be prudent.

9. LEGAL IMPLICATIONS

- 9.1 Within Cabinet's terms of reference are "*to prepare and agree to implement policies and strategies other than those reserved to Council*" and "*to approve those major service developments or reductions which also constitute Key Decisions.*" The Green Space Management Strategy falls within Cabinet's remit and this strategy has been noted on the Council's Forward Plan as a Key Decision.
- 9.2 The Council provides parks, recreation grounds and open spaces under its discretionary powers.
- 9.3 Given that the decision to decommission the play areas was evidence based, any outcomes from the review of the GSMS and MTFs should be objectively justified and reasonable to minimise legal risk to the Council.

10. FINANCIAL IMPLICATIONS

- 10.1 In terms of the financial decision making process. The budget framework agreed by Full Council is that the play areas should have been removed and the savings achieved. Cabinet only have responsibility to manage budgets within that framework. However given the delays that have already happened, and the costs involved, it seems practical to allow Cabinet to make a decision to delay removal for the remainder of this financial year. To delay until the end of 2020/21 (to enable alignment with a new GSMS & review of the MTFs) would require approval by Council as part of the budget process. For a years delay this could just reflect the revenue costs only.

11. RISK IMPLICATIONS

- 11.1 If a strategic approach is not adopted to reduce expenditure on green space there will be insufficient funds to maintain the current infrastructure and this will lead to a gradual decline in the entire green space infrastructure.

- 11.2 Those areas which are well used and valued by the community will be the first to wear out and require decommissioning, while other areas that are little used and have limited value will survive and continue to command ongoing revenue expenditure for maintenance despite their lower community value and use.
- 11.3 Where equipment is installed in parks and open spaces, it is important it is regularly inspected and maintained to prevent any injuries to users. NHDC should ensure appropriate procedures are in place prior to transferring play areas.
- 11.4 The risks associated with green space sustainability are reviewed annually and updated on the Council's performance and risk management software.
- 11.5 Effective communication will help to mitigate any reputational risks associated with the Council's recommended approach.

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 is a likelihood that there will be a difference in the service provision of play areas to arising from this decision. The proposal to retain the two sites in Royston will favour Royston residents and there will be an adverse impact on those areas that have had their play areas removed.
- 12.3 A review of the GSMS will include capturing positive and adverse impacts on our users through a Equality Impact Assessment

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 The Customer Services Centre and Communications team may be under a pressure due to an upsurge in customer contacts including complaints.

15. APPENDICES

- 15.1 Appendix A – Table of previous committee decisions regarding this issue
- 15.2 Appendix B – Table of play areas considered for closure

16. CONTACT OFFICERS

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17. BACKGROUND PAPERS

GSMS, MTFs, Cabinet report March 2018

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Report to Cabinet in March 2018 – Table of previous committee decisions

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

Report to Cabinet in March 2018 – Table of previous committee decisions

Committee	Date	Minute	Actions
		Space Management Strategy	meeting held on 5 September 2017 (Minute 35 refers) and that of the relevant Cabinet meeting. (Information provided to show that ideas had been taken forward)
Letchworth Area	06/12/17	35: Information Note – Green Space Management Strategy	Noted update report
Overview and Scrutiny	20/03/18	Verbal update to be given at Cabinet meeting on the 27/03/18.	

Cabinet Resolution – 106 27/3/18

That for Betjeman Road and Farrier Court play areas Royston a period of time of up to three months for confirmation of funding sources from third parties; and for Symonds Road Hitchin and Linnet Close Letchworth the Council allow a period of up to three months to assess whether a business case could be developed with local community groups.

That the equipment be removed from play areas at Ivel Road Baldock, Dacre Road Hitchin, Jackman's Recreation Ground and Oaktree Close Letchworth. Sites to be landscaped as green space and where appropriate include elements of natural play such as grass mounds, logs and benches and

That the play area at Fairfield Crescent Great Ashby be no longer considered and managed as a formal play area. The existing facilities will be monitored and managed as part of the overall green space.

Report to Cabinet in March 2018 – Table of play areas considered for closure

Site	Progress	Officer Recommendations
Generic	Seeking sponsorship of some of our larger play area sites, which may generate additional income. No offers yet received.	Continue to promote opportunities for sponsorship.
Betjeman Road, Royston	No interest from Royston Town Council. Business case received from two local District Councillors with two possible options to continue to fund NHDC's grounds contractor to maintain the play area.	Allow a period of time of up to three months for confirmation of funding sources from third parties.
Farrier Court, Royston	No interest from Royston Town Council. Business case received from two local District Councillors with two possible options to continue to fund NHDC's grounds contractor to maintain the play area.	Allow a period of time of up to three months for confirmation of funding sources from third parties.
Ivel Road, Baldock	No expressions of interest received.	Remove formal play equipment and return to green space.
Dacre Road, Hitchin	No expressions of interest received.	Remove formal play equipment and return to green space.
Rosehill, Hitchin	Lots of community support to retain play area. Officers have potentially found a long term sustainable solution to retain a children's play area for the residents of Rosehill.	The Council continues to maintain the play equipment at Rosehill, Hitchin up to April 2022 or an earlier date if a new play area is provided in the locality by an independent provider at nil cost to the Council. The existing Rosehill play area will then be decommissioned.
Symonds Rd, Hitchin	No expressions of interest received.	Remove formal play equipment and return to green space.
Jackmans Recreation Ground, Letchworth	Expression of interest received from community group to fund play area. Later withdrawn with no business case provided.	Remove formal play equipment and return to green space.
Linnet Close, Letchworth	Some community support to retain play area. No offers of funding.	Remove formal play equipment and return to green space.
Oaktree Close, Letchworth	No expressions of interest received.	Remove formal play equipment and return to green space.
Chilterns, Gt. Ashby	Gt. Ashby Community Council have agreed to take on responsibility of play area. They intend to continue to use NHDC's grounds contractor to maintain the play area.	Enter into a contract with Great Ashby Community Council to fund play area.

Report to Cabinet in March 2018 – Table of play areas considered for closure

Site	Progress	Officer Recommendations
Cleveland Way, Gt. Ashby	Gt. Ashby Community Council have agreed to take on responsibility of play area. They intend to continue to use NHDC's grounds contractor to maintain the play area.	Enter into a contract with Great Ashby Community Council to fund play area.
Fairfield Crescent, Gt. Ashby	Play area reclassified as not having formal play equipment. Therefore not requiring daily inspections or other play area maintenance expenses.	Continue to maintain as green space.
Merrick Close, Gt. Ashby	Gt. Ashby Community Council have agreed to take on responsibility of play area. They intend to continue to use NHDC's grounds contractor to maintain the play area.	Enter into a contract with Great Ashby Community Council to fund play area.

**CABINET
30 JULY 2019**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: WASTE COLLECTION FROM MULTI OCCUPANCY PROPERTIES

REPORT OF THE SERVICE DIRECTOR - PLACE

EXECUTIVE MEMBER FOR RECYCLING & WASTE

COUNCIL PRIORITY: RESPONSIVE AND EFFICIENT

1. EXECUTIVE SUMMARY

- 1.1 For Cabinet to consider and decide to either retain the current weekly service for residual waste or move to a fortnightly collection service for Multi-Occupancy Properties (MOP) in accordance with the existing contract that started in May 2018. Retaining weekly collections would be a variation to the waste contract and Urbaser's claim is shown as appendix A.
- 1.2 The recent Audit of MOP has concluded that there are significantly less MOP that have the capacity to go to fortnightly collections without significant impact on either the Landlord/Managing agent or the Council.
- 1.3 Officers would not recommend a two tier collection system for NHDC MOP as this would not provide parity and equality for our residents. The contractor would require a reduction of one vehicle and a crew to make any savings and this would require the majority of MOP to move to fortnightly collections.

2. Recommendations

- 2.1 For Cabinet to approve a variation to the waste contract with Urbaser, to retain the existing weekly collection service for residual waste from MOP in accordance with appendix A.
- 2.2 For Cabinet to approve an increase in the revenue budget for 2019/20 of £68k to fund these additional costs.
- 2.3 For Cabinet to note that the £164k increase in expenditure budget required annually to retain weekly collections from MOPs will be incorporated in the draft revenue budget for 2020/21.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To prevent resident dissatisfaction, contamination of waste streams, side waste and costly enforcement action against landlords and managing agents for non compliance that would likely occur in the event fortnightly collection of residual waste at MOP was implemented in accordance with the waste contract obligations.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Continue to implement the agreed fortnightly collection of residual waste from MOP in accordance with the contract
- 4.2 Provide a two tier system where some MOP receive residual weekly & others fortnightly collection at MOP

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 To date there has been no consultation with MOP residents, Landlords or managing agents on this matter, but will do so if the decision is to retain the currently agreed terms of the contract for fortnightly collections of residual waste from MOP for commencement in Nov 2019.
- 5.2 The Executive Member for Recycling and Waste has been fully briefed and involved in detail of this report and supports the recommendation. A breakdown of the financial details is commercially sensitive because release of such detail would prejudice Urbaser's competitiveness in the market. The Executive member is happy to explain what the details comprise of and is satisfied that Finance, Operational and Legal have scrutinised and accept the figures.
- 5.3 Overview and Scrutiny has called in this report for consideration prior to Cabinet on the 19 July 2019
- 5.4 All members were informed through MIS of the Executive Member decision for delaying the implementation of fortnightly residual collection of waste from MOP until the beginning of November 2019 in May 2019.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 1st June.

7. BACKGROUND

- 7.1 Cabinet at their meeting on the 19th Dec 2017 resolved:

74. JOINT WASTE COLLECTION AND STREET CLEANSING POLICY AND CUSTOMER CHARTER

RESOLVED:

- (1) That the Waste Collection and Street Cleansing Policy Statements, as set out in Appendix to the report, be agreed;

The following is the relevant extract from appendix 2

Policy 3a: Multi occupancy properties- NHDC frequency change of residual waste at flats will change to fortnightly from weekly. It is currently weekly due to DCLG funding which has now ended.

- 7.2 The tender for the waste collection and street cleansing contract included an option for weekly food waste collection for all premises across the District. The Council selected this option and therefore a weekly food waste collection from flats is within the current contract price. Accordingly, this report only relates to the issues and considerations regarding transition from weekly to fortnightly residual waste collection.
- 7.3 In 2018 and in line with the end of the Veolia contract term NHDC tendered a new joint waste and street cleansing contract in partnership with EHC. As part of NHDC agreed specification tenderers were asked to include a fortnightly collection of residual waste from MOP in the District in their bid. The contract documentation stated that this move from a weekly to fortnightly service would start at the commencement of contract in May 2018.
- 7.4 Another part of Urbasers bid was to introduce efficiencies and therefore savings in other waste streams (Phase 2). These efficiencies were due to begin in November 2018 but were not introduced due to disruption in the service. A revised Phase 2 implementation date of May 2019, at Urbasers expense was agreed and allowed time for services to bed in sufficiently. This gave NHDC some confidence that round efficiencies could be made without causing further significant disruption to services and residents. As part of Phase 2 Urbaser were expecting to make a reduction of four collection rounds. If MOP fortnightly collections, in accordance with the contract, commence in November Urbaser will only achieve a reduction of three collection rounds.
- 7.5 The Outline Business Case for the new joint contract estimated between £300k p.a. to 700k p.a. of savings for NHDC but has actually delivered circa £1.9m p.a. of savings, meaning a total saving of £13.3m over the seven year contract term.

8. RELEVANT CONSIDERATIONS

- 8.1 In April 2019 Urbaser produced a phase 2 implementation plan for agreement which included details of round efficiencies. Whilst affecting the majority of the District the main efficiencies centred on the time in the day in which waste and recycling is collected. Although these changes are far reaching and affect most low rise properties in the District no day changes or other fundamental changes were suggested and therefore this element was agreed by NHDC.
- 8.2 In line with the tender requirements Urbaser detailed a plan to move from a weekly to fortnightly residual waste collection for MOP across the district. This is clearly a fundamental change in service provision and one that would potentially affect circa 450 blocks and 6000 properties across the district.
- 8.3 Following discussions with Urbaser an Executive Decision Notice was published in MIS announcing a further delay of four months (until 1st November 2019), for the following reasons:
- The MOP waste stream is a particularly hard one to manage with the majority of residents using communal bins. This can discourage residents to recycle responsibly.
 - If residual waste bins are full residents can leave excess waste around bins which is unsightly and can cause further issues around public health i.e. smells and vermin.
 - A summer start is not seen as the ideal time for such implementation due to hotter weather creating associated smells and known issues.
 - The effects of last years service issues are still being felt in some quarters and should the introduction of a fortnightly service not go smoothly then grievances may be exacerbated.

- There is a requirement to carry out a full detailed audit of all the MOP to determine the potential issues surrounding capacity and the ability to move the majority of MOP to a fortnightly residual waste collection service.
- Allow sufficient time for consultation with residents, landlords and managing agents
- Procure sufficient number of new bins for increased capacity requirements

8.4 A detailed audit of all the MOP has been undertaken over the past few months. The table below gives a summary of total MOP split into a traffic light system,

Green acceptable – no change
 Amber border line – would require purchase of bins (circa £4k)
 Red unacceptable – number of issues including insufficient capacity of bins (new bins circa £45k). For some MOP there may be further modifications required including access and associated infrastructure

Traffic light on MOP	Qty	%
Red	295	51%
Amber	61	10%
Green	225	39%
Total Main Sites	581	100%

51% of MOP are considered not in a position to go fortnightly services due to lack of existing storage capacity. A combination of Amber and Green gives a 49% of MOP which could potentially go fortnightly.

8.5 As part of phase 2, Urbaser included a reduction of a MOP residual waste collection round and therefore no saving can be made unless the majority of MOP can move to a fortnightly residual waste collection service.

8.6 It would not be equitable or provide parity to have half of the MOP on weekly residual waste collection service and the other half on fortnightly. This could lead to dissatisfaction and complaints from those residents affected (6k properties).

9. LEGAL IMPLICATIONS

9.1 Under subparagraph 5.6.1 of Cabinet’s Terms of Reference in the Constitution, Cabinet has responsibility to “*to prepare and agree to implement policies and strategies other than those reserved to Council.*” Updating the Council’s waste collection policy would be Cabinet’s responsibility under this subparagraph.

9.2 Given the value of the proposed contract variation, under subparagraphs 28.9 and 5.6.36 of the Council’s Contract Procurement Rules and Cabinet’s Terms of Reference respectively, Cabinet has responsibility to approve the required contract variation to give effect to the change in waste collection policy.

9.3 The Council’s tender confirmed “*The Provider must also set out how they will support North Hertfordshire District Council with the transition of services from Weekly collections to Fortnightly collections. This will be for collection of Residual Waste and Food Waste from Flats and other multiple occupancy residential properties only, and will take place at Contract Commencement.*” Further, the price schedule confirmed as follows regarding residual waste collection from flats.

“*Two units will be calculated where collections are weekly*”

Therefore the Council left open the option to continue with weekly residual waste collections from flats if transition to fortnightly collections was not feasible and accordingly officers consider that the contract variation is permitted under Section 72 (1) (a) of the Public Contracts Regulations 2015.

- 9.4 In any event, the change of collection policy and contract variation are necessary because the Council has identified the difficulties and barriers in transitioning from weekly residual waste collection from flats to fortnightly collection. There would also be substantial cost duplication and significant inconvenience if the additional service was provided by an independent contractor due to significant loss in economies of scale (particularly regarding labour, infrastructure and vehicles) and also the management of a fragmented waste collection service. Therefore officers consider that the contract variation would be permissible under sections 72 (1) (b) and (c) of the Public Contracts Regulations 2015

10. FINANCIAL IMPLICATIONS

- 10.1 The additional annual revenue cost of £164k for the variation to the contract to retain weekly collections is in accordance with Urbaser's claim shown in appendix A. The variation would commence from November 2018 and therefore the additional expenditure incurred in 2019/20 would be £68k.
- 10.2 While not affecting the contract variation amounts paid to Urbaser shown in Appendix A, the retention of weekly collections ongoing may require an increase in the number of vehicles held by Urbaser under long term lease arrangements. As the Council will make substantial use of these vehicles through the performance of the contract, the leasing costs embedded within the contract are charged as capital expenditure and funded from the Council's capital funding sources rather than the General Fund. Any resulting changes to capital and revenue expenditure will be highlighted in future finance monitoring reports.
- 10.3 To move to fortnightly collections a capital budget of circa £50k would be required to purchase more and larger bins to meet the additional capacity needs within the MOP. In accordance with the Council's Financial Regulations, new capital expenditure of less than £100k can be authorised by the Executive Member for Finance and IT.

11. RISK IMPLICATIONS

- 11.1 The risks of not agreeing to retain weekly collections:
- Council's reputation
 - Increase in residents and landlord complaints from a high percentage of our residents living in multiple occupancy properties. Different treatment may be required for different MOP, if storage capacity does not allow for fortnightly collections.
 - Further service disruptions and pressure on the service and the Council,
 - Significant enforcement costs requiring additional resources
 - £40k one off capital budget for increased number and size of bins
- 11.2 Although officers consider that the proposal to vary the contract is permissible under procurement regulations, the interpretation and application of legislation is always a matter of judgement.

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 It is clear that disparity would arise and inequality of service provision if the proposed implementation of fortnightly collections proceed. It is acknowledged that a high percentage of MOP would be on a weekly collection. Changes to the existing service would require careful consideration of the impacts to the community and mitigating actions to alleviate the impacts.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 The Social Value Act and “go local” policy do not apply to this report because this report relates to the variation of an existing contract
- 13.2 Officers consider that retaining weekly food waste will promote social value by promoting greater recycling and thereby reducing the amount of waste going to landfill.

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 If planned changes from weekly to fortnightly collections don't go ahead there won't be a surge in calls about the changes to the CSC and Urbaser and with less change affecting staff in the Urbaser teams should lead to less staff dissatisfaction.

15. APPENDICES

- 15.1 Appendix A: Urbasers financial claim to retain weekly collections except recycling.

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17. BACKGROUND PAPERS

*Waste & Street Cleansing Contract
Executive Decision May 2019 MIS*

Joint Audit of MOPS for waste streams and capacity for fortnightly collection of residual waste

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June 2019

Project:**Scheduled Multi Occupancy Dwellings collections.****Proposal:****Restructure of Weekly collections to Bi- Weekly Collections.**

During the tender stage Urbaser assumed and modelled, utilising Webaspx, that the residual waste weekly collections from Multi Occupancy premises would be moved from weekly to Fortnightly collections with immediate effect from the start of the contract.

To clarify this will only effect the residual waste collection all other waste streams remain as they are.

This was costed to begin as of day one of contract start. We did not audit the bin stores during the tender process to see if they could facilitate the additional containers should they be required. It was assumed that the Council had considered the fact and that there would be enough capacity within the existing bin stores to accommodate more bins and the reduced frequency.

As part of the mobilisation and understanding the scale of the changes relating to the Food Waste and Garden Waste it was decided to delay the changes to the Multi Occupancy premises until Phase 2. However, as you know the Phase 2 changes were delayed, meaning the weekly residual waste collections have not changed to fortnightly.

This has become an additional cost to Urbaser as we have not been able to implement the original savings as required by the tender.

An extensive joint audit of all locations has now taken place to understand the feasibility of the changes that were a fundamental part of the savings offered when Urbaser prepared and submitted their tender submission.

The decision to delay the changes from the start of the contract have had a cost implication that Urbaser have absorbed, with difficulty, for the past 14 months.

The joint decision taken to delay the changes further whilst this report is prepared has seen NHDC absorb the cost for an extended four-month period until the end of October 2019.

We have provided the detailed costs associated with retaining a weekly residual collection service for flats at an annual cost of £163,947.44

**CABINET
30 JULY 2019**

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: THE DEVELOPMENT AGREEMENT FOR THE JOHN BARKER PLACE AREA OF HITCHIN

REPORT OF THE SERVICE DIRECTOR - REGULATORY

EXECUTIVE MEMBER FOR HOUSING AND ENVIRONMENTAL HEALTH

COUNCIL PRIORITY : RESPONSIVE AND EFFICIENT

1. EXECUTIVE SUMMARY

- 1.1 In 2013, settle (or North Hertfordshire Homes as they were known at the time) and the Council entered into a development agreement (DA) for the regeneration of the John Barker Place (JBP) area of Hitchin.
- 1.2 Although some of the items contained in the DA have been delivered, changes in the economic operating environment for registered providers has resulted in some elements remaining outstanding.
- 1.3 settle has recently submitted a new planning application for JBP that differs significantly from their previous plans in 2013. Officers are therefore of the view that the existing DA is no longer fit for purpose.
- 1.4 Should settle's latest scheme necessitate the need for another DA, officers should negotiate its terms and return to the Cabinet for it to be considered and decided.

2. Recommendations

- 2.1 That officers be authorised to assess the suitability of the existing DA and review if an alternative agreement is required for settle's new scheme.
- 2.2 Should a new DA be required, officers should negotiate its terms with settle and return to the Cabinet for it to be considered and decided.

3. REASONS FOR RECOMMENDATIONS

- 3.1 The economic operating environment for registered providers has changed significantly and many items contained in the existing DA appear to be redundant. The Council's financial situation has also changed since 2013.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Due to the newly proposed JBP scheme (as shown on the current planning application - 19/01416/HYA - submitted by settle), the existing DA is no longer considered fit-for-purpose. As a result, the option of leaving it in place without review has been discounted.
- 4.2 Termination of the current DA was considered, however until the necessity for (and potential content of) a new DA has been fully assessed, this is not recommended.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 The Executive Member for Housing and Environmental Health has been consulted and is supportive of the recommendations contained in this report.
- 5.2 settle have indicated their agreement to the Council's approach outlined in this report and have confirmed their participation in a review of whether a replacement DA is required, and if so, its contents.

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 13 June 2019.

7. BACKGROUND

- 7.1 According to recent publications of the English Indices of Deprivation, the Oughton area of Hitchin (which includes JBP in Westmill) has been one of the most deprived wards in North Hertfordshire (its most recent statistical release from 2015 ranked the ward as the second¹ most deprived in the district).
- 7.2 The Council agreed to support settle's JBP regeneration project in both January 2013 and also July 2013 (please see Appendix A for the resolutions from both Cabinet meetings).
- 7.3 A DA for the regeneration project was produced to protect the interests of both parties; since this was agreed in 2013, settle has delivered its commitments for a new Westmill Community Centre and a relocated Multi-Use Games Area. Items such as additional affordable housing and new shops remain outstanding.

8. RELEVANT CONSIDERATIONS

¹ <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2015>

- 8.1 Since the original DA was signed in 2013, the operating environment has changed significantly for both settle and the Council. settle has developed a new regeneration scheme for JBP that differs significantly to that planned and referenced in the 2013 DA.
- 8.2 The Council has interests that could feature in an updated DA, such as a potential capital contribution, how suspended clawback will be applied (which accrues following land and property disposals by settle) and the granting of a lease on Council land that could be used for a new play area.
- 8.3 Should a new DA be required, it will be presented to the Cabinet for consideration and a decision, in due course. However, it may transpire that a new DA would serve no further purpose as there are existing regulatory and contractual controls that can be relied upon.

9. LEGAL IMPLICATIONS

- 9.1 Cabinet's terms of reference include (at paragraph 5.6.15 of the Council's Constitution) "To oversee the provision of all the Council's services other than those functions reserved to the Council". The recommendations contained in this report are Executive functions and are therefore not matters reserved to Council.
- 9.2 Should a new DA be proposed, it will sit alongside the normal legal and regulatory functions of the Council, such as that of the Local Planning Authority.
- 9.3 The existing DA that was agreed in 2013 can be terminated by either party giving at least three months notice.

10. FINANCIAL IMPLICATIONS

- 10.1 The existing DA confirms that upon termination, settle will reimburse the Council for all costs incurred, up to the point of termination and arising from the termination itself.
- 10.2 The current DA includes a Council capital contribution of £1.096m; this remains in the Council's budget for the current financial year (although in the Quarter 1 Investment Strategy monitor this is shown as being reprogrammed to 2020/21).

11. RISK IMPLICATIONS

- 11.1 As the 2013 DA is still in place, it technically commits both parties to a scheme that is no longer viable. This is misleading and could result in reputational damage for the Council.
- 11.2 If the existing DA is not reviewed, it may lead to a risk of the project not going ahead. This in turn may contribute to the ward remaining as one of the most deprived in North Hertfordshire.

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 submission of the revised planning application and review of the DA may identify impacts on the community, as set out in this report. The original scheme in 2013 delivered positive equality implications in terms of increasing choice and availability of suitable social housing units (including that for single people or couples), enhanced supermarket provision and play areas close to the residential areas, and the delivery of a more flexible and adaptable community hall to the latest standards of build. The outstanding elements ought to continue these positive impacts for residents. If a new DA is necessary then an equality impact assessment may require completion.

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 staffing implications arising as a result of the recommendations contained in this report.

15. APPENDICES

15.1 Appendix A – JBP Cabinet resolutions from 2013

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17. BACKGROUND PAPERS

17.1 JBP Cabinet papers from January 2013 and July 2013:

<https://democracy.north-herts.gov.uk/CeListDocuments.aspx?Committeed=133&MeetingId=273&DF=29%2f01%2f2013&Ver=2> (minute 115)

<https://democracy.north-herts.gov.uk/CeListDocuments.aspx?Committeed=133&MeetingId=277&DF=30%2f07%2f2013&Ver=2> (minute 36)

17.2 Current planning application from settle submitted in June 2019 (<https://pa2.north-herts.gov.uk/online-applications>), reference 19/01416/HYA)

Appendix A – JBP Cabinet resolutions from 2013

29 January, 2013: RESOLVED:

- (1) That officers be authorised to enter into negotiations to produce a Development Agreement for the regeneration of John Barker Place, Westmill, Hitchin;
- (2) That the commitment of £1.096m be agreed for this scheme from the Council's budget for affordable housing, subject to the availability of capital funds;
- (3) That the proposal to use £865k from the Community Benefit Fund to finance a new Community Centre be supported; and
- (4) That it be agreed in principle that, subject to other regulatory approvals, the Community Centre can be rebuilt adjacent to its present location and the current building be subsequently demolished.

30 July, 2013: RESOLVED:

- (1) That officers be authorised to enter into the Development Agreement for the regeneration of John Barker Place, Westmill, Hitchin, as attached at Appendix B to the report;
- (2) That the proposal to use the new amount of £1.327M, from the Community Benefit Fund, to finance a new Community Centre and development of the surrounding area,

be supported;

- (3) That the Council acquires ownership of the remaining area surrounding the Community Centre from North Hertfordshire Homes (NHH) for the sum of £1;
- (4) That the transfer of the Multi-Use Games Area (MUGA) from its current location, on NHH owned land, to Council owned land on the site of the existing Community Centre, be agreed;
- (5) That a waiver of the Council's Contract Procurement Rules, in relation to the appointment of a contractor for the regeneration project, be approved; and
- (6) That authority be delegated to the Chief Executive, in consultation with the relevant Portfolio Holder, to agree minor changes concerning any aspect of the regeneration scheme, providing they do not materially alter the agreed scheme.

**CABINET
30 JULY 2019**

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: ADOPTION OF A SCRAP METAL DEALERS LICENSING POLICY

REPORT OF: THE LICENSING MANAGER

EXECUTIVE MEMBER: HOUSING AND ENVIRONMENTAL HEALTH

COUNCIL PRIORITY: PROSPER AND PROTECT / RESPONSIVE AND EFFICIENT

1. EXECUTIVE SUMMARY

1.1 The purpose of the report is to inform Cabinet of the outcome of a public consultation in respect of a policy for the licensing of scrap metal dealers, to enable a formal policy document to be adopted.

2. RECOMMENDATION

2.1 That Cabinet adopts the Scrap Metal Dealers Licensing Policy as attached at Appendix A (subject to consultation responses).

3. REASONS FOR RECOMMENDATIONS

3.1 To ensure that the Council has a clear and transparent policy for the determination of applications and the enforcement of licences.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 The Council could continue to process applications and enforce licensing requirements without a policy however that will leave the Council at risk of legal challenge.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1 A public consultation took place between 28 June 2019 and 26 July 2019 on the Council's website. A summary of all responses will be tabled before the meeting as Appendix B; at the time of writing this report no public responses had been received.

5.2 All existing scrap metal dealer licence holders, the police, the Environment Policy and the Environment Agency were invited to respond to the consultation.

5.3 The Executive Member for Housing and Environmental Health was consulted prior to the consultation commencing and was supportive of the proposed Policy.

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 1 July 2019.

7. BACKGROUND

- 7.1 The Scrap Metal Dealers Act 2013 took effect from 1 October 2013 with its enforcement powers subsequently coming into force on 1 December 2013. The Act repeals the Scrap Metal Dealers Act 1964 and Part 1 of the Vehicles (Crime) Act 2001 creating a combined licensing regime for the recycling of scrap metal and the dismantling of vehicles.
- 7.2 In order to ensure a consistent and transparent interpretation of the Act and Guidance, the publication of a Policy will assist applicants and licence holders to understand the licensing requirements of North Hertfordshire. It will also inform the public of the requirements of scrap metal licensing, in particular promoting the importance of only using licensed collectors when disposing of unwanted scrap metal.
- 7.3 The Policy seeks to strike a balance between appropriate regulation and ensuring no disproportionate administrative burdens for businesses. It outlines the Council's expectations of licence holders in promoting its licensing objectives, whilst advising on the Council's obligations under the Act.

8. RELEVANT CONSIDERATIONS

- 8.1 The majority of the requirements and definitions under the Scrap Metal Dealers Act 2013 are prescriptive however there is no single document available for prospective licence holders. This policy provides a single point of reference for prospective and existing licence holders.
- 8.2 The Policy provides an opportunity for the Council to expand on some of the more subjective points, for example record keeping, by further detailing our specific requirements.
- 8.3 Having processed original applications in 2013 and subsequent three-yearly renewals in 2016, officers have had the opportunity to fine tune administrative and enforcement matters that have informed the development of this policy.
- 8.4 A review of policies published by other local authorities have confirmed that the approach proposed by the Council is consistent with other local authorities.

9. LEGAL IMPLICATIONS

- 9.1 Section 5.6.1 of the Council Constitution states that the Cabinet may, by resolution, exercise the following function:

“To prepare and agree to implement policies and strategies other than those reserved to Council”

- 9.2 As the Scrap Metal Dealers Act 2013 is not included within Schedule 1 of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, as amended, the licensing of scrap metal dealers is an Executive function by virtue of section 13(2) of the Local Government Act 2000, which provides:

“Subject to any provision made by this Act or by any enactment which is passed or made after the day on which this Act is passed, any function of a local authority which is not specified in regulations under subsection (3) is to be the responsibility of an executive of the authority under executive arrangements”.

10. FINANCIAL IMPLICATIONS

- 10.1 There are no financial implications arising from the adoption of this policy.
- 10.2 Legislation permits the Council to recover its reasonable costs of administration and enforcement of the scrap metal dealers licensing regime through licence fees.
- 10.3 Licence fees are set annually in accordance with the Medium Term Financial Strategy and a resolution of the Licensing and Appeals Committee held on 12 December 2013.

11. RISK IMPLICATIONS

- 11.1 The refusal to grant, or revocation of, licences has an appeal to the Magistrates Court therefore it is essential that the Council exercises its discretion reasonably and consistently to avoid the risk of a successful appeal. It is normal practice in the Magistrates Court that the losing party pays the successful party's costs. The provision of a robust policy will help mitigate this risk.
- 11.2 Scrap metal dealers and the associated licensing/enforcement activity is not considered to represent a significant risk to the Council so there is no corresponding entry on the Council's Risk Register.

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 Policy does not place any barriers or unique requirements on any person on the grounds of ethnicity, gender, religion, or any other protected characteristic. Officers work with all applicants and licence holders, where appropriate, to ensure that the Council's duty under the Equality Act 2010 is met, for example, guidance notes could be provided in other languages upon request.

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 arising from the adoption of this policy.

15. APPENDICES

- 15.1 Appendix A Proposed Policy
- 15.2 Appendix B Summary of Responses (to be tabled at the meeting)

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17. BACKGROUND PAPERS

[Scrap Metal Dealers Act 2013](#)
[Scrap Metal Dealers Act 2013 Supplementary Guidance](#)
[Public consultation webpage](#)



SCRAP METAL DEALERS POLICY

as required by

The Scrap Metal Dealers Act 2013

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It is the Council's clear intention that this Statement of Principles is read as one complete document rather than a series of individual sections. Reading individual sections in isolation may not fully explain the consistent threads running throughout the statement or the relationship of an individual section with other aspects of the statement. The Council strongly recommends that applicants read the entire statement as part of any application process.

A. Introduction

A1. Overview of the Scrap Metal Dealers Policy ('the Policy')

- A1.1 This document states North Hertfordshire District Council's ('the Council') policy on the regulation of scrap metal dealers in its capacity as the relevant local authority for the purposes of the Scrap Metal Dealers Act 2013 ('the Act').
- A1.2 The Policy outlines the requirements of the Act and gives guidance to new applicants, existing licence holders, consultees and members of the public as to how the Council will administer and enforce the requirements of the Act.

A2. The Law

- A2.1 The Act received Royal Assent on 28 February 2013 and came into force on 1 October 2013, with its enforcement powers subsequently coming into force on 1 December 2013. The Act repeals the Scrap Metal Dealers Act 1964 (and linked legislation) and Part 1 of Vehicles (Crime) Act 2001 creating a revised regulatory regime for the scrap metal recycling and vehicle dismantling industries.
- A2.2 The Act maintains local authorities as the principal regulator, but replaces the old registration system with a full licensing regime. It grants power to refuse a licence to unsuitable applicants and a power to revoke licences if the licence holder becomes unsuitable.
- A2.3 The Act requires a scrap metal dealer to obtain a licence in order to carry on a business as a scrap metal dealer.

A3. Consultation

- A3.1 This Policy balances protecting the public against the need to encourage business and fully supports North Hertfordshire District Council's vision of:

“making North Hertfordshire a vibrant place for people to live, work and prosper”

- A3.2 The Council consulted appropriately with regards to this Policy before adopting and publishing the final version.
- A3.3 In preparing and reviewing this Policy the Council consulted with:

- Hertfordshire Constabulary
- Hertfordshire Fire & Rescue Service
- The Environment Agency
- North Hertfordshire District Council Environmental Health
- Existing licence holders
- Neighbouring authorities

A4. Review of the Statement of Principles

- A4.1 This Policy will take immediate effect and will be kept under review and amended as and when necessary to reflect changes in legislation, case law, statutory guidance and best practice.

A4.2 Administrative Policy Amendments

A4.2.1 Administrative amendments to this Policy (required by virtue of legislative changes, revised statutory guidance, a Council restructure or administrative procedural changes) may be made by the Licensing Manager acting on behalf of the Council.

A4.2.2 Amendments under this section are restricted to those required to accurately reflect the current legal or administrative position rather than amendments that change the focus of local policy.

A4.3 Minor Policy Amendments

A4.3.1 The Policy will be periodically reviewed to ensure it remains fit-for-purpose and either amended where necessary or approved for continuation by the Licensing Manager acting on behalf of the Council, in consultation with the Executive Member for Housing and Environmental Health and the Chair of the Licensing and Appeals Committee.

A4.3.2 Amendments under this section are restricted to those not falling within the definition of a substantial amendment in section A4.4 below.

A4.4 Significant Policy Amendments

A4.4.1 In the event of any significant amendment to the Policy, a full public consultation will be undertaken prior to consideration by the Licensing and Appeals Committee who will make a recommendation for consideration by the Executive Member for Housing and Environmental Health.

A4.4.2 For the purpose of this section, a significant amendment is defined as one that:

- (a) Will have a significant financial impact on applicants, licence holders or the public;
- (b) Will have a significant procedural impact on applicants, licence holders or the public;
- or
- (c) May not be perceived by the trade or the public to be consistent with the policy objectives set out in this Policy.

A5. Each application determined on its own merits

A5.1 It is important to note that this Policy will not override the right of any person to make an application, or make representations about an application, or for enforcement action to be taken, as the Council will consider each application and/or circumstances on its own individual merits and in accordance with the statutory requirements of the Act.

A5.2 Any premises licence or permit granted by the Council relates solely to the provisions of the Scrap Metal Dealers Act 2013 and considerations related thereto.

A5.3 Any licence is issued without prejudice to any other consent, licence, approval or other authorisation required by other functions or responsibilities of the Council or any other statutory body. The possession of a licence/permit under the Act does not supersede or replace any other statutory provision.

A6. Departure from the Policy

A6.1 In exercising its discretion in carrying out its regulatory functions, the Council will have regard to this policy document however it may depart from its policy if the individual circumstances of any case warrant such a deviation. In all such cases the Council must give full reasons for doing so.

A6.2 However it is likely that departures from policy will be restricted to genuinely exceptional circumstances, not used to circumvent the reasonable requirements of the Policy.

A6.3 Substantial departure from Policy

A6.3.1 Where it is necessary for the Council to depart substantially from this Policy, clear and compelling reasons for doing so must be given. The Licensing Manager, having consulted the Executive Member for Housing and Environmental Health, may authorise a departure from the Policy in accordance with this section if he/she considers it necessary in the specific circumstances and will advise Councillors of such decisions via the Members Information Service (MIS).

A6.4 Minor departure from Policy

A6.4.1 Where an applicant is able to demonstrate that a minor departure from this Policy, based on the individual circumstances of that application, would still ensure that the policy objectives are achieved, the Licensing Manager may authorise a licence to be issued.

A7. Relationship to other Statutory Duties

A7.1 The Council accepts that when determining licensing applications, as a public body, it also has a statutory duty to consider the following legislative requirements:

- (a) Crime and Disorder Act 1998
Local authorities are required to have due regard to the crime and disorder implications of any decision it makes.
- (b) Human Rights Act 1998
Local authorities are required to implement the Act in a manner consistent with the Human Rights Act 1998 by giving due consideration to the European Convention on Human Rights and Fundamental Freedoms.
- (c) Equality Act 2010
Local authorities are required to implement the Act in a manner consistent with its responsibilities to consider the equality implications of any decision it makes.

B. Definitions under the Scrap Metal Dealers Act 2013

B1. A person carries on business as a **scrap metal dealer** if:

- (a) They wholly or partly buy or sell scrap metal (whether or not sold in the form it was bought); or
- (b) They carry on business as a motor salvage operator.

B2. The selling of scrap metal merely as surplus materials or as a by-product of manufacturing articles is not to be regarded as 'carrying on a business' as a scrap metal dealer.

B3. **Motor salvage operation** is defined in the Act as a business that consists wholly or mainly of:

- (a) Recovering salvageable parts from motor vehicles for re-use or sale and selling the remainder of the vehicle for scrap;
- (b) Buying written-off vehicles, repairing and reselling them;
- (c) Buying or selling motor vehicles which are to be the subject of any of the activities mentioned in (a) or (b);
- (d) Wholly or mainly in activities falling within paragraphs (b) and (c);

- B4. **Scrap metal** includes:
- (a) Any old, waste or discarded metal or metallic material; and
 - (b) Any product, article or assembly which is made from or contains metal and is broken, worn out or regarded by its last holder as having reached the end of its useful life.
- B5. **Scrap metal does not include:**
- (a) Gold;
 - (b) Silver;
 - (c) Any alloy of which 2% or more by weight is attributable to gold or silver.
- B6. **Licensed site** means a site identified in a scrap metal licence.
- B7. **Mobile collector** means a person who:
- (a) Carries on business as a scrap metal dealer other than at a site; and
 - (b) Regularly engages, in the course of that business, in collecting waste materials and old, broken, worn out or defaced articles by means of visits from door to door.
- B8. **Police officer** includes a constable of the British Transport Police Force.
- B9. **Premises** includes any land or other place (whether enclosed or not).
- B10. **Relevant environmental permit or registration** means:
- (a) Any environmental permit under regulation 13 of the Environmental (Permitting) Regulations 2016 (SI 2016/1154) authorising any operation by the applicant in the local authority's area;
 - (b) Any registration of the applicant under Schedule 2 to those Regulations in relation to an exempt waste operation (within the meaning of regulation 5 of those Regulations) carried on in that area;
 - (c) Any registration of the applicant under Part 8 of the Waste (England and Wales) Regulations 2011 (carriers, brokers and dealers of controlled waste).
- B11. **Relevant offence and relevant enforcement action** have the meaning given by section 3(3) of the Scrap Metal Dealers Act 2013 and prescribed in the regulations made by the Secretary of State.
- B12. **Site** means any premises used in the course of carrying on business as a scrap metal dealer (whether or not metal is kept there).
- B13. **Site manager**, in relation to a site at which a scrap metal dealer carries on business, means the individual who exercises day-to-day control and management of activities at the site. (An individual may be named in a licence as site manager at more than one site; but no site may have more than one site manager named in relation to it).
- B14. **Trading name** means a name, other than that stated in the licence under which a licensee carries on business as a scrap metal dealer.

C. Types of Licence

C1. General

- C1.1 Anyone wishing to operate a business as a scrap metal dealer will require either a site licence or a collector's licence.

- C1.2 The licence is valid for three (3) years and permits the licence holder to operate within the boundaries of North Hertfordshire.
- C1.3 A person may hold more than one licence issued by different local authorities but may not hold more than one licence issued by any one authority.

C2. Site Licence

- C2.1 The site licence authorises the licence holder to carry on business at the site(s) identified in the licence and permits the licence holder to act as a collector.
- C2.2 The site licence must include:
- (a) The name of the licensee;
 - (b) The name of the authority;
 - (c) Identify all the sites in the authority's area at which the licensee is authorised to carry on business;
 - (d) The name of the site manager of each site;
 - (e) The date of expiry.

C3. Collector's Licence

- C3.1 The collector's licence authorises the licensee to carry on business as a mobile collector within the boundaries of North Hertfordshire but not store or process scrap at a premises.
- C3.2 The collector's licence must include the name of the licensee, the name of the authority and the date of expiry.

D. Applicant Suitability

D1. General

- D1.1 The Council must determine whether the applicant is a suitable person to carry on a business as a scrap metal dealer; and may not issue a licence unless satisfied the applicant is suitable.
- D1.2 In determining a person's suitability the Council will have regard to Statutory Guidance on determining suitability, which is issued from time to time by the Secretary of State, and this Policy.
- D1.3 Notwithstanding the existence of this policy, the Council, when determining a person's suitability for the purposes of the Act, will treat each case on its own individual merits.

D2. Determining Suitability

- D2.1 In addition to this policy and statutory guidance, the Council, when determining a person's suitability, may have regard to any other information it considers relevant, in particular, but not limited to whether:
- (a) The applicant or site manager has been convicted of any relevant offence;
 - (b) The applicant or site manager has been the subject of any relevant enforcement action;
 - (c) There has been any previous refusal of an application for the issue or renewal of a scrap metal licence (and the reasons for the refusal);

- (d) There has been any previous refusal of an application for a relevant environmental permit or registration (and the reasons for the refusal);
 - (e) There has been any previous revocation of a scrap metal licence (and the reasons for the revocation);
 - (f) The applicant has demonstrated there will be adequate procedures in place to ensure compliance with the Act.
- D2.2 In determining suitability the Council will require the applicant to produce a Disclosure and Barring Service Certificate (DBS).
- D2.3 In determining whether a company is suitable to carry on business as a scrap metal dealer, the Council will have particular regard as to whether any of the following are a suitable person:
- (a) Any director of the company;
 - (b) Any secretary of the company;
 - (c) Any shadow director of the company (that is to say, any person in accordance with those directions or instructions the directors of the company are accustomed to act).
- D2.4 In determining whether a partnership is suitable to carry on business as a scrap metal dealer, the Council will have particular regard as to whether each of the partners are a suitable person.
- D2.5 The Council may consult other persons regarding the suitability of an applicant, including, but not limited to:
- (a) Any other local authority;
 - (b) The Environment Agency;
 - (c) The Natural Resource Body for Wales;
 - (d) An officer of a police force.
- D2.6 If the applicant or any site manager has been convicted of a relevant offence, the Council may include in the licence one or both of the following conditions:
- (a) That the dealer must not receive scrap metal except between 9am and 5pm on any day;
 - (b) That all scrap metal received must be kept in the form in which it is received for a specified period, not exceeding seventy-two (72) hours, beginning with the time when it is received.
- D2.7 Having regard to the objectives of the Act the Council have determined there will be a presumption to refuse an application where the applicant or any other person required to be named or identified in the application has been convicted of any of the relevant offences laid down in the Act.
- D2.8 The Act prescribes relevant offences for the purpose of ascertaining an applicant's suitability and these are set out in Appendix A¹.
- D2.9 While the Act states the Council must have regard to the above-mentioned relevant offences, the Council is not limited to taking into account only those offences. As such the Council may consider other offences that, in the Council's opinion, may be relevant in determining an applicant's suitability.

¹ Appendix A may be updated to reflect any amendment or replacement legislation without formal approval for business efficacy purposes

- D2.10 Having regard to the objectives of the Act the Council have determined there will be a presumption to refuse an application where the applicant or any other person required to be named or identified in the application has been the subject of any of the following forms of enforcement action within the period of three (3) years prior to the application:
- (a) Closure notice pursuant to the Act;
 - (b) Closure order pursuant to the Act;
 - (c) Action for recovery of possession of out of date or discontinued licences.
- D2.11 Having regard to the objectives of the Act, the Council has determined it will consider the following offences, or enforcement actions relating to any person relevant to the licence, as being of particular relevance to the suitability of the licence holder:
- (a) Written warning relating to scrap metal licence compliance;
 - (b) Waste Regulations 2011 - enforcement, compliance and stop notices;
 - (c) Permitting regulations notices;
 - (d) Planning Breach of Condition / Enforcement Notices;
 - (e) Statutory nuisance abatement notice;
 - (f) Breach of statutory nuisance abatement notice.
- D2.12 The authority is aware of its duty not to fetter its discretion and, notwithstanding the matters that the Council may take into account when determining a person's suitability, each case shall be treated on its own individual merits.

E. Supply of Information

- E1. This section applies to information which has been supplied, to the Council, under the Act relating to a scrap metal licence or to an application for, or relating to, such licence.
- E2. The Council must supply any such information to any of the following persons who request it for purposes relating to this Act:
- (a) Any other local authority;
 - (b) The Environment Agency;
 - (c) The Natural Resources Body for Wales;
 - (d) A police officer.
- E3. This section does not limit any other power the Council may have to supply that information.

F. Register of Licences

- F1. The Environment Agency maintains a register of scrap metal licences issued by authorities in England and each entry will record:
- (a) The name of the authority which issued the licence;
 - (b) The name of the licensee;
 - (c) Any trading name of the licensee;
 - (d) The address of the site identified in the licence;
 - (e) The type of licence; and
 - (f) The date on which the licence is due to expire.
- F2. The registers are to open to the public for inspection.

G. Notification Requirements

- G1. An applicant for a scrap metal licence, or for the renewal, or for a variation to a licence, must notify the Council of any changes which materially affect the accuracy of the information which the applicant has provided in connection with the application.
- G2. A licensee who is not carrying on business as a scrap metal dealer in the North Hertfordshire area must notify the Council within twenty-eight (28) days from the date on which the licence holder ceased to be carrying on their business.
- G3. If a licence is issued to a business under a trading name the licensee must notify the Council of any change to that name within twenty-eight (28) days of the change occurring.
- G4. The Council must notify the Environment Agency of:
- (a) Any notification given to the Council under paragraph G1;
 - (b) Any variation made by the Council under Section N (variation of type of licence or matters set out in licence); and
 - (c) Any revocation by the Council of a licence

H. Display of Licence

- H1. A copy of a site licence must be displayed at each site identified in the licence. The copy must be displayed in a prominent place, in an area accessible to the public.
- H2. A copy of a collector's licence must be displayed on any vehicle that is being used in the course of the dealer's business. This must be displayed in a manner which enables it easily to be read by a person outside the vehicle.

I. Verification of Suppliers' Identity

- I1. A scrap metal dealer must verify the name and address of any person they receive scrap metal from.
- I2. When verifying the person's name and address, the scrap metal dealer must do so by way of documents, data or other information obtained from a reliable and independent source.
- I3. Should verification not be gained then each of the following may be guilty of an offence:
- (a) The scrap metal dealer;
 - (b) If metal is received at the site, the site manager;
 - (c) Any person who, under arrangements made by a person within subparagraph (a) or (b), has responsibility for verifying the name and address.

J. Payment for Scrap Metal

- J1. A scrap metal dealer must only pay for scrap metal by either:
- (a) A cheque (which is not transferrable under Section 81A Bills of Exchange Act 1882); or
 - (b) Electronic transfer of funds (authorised by a credit, debit card or otherwise).
- J2. Payment includes payment in kind, for example goods or services.

K. Record Keeping

K1. Records

K1.1 A scrap metal dealer must keep three types of records:

- (a) Receipt of Metal;
- (b) Disposal of Metal; and
- (c) Supplementary

K2. Receipt of Metal

K2.1 If any metal is received in the course of the dealer's business the dealer must record the following information:

- (a) Description of the metal, including its type (or, types if mixed), form, condition, weight and any marks identifying previous owners or other distinguishing features;
- (b) Date and time of receipt;
- (c) The registration mark of the vehicle delivered by;
- (d) Full name and address of person delivering it;
- (e) Full name of the person making payment on behalf of the dealer;

K2.2 The dealer must keep a copy of any documents used to verify the name and address of the person delivering the metal.

K2.3 If payment is made by cheque, the dealer must retain a copy of the cheque.

K2.4 If payment is made via electronic transfer, the dealer must keep a receipt identifying the transfer or, if there is no receipt identifying the transfer, a record of particulars identifying the transfer.

K3. Disposal of Metal

K3.1 The Act regards metal as being disposed of whether or not:

- (a) In the same form it was purchased;
- (b) The disposal is to another person; or
- (c) The metal is despatched from a site.

K3.2 Where a scrap metal dealer disposes of metal in the course of business under a site licence, the following must be recorded:

- (a) Description of the metal, including its type (or types if mixed), form and weight;
- (b) Date and time of disposal;
- (c) If to another person, their full name and address; and
- (d) If payment is received for the metal (by sale or exchange) the price or other consideration received.

K3.3 If disposal is in the course of business under a collector's licence, the dealer must record the following information:

- (a) The date and time of the disposal; and
- (b) If to another person, their full name and address.

K4. Supplementary

- K4.1 The information collected during receipt and disposal must be recorded in a manner which allows the information and the scrap metal to which it relates to be readily identified by reference to each other.
- K4.2 The records of receipt must be marked so as to identify the scrap metal to which they relate.
- K4.3 Records must be kept for a period of three (3) years beginning with the day on which the metal is received or disposed of as may be the case.
- K4.4 If a scrap metal dealer fails to fulfil a requirement under this section, each of the following may be guilty of an offence:
- (a) The scrap metal dealer;
 - (b) If the metal is received at or (as the case may be) despatched from a site, the site manager;
 - (c) Any person who, under arrangements made by a person within paragraph (a) or (b), has responsibility for fulfilling the requirement.
- K4.5 A scrap metal dealer or site manager may have a defence to any offence if they can prove arrangements have been made to ensure the requirement to keep records was justified, or that they took all reasonable steps to ensure those arrangements were complied with.

L. Rights of Entry & Inspection

- L1. A police officer or an authorised officer of the Council may enter and inspect a licensed site at any reasonable time on notice to the site manager.
- L2. A police officer or an authorised officer of the Council may enter and inspect a licensed site at any reasonable time, otherwise than on notice to the site manager, if:
- (a) Reasonable attempts to give notice have been made and failed; or
 - (b) Entry to the site is reasonably required for the purpose of ascertaining whether the provisions of this Act are being complied with or investigating offences under it, and in either case, the giving of the notice would defeat that purpose.
- L3. Paragraphs L1 and L2 do not apply to residential premises.
- L4. An authorised officer of the Council is not entitled to use force to enter a premises but may ask a Magistrate to issue a warrant authorising entry if they are satisfied there are reasonable grounds for entry to the premises for the purpose of:
- (a) Securing compliance with the provisions of the Act; or
 - (b) Ascertaining whether those provisions are being complied with.
- L5. A police officer or an authorised officer of the Council may use reasonable force in exercising the powers contained within a warrant issued under the circumstances contained within paragraph L4.
- L6. Officers of the Council will undertake where reasonable and practicable to give a notice of their powers and the licence holder's rights on entry to any site licensed pursuant to the Act.

- L7. A police officer or an authorised officer of the Council must produce evidence of their identity, and evidence of their authority to exercise these powers, if requested by the owner, occupier or other persons in charge of the premises.
- L8. A police officer or an authorised officer of the Council may:
- (a) Require production of, and inspect, any scrap metal kept at any licensed premises;
 - (b) Require production of, and inspect, any records that are required to be kept in accordance with the Act; and
 - (c) Take copies of or extracts from any such records.

M. Application Procedure

M1. Term of Licence/Renewal

- M1.1 A licence is valid for three (3) years beginning from the date it is issued.
- M1.2 If a renewal is received before the expiry of the existing licence the existing licence will continue to have effect, and:
- (a) If withdrawn, the licence expires at the end of the day of withdrawal; or
 - (b) If refused, and there is no appeal possible, the existing licence will expire or, where there is a right of appeal, the licence will not expire until any such appeal is finally determined or withdrawn.
- M1.3 If a licence is renewed, the licence expires at the end of the three (3) year period from the date of the renewal.

M2. Application

- M2.1 The application forms are available from the Licensing Department, or from the Council's website. Guidance notes on how to complete the application form are also available.
- M2.2 Please note the collectors licence allows a business or individual to operate only within the North Hertfordshire area, therefore individuals wishing to collect across borders will be required to obtain a collectors licence from the relevant local authority where they wish to collect and sell.
- M2.3 All applicants are required to provide a basic Disclosure and Barring Service (DBS) Certificate with the application; the DBS must be dated within three (3) calendar months of the receipt of the application. Information on convictions held by those having lived outside the United Kingdom will also be required.
- M2.4 An application must be accompanied by the fee, set by the Council, and will not be considered as duly made without correct payment. Details of the current fees can be found on the Council's [website](#).

M3. Renewal

- M3.1 A valid renewal application and correct fee must be received before the expiry of an existing licence. The renewal process may be commenced up to three (3) months prior to the expiration of the existing licence.
- M3.2 Where a renewal application is refused, the existing licence will expire either:
- (a) At the end of the period in which an appeal may be lodged; or
 - (b) If an appeal is lodged, at the point that the appeal has been disposed of.

N. Variation of Licence

- N1. A licence may be varied from one type to the other. A variation application must be made to reflect changes to:
- (a) Site licence
 - (i) The name of licensee;
 - (ii) The site location(s); or
 - (iii) The site manager.
 - (b) Collector's licence
 - (i) The name of licensee
- N2. The variation application can:
- (a) Change the type of licence i.e. from site to collectors or vice versa; or
 - (b) Change the content of the licence i.e. site layout, site manager, trading name, other licence details.
- N3. Any change of trading name must be notified to the Council no later than twenty-eight (28) days after the change of name took effect.
- N4. A variation application cannot be used to transfer a licence from one person / partnership / company to another person / partnership / company; this would require a new application.
- N5. The application to vary a licence must be made to the issuing authority and contain particulars of the changes to be made to the licence.

O. Revocation of Licence / Imposition of Conditions

- O1. The Council may revoke a scrap metal licence if it is satisfied that the licensee does not carry on the business of scrap metal dealing at any of the sites identified in the licence.
- O2. The Council may revoke a licence if it is satisfied that a site manager named in the licence does not act as site manager at any of the sites identified in the licence.
- O3. The Council may revoke a licence if it is no longer satisfied that the licensee is a suitable person to carry on business as a scrap metal dealer and the Council shall have particular regard to any "relevant offences" and "relevant enforcement action" and to those matters contained in section D of this Policy.
- O4. If the licensee or any site manager named in a licence is convicted of a relevant offence, the Council may vary the licence by adding one or both of the conditions set out in paragraph D2.6
- O5. A revocation or variation comes into effect when no appeal is possible in relation to the revocation or variation, or when any such appeal is finally determined or withdrawn.
- O6. If the Council considers that the licence should not continue in force without conditions, it may by notice provide:
- (a) That, until a revocation comes into effect, the licence is subject to one or both of the conditions set out in paragraph D2.6, or
 - (b) That a variation under this paragraph comes into effect immediately.

- Q7. All licences issued by the Council pursuant to the Act remain the physical property of the Council and must be returned to the Council as required on expiry or revocation of the relevant licence.
- Q8. Action may be taken for the recovery of any licence not returned as required by the Council and any such action may be taken into account in relation to any future application for a licence.

P. Further Information

- P1. The Council may request (at the time of application or later) any additional information it considers relevant for the purpose of determining an application.
- P2. Failure to provide such information is likely to result in the application being refused.

Q. Right to Make Representations

Q1. Notice Period

- Q1.1 If the Council proposes to refuse an application or to revoke/vary a licence, a notice shall be issued to the applicant/licensee setting out what the Council proposes to do and the reasons for this. The notice shall also state that, within the period specified, the applicant/licensee can either:
- (a) Make written representations about the proposal; or
 - (b) Inform the authority that the applicant/licensee wishes to do so.
- Q1.2 The period specified in the notice shall be not less than fourteen (14) days beginning with the date on which the notice is given to the applicant/licensee.
- Q1.3 Within the period specified in the notice the applicant/licensee must notify the Council whether the applicant / licensee wishes to make representations.
- Q1.4 Should this period expire and the applicant/licensee has not made representations, or informed the Council of their wish to do so, the Council may refuse the application, or revoke or vary the licence.
- Q1.5 If, within the period specified in the notice, the applicant/licensee informs the Council that they wish to make representations, the Council will allow a reasonable period to make written representations and may refuse the application or revoke or vary the licence if they fail to make representations within that period.
- Q1.6 Save for genuinely exceptional circumstances, only written representations will be accepted. If the applicant/licensee notifies the Council that they wish to make oral representations, and the Council accept that exceptional circumstances exist, they will be given the opportunity to appear in person before the delegated decision-maker.

Q2. Notice of Decision

- Q2.1 If the application is refused, or the licence is revoked or varied, notice shall be given in writing to the applicant/licensee setting out the decision and the reasons for it. The notice shall also state that the applicant/licensee may appeal against the decision, the time within which the appeal may be brought and, if revoked or varied, the date on which the revocation or variation is to take effect.

Q3. Appeals

- Q3.1 An applicant may appeal to a Magistrates Court against:
- (a) The refusal of an application or a variation;
 - (b) The inclusion on a licence of a condition under Section 3(8) of the Act; or
 - (c) The revocation or variation of a licence.
- Q3.2 An appeal must be made within twenty-one (21) days beginning on the day the notice to refuse the application, to include the condition or to revoke or vary the licence was given.
- Q3.3 On appeal, the Magistrates Court may confirm, vary or reverse the authority's decision, and give such directions as it considers appropriate having regard to the provisions of the Act.

R. Closure of Unlicensed Sites

R1. Closure Notice

- R1.1 An authorised officer of the Council or, a police officer, may issue a 'closure notice' where they are satisfied that the premises are being used by a scrap metal dealer in the course of business and that the premises are not a licensed site.
- R1.2 The closure notice will state the reasons for the closure notice being issued and specify the steps which may be taken to ensure that the alleged use of the premises ceases.
- R1.3 The closure notice will also state the Council may apply to the Courts for a 'closure order' should the 'closure notice' not be complied with.
- R1.4 The closure notice shall be given to the person who appears to be the site manager of the premises and any person who appears to be a director, manager or other officer of the business in question. The notice may also be given to any person who has an interest in the premises.
- R1.5 A person with an interest in premises will be considered to be the owner, leaseholder or occupier of the premises.
- R1.6 The closure notice shall be given to a person who occupies another part of any building or structure of which the premises form part and the police officer or local Council believes at the time of giving the notice, that the person's access to that other part would be impeded if a closure order were made in respect of the premises.

R2. Cancellation of Closure Notice

- R2.1 A police officer or the Council may cancel a closure notice. This takes effect when a notice of cancellation is given to any one of the persons to whom the closure notice was given.
- R2.2 The notice of cancellation must also be given to any other person to whom the closure notice was given.

R3. Application for Closure Order

- R3.1 When a closure notice has been given, a police officer or the Council shall make a complaint to a Magistrate for a closure order. This may not be made less than seven (7) days after the date on which the closure notice was given or more than six (6) months after that date.

R3.2 A complaint under this paragraph may not be made if the police officer or the Council are satisfied that the premises are not, or are no longer, being used by a scrap metal dealer in the course of business and there is no reasonable likelihood that the premises will be so used in the future.

R4. Closure Order

R4.1 A closure order requires that a premises be closed immediately to the public and remain closed until a police officer or the Council makes a termination of closure order by certificate, the use of the premises by a scrap metal dealer in the course of business be discontinued immediately and that any defendant pay into court such sum as the court determines and that the sum will not be released by the court to that person until the other requirements of the order are met.

R4.2 The closure order may include a condition relating to the admission of persons into the premises, the access by persons to another part of any building or other structure of which the premises form part.

R4.3 A closure order may include such provision as the court considers appropriate for dealing with the consequences if the order should cease to have effect.

R4.4 As soon as practicable after the closure order is made, the complainant must fix a copy of it in a conspicuous position on the premises in respect of which it was made.

R4.5 A sum ordered to be paid into court under a closure order is to be paid to the designated officer for the court.

R5. Termination of Closure Order by Certificate

R5.1 Once a closure order has been made and a police officer or the Council satisfied that the need for the order has ceased a certificate may be issued. This ceases the closure order and any sum paid into a court is to be released by the court to the defendant.

R5.2 As soon as is practicable after making a certificate, a police officer or local authority must give a copy to any person against whom the closure order was made, give a copy to the designated officer for the court which made the order and fix a copy of it in a conspicuous position on the premises in respect of which the order was made.

R5.3 A copy of the certificate must be given to any person who requests one.

R6. Discharge of Closure Order by Court

R6.1 A closure order may be discharged by complaint to a Magistrate. This can be done by any person to whom the relevant closure notice was given or any person who has an interest in the premises but to whom the closure notice was not given.

R6.2 The court will make a discharge order if it is satisfied that there is no longer a need for the closure order. The Magistrate may issue a summons directed to a police officer as the Magistrate considers appropriate or the local authority, requiring that person to appear before the Magistrates Court to answer to the complaint.

R6.3 If a summons is issued, notice of the date, time and place at which the complaint will be heard must be given to all persons to whom the closure notice was given, other than the complainant.

R7. Appeal in relation to Closure Orders

R7.1 An appeal may be made to the Crown Court against a:

- (a) Closure order;
- (b) Decision not to make a closure order;
- (c) Discharge order;
- (d) Decision not to make a discharge order.

R7.2 The appeal must be made before the end of twenty-one (21) days beginning with the day on which the order or decision in question was made.

R7.3 An appeal under (a) or (b) above may be made by any person to whom the relevant closure notice was given or any person who has an interest in the premises but to whom the closure notice was not given.

R7.4 An appeal under (b) or (c) above may be made by a police officer or the Council.

R8. Enforcement of Closure Order

R8.1 A person is guilty of an offence, if without reasonable excuse they permit premises to be open in contravention of a closure order, or fail to comply with, or do an act in contravention of a closure order.

R8.2 If the closure order has been made, a police officer or an authorised officer of the Council may (if necessary using reasonable force) enter the premises at any reasonable time, and having entered the premises, do anything reasonably necessary for the purpose of securing compliance with the order.

R8.3 If the owner, occupier or other person in charge of the premises requires the officer to produce evidence of identity or evidence of authority to exercise powers, the officer must produce that evidence.

S. Enforcement and Compliance

S1. General Principles

S1.1 In considering its responsibilities for enforcement action, the Council will have regard to its Corporate Enforcement Policy which is available on the Council's [website](#).

S1.2 The Council has implemented a risk-based inspection programme based on ensuring compliance with the Act and this Policy.

S1.3 The Council's main enforcement and compliance role in terms of the Act is to ensure compliance with the licences which it authorises. The Environment Agency is the enforcement body for wider environmental issues.

S2. Offences and Penalties

S2.1 Table of Offences under the Act

Section	Offence	Level
1	Carrying on a business as a scrap metal dealer without a licence	5
8	Failure to notify the authority of any changes to details given with an application	3

10	Failure to display a site licence or collectors licence	3
11(6)	Receiving scrap metal without verifying a person's full name and address	3
11(7)	Delivering scrap metal to a scrap metal dealer and giving false details	3
12(6)	Buying scrap metal for cash	5
13	Failure to keep records regarding the receipt of metal	5
14	Failure to keep records regarding the disposal of metal	5
15(1)	Failure to keep records which allow the information and the scrap metal to be identified by reference to one another	5
15(2)	Failure to keep a copy of a document used to verify a name and address of a person bringing metal, or failure to keep a copy of a cheque issued	5
15(3)	Failure to keep information and records for three years	5
16	Obstruction to the right of entry and failure to produce records	3

S2.2 Current levels of Fines

Level	Maximum Fine
1	£200
2	£500
3	£1,000
4	£2,500
5	unlimited

S2.3 The above table is only intended to be indicative of the general offences and penalties; the Courts will have the ability to apply any amended maximum as at the date of a conviction. Independent legal advice should be sought for individual cases.

S3. **Offences by Bodies Corporate**

S3.1 Where an offence under this Act is committed by a body corporate and it is proved:

- (a) To have been committed with the consent or connivance of a director, manager, secretary or other similar officer; or
- (b) To be attributable to any neglect on the part of any such individual,

the individual as well as the body corporate is guilty of the offence and is liable to be proceeded against and punished accordingly.

S3.2 Where the affairs of a body corporate are managed by its members, section T3.1 applies in relation to the acts and omissions of a member in connection with that management as if the member were a director of the body corporate.

T. **Delegation of Functions**

T1. The administration of the Act is a function of the Council's Executive.

T2. Where there are uncontested applications, or where there are no questions about the suitability of the applicant, the determination will be dealt with by the Council's Licensing Officers in accordance with the Council's scheme of Delegation.

T3. All decisions below are reserved for the Council's Licensing Manager in accordance with the Council's Scheme of Delegation:

- (a) Contested applications where there is relevant information from any of the consultees, or queries regarding an applicant's suitability;
- (b) Revocation of a licence;
- (c) The imposition of conditions on a licence;
- (d) The issuing of a closure notice;
- (e) The cancellation of a closure notice;
- (f) The application for a closure order*; or
- (g) Enforcement action*.

*Where required by the Council's Constitution, formal legal action must be authorised by the Council's Service Director: Legal and Community (or as delegated in accordance with the Scheme of sub-delegations).

<p>Appendix A</p> <p>Relevant Offences for the purposes of the Scrap Metal Act 2013</p>

- An offence under section 1, 5, or 7 of the Control of Pollution (Amendment) Act 1989
- An offence under section 170 or 170B of the Customs and Excise Management Act 1979(5), where the specific offence concerned relates to scrap metal
- An offence under section 110 of the Environment Act 1995
- An offence under sections 33, 34 or 34B of the Environmental Protection Act 1990
- An offence under section 9 of the Food and Environment Protection Act 1985
- An offence under section 1 of the Fraud Act 2006, where the specific offence concerned relates to scrap metal, or is an environment- related offence
- An offence under section 146 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012
- An offence under sections 327, 328 or 330 to 332 of the Proceeds of Crime Act 2002
- Any offence under the Scrap Metal Dealers Act 1964
- Any offence under the Scrap Metal Dealers Act 2013
- In offence under sections 1, 8,9,10, 11, 17, 18, 22 or 25 of the Theft Act 1968(13), where the specific offence concerned relates to scrap metal, or is an environment-related offence
- Any offence under Part 1 of the Vehicles (Crime) Act 2001
- An offence under sections 85, 202, or 206 of the Water Resources Act 1991
- An offence under regulation 38 of the Environmental Permitting (England and Wales) Regulations 2007
- An offence under regulation 38 of the Environmental Permitting (England and Wales) Regulations 2010
- An offence under regulation 38 of the Environmental Permitting (England and Wales) Regulations 2016
- Any offence under the Hazardous Waste (England and Wales) Regulations 2005
- Any offence under the Hazardous Waste (Wales) Regulations 2005
- An offence under regulation 17(1) of the Landfill (England and Wales) Regulations 2002
- Any offence under the Pollution Prevention and Control (England and Wales) Regulations 200
- Any offence under the Producer Responsibility (Packaging Waste) Regulations 2007
- Any offence under the Transfrontier Shipment of Waste Regulations 1994
- Any offence under the Transfrontier Shipment of Waste Regulations 2007
- Any offence under the Waste (Electrical and Electronic Equipment) Regulations 2006
- An offence under regulation 42 of the Waste (England and Wales) Regulations 2011

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