

**NORTH HERTFORDSHIRE DISTRICT COUNCIL**



13 September 2019

Our Ref HD/Cabinet/24.09.19  
Your Ref.  
Contact. Hilary Dineen (01462) 474353  
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To: Members of the Cabinet:

Councillor Martin Stears-Handscorn, Leader of the Council  
Councillor Paul Clark, Deputy Leader of the Council, Executive Member for Planning and Transport (Vice-Chair)  
Councillor Ian Albert, Executive Member for Finance and IT  
Councillor Judi Billing MBE, Executive Member for Community Engagement  
Councillor Elizabeth Dennis-Harburg, Executive Member for Recycling and Waste Management  
Councillor Gary Grindal, Executive Member for Housing and Environmental Health  
Councillor Keith Hoskins MBE, Executive Member for Enterprise and Co-Operative Development  
Councillor Steve Jarvis, Executive Member for Environment and Leisure

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

You are invited to attend a

**MEETING OF THE CABINET**

to be held in the

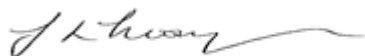
**COUNCIL CHAMBER, COUNCIL OFFICES, GERNON ROAD,  
LETCWORTH GARDEN CITY**

on

**TUESDAY, 24TH SEPTEMBER, 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', with a long, sweeping horizontal line extending to the right.

Jeanette Thompson  
Service Director – Legal and Community

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

<b>Item</b>	<b>Page</b>
<b>1. APOLOGIES FOR ABSENCE</b>	
<b>2. MINUTES - 30 JULY 2019</b> To take as read and approve as a true record the minutes of the meeting of the Committee held on the 30 July 2019.	(Pages 5 - 16)
<b>3. NOTIFICATION OF OTHER BUSINESS</b> Members should notify the Chairman of other business which they wish to be discussed at the end of either Part I or Part II business set out in the agenda. They must state the circumstances which they consider justify the business being considered as a matter of urgency.  The Chairman will decide whether any item(s) raised will be considered.	
<b>4. CHAIRMAN'S ANNOUNCEMENTS</b> Members are reminded that any declarations of interest in respect of any business set out in the agenda, should be declared as either a Disclosable Pecuniary Interest or Declarable Interest and are required to notify the Chairman of the nature of any interest declared at the commencement of the relevant item on the agenda. Members declaring a Disclosable Pecuniary Interest must withdraw from the meeting for the duration of the item. Members declaring a Declarable Interest, 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.	
<b>5. PUBLIC PARTICIPATION</b> To receive petitions, comments and questions from the public.	
<b>6. QUESTIONS BY THE PUBLIC</b> To consider any questions submitted by Members of the public, in accordance with Standing Order 4.8.10 (c).	(Pages 17 - 18)
<b>7. ITEMS REFERRED FROM OTHER COMMITTEES</b> Any Items referred from other committees will be circulated as soon as they are available.	
<b>8. STRATEGIC PLANNING MATTERS</b> REPORT OF THE SERVICE DIRECTOR – REGULATORY  This report identifies the latest position on key planning issues affecting the District	(Pages 19 - 32)
<b>9. FRAUD PREVENTION POLICY</b> REPORT OF THE SERVICE DIRECTOR – RESOURCES  To approve the Fraud Prevention Policy.	(Pages 33 - 54)

- 10. COUNCIL TAX REDUCTION SCHEME 2020/21** (Pages  
REPORT OF THE SERVICE DIRECTOR – CUSTOMERS 55 - 64)

To consider whether any changes should be made to the Council Tax Reduction Scheme (CTRS) for year eight (2020/2021), prior to public consultation and a final recommendation being made to Council later in the financial year.

- 11. REVIEW OF COMMENTS, COMPLIMENTS AND COMPLAINTS POLICY** (Pages  
REPORT OF THE SERVICE DIRECTOR – CUSTOMERS 65 - 80)

To adopt the revised Comments, Compliments and Complaints policy (also known as 3Cs), in order to ensure the Council's policy is current and reflects best practice.

# Agenda Item 2

## NORTH HERTFORDSHIRE DISTRICT COUNCIL

### CABINET

MEETING HELD IN THE COUNCIL CHAMBER, COUNCIL OFFICES,  
GERNON ROAD, LETCHWORTH GARDEN CITY  
ON TUESDAY, 30TH JULY, 2019 AT 7.30 PM

### MINUTES

**Present:** *Councillors Martin Stears-Handscomb (Chairman), Paul Clark (Vice-Chairman), Ian Albert, Judi Billing, Elizabeth Dennis-Harburg, Gary Grindal, Keith Hoskins, Steve Jarvis, Ruth Brown, Ian Mantle, Sam North and Helen Oliver.*

**In Attendance:** *Councillor David Levett (Chairman of Overview and Scrutiny Committee, Councillor Kate Aspinwall (Chairman of Finance, Audit and Risk Committee), David Scholes (Chief Executive), Anthony Roche (Deputy Chief Executive), Ian Couper (Service Director - Resources), Jeanette Thompson (Service Director - Legal and Community), Vaughan Watson (Service Director - Place), Ian Fullstone (Service Director - Regulatory), Martin Lawrence (Strategic Housing Manager), Andrew Mills (Service Manager - Greenspace), Steve Cobb (Licensing Manager), Nigel Smith (Strategic Planning Manager), Antonio Ciampa (Accountancy Manager), Reuben Ayavoo (Policy and Community Engagement Manager), Jamie Sells (Service Manager- Waste and Recycling) and Hilary Dineen (Committee, Member and Scrutiny Manager)*

**Also Present:** *Councillor Michael Muir.*

#### 21 APOLOGIES FOR ABSENCE

*Audio Recording – 26 seconds*

Apologies for absence were received from Councillors Sean Prendergast (Deputy Executive Member), Carol Stanier (Deputy Executive Member) and Kay Tart (Deputy Executive Member).

#### 22 MINUTES - 11 JUNE 2019

*Audio Recording – 34 seconds*

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

**RESOLVED:** That the Minutes of the Meeting of the Committee held on 11 June 2019 be approved as a true record of the proceedings and be signed by the Chairman.

#### 23 MINUTES - 27 JUNE 2019

*Audio Recording – 50 seconds*

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

**RESOLVED:** That the Minutes of the Meeting of the Committee held on 27 June 2019 be approved as a true record of the proceedings and be signed by the Chairman.

#### 24 NOTIFICATION OF OTHER BUSINESS

*Audio Recording – 1 minute 1 second*

There was no other business notified.

## **25 CHAIRMAN'S ANNOUNCEMENTS**

*Audio Recording – 1 minutes 5 seconds*

- (1) The Chairman welcomed those present at the meeting:
- (2) The Chairman advised that, in accordance with Council Policy, the meeting would be audio recorded;
- (3) The Chairman drew attention to the item on the agenda front pages regarding Declarations of Interest and 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;
- (4) The Chairman informed Members that there would be an additional Cabinet meeting on 31 October 2019.

## **26 PUBLIC PARTICIPATION**

*Audio Recording – 2 minutes 31 seconds*

The Chairman welcomed Councillor Tony Hunter and County Councillor Fiona Hill, who would be speaking immediately prior to Item 13 - Playgrounds.

## **27 ITEMS REFERRED FROM OTHER COMMITTEES**

*Audio recording – 2 minutes 59 seconds*

### **a - Item Referred from Overview and Scrutiny Committee: 16 July 2019 - Council Plan and Objectives**

This referral was considered with Item 9 –Council Plan and Council Objectives 2020 – 2025.

### **b - Item Referred from Overview and Scrutiny Committee: 16 July 2019 - Waste Collection from Multi Occupancy Properties.**

This referral was considered with Item 14 – Waste Collection from Multi Occupancy Properties.

### **c - Item Referred from Finance, Audit and Risk Committee: 29 July 2019 - Risk Management Update**

The Chairman of the Finance, Audit and Risk Committee presented the referral from the meeting held on 29 July 2019 which included the following recommendations to Cabinet:

- (1) That the risk entitled Impact of Anti-Social Behaviour on Council Properties be adopted as a Corporate Risk;
- (2) That the Annual Report on Risk and Opportunities be noted and referred to Full Council for consideration.

Cabinet considered the report entitled Risk Management Update together with the following associated appendices:

- Appendix A - New Risk Anti Social Behaviour
- Appendix B - Annual Report on Risk Management

No alternative options were considered.

It was moved by Councillor Martin Stears-Handscomb, seconded by Councillor Keith Hoskins and

**RESOLVED:** That the risk entitled Impact of Anti-Social Behaviour on Council Properties be adopted as a Corporate Risk.

**RECOMMENDED TO COUNCIL:** That the Annual Report on Risk and Opportunities be considered and noted.

**REASON FOR DECISION:** The responsibility for ensuring the management of risks is that of Cabinet;

**d - Item Referred from Finance, Audit and Risk Committee: 29 July 2019 – First Quarter Revenue Budget Monitoring 2019/20**

This referral was considered with Item 11 – First Quarter Revenue Monitoring 2019/20.

**e - Item Referred from Finance, Audit and Risk Committee: 29 July 2019 – First Quarter Investment Strategy (Capital and Treasury) Review 2019/20**

This referral was considered with Item 12 - First Quarter Investment Strategy (Capital and Treasury) Review 2019/20

**f - Item Referred from Finance, Audit and Risk Committee: 29 July 2019 – Medium Term Financial Strategy 2020-2025**

This referral was considered with Item 10 - Medium Term Financial Strategy 2020 – 2025.

**28 STRATEGIC PLANNING MATTERS**

*Audio Recording – 8 minutes 2 seconds*

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

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

No alternative options were considered.

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

**RESOLVED:**

- (1) That the report on strategic planning matters be noted;
- (2) That the submission(s) in Appendices A, C and D be noted and endorsed; and
- (3) That the submissions in Appendices B, E and F be noted.

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

## 29 COUNCIL PLAN 2020 - 2025 and COUNCIL OBJECTIVES 2020-2025

*Audio Recording – 10 minutes 50 seconds*

The Leader of the Council presented the report entitled Council Plan 2020 -2025 and Council Objectives 2020 – 2025 together with the following appendix:

- Appendix A - Draft Council Plan outline.

No alternative options were considered.

The Leader explained that the report presented a top level view of the Plan.

There would be an all Member workshop, at which, the Executive Members and their Deputies would present the detail regarding their Portfolio and that the final report would then be considered by Cabinet.

The Chairman of the Overview and Scrutiny Committee presented the referral from the meeting held on 16 July 2019 which contained the following recommendations to Cabinet.

That the comments contained in the referral be taken into consideration during the process of drawing up and adopting the Council Plan and Council Objectives.

The Leader of the Council accepted the recommendations of the Overview and Scrutiny Committee.

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

### **RESOLVED:**

- (1) That the draft Council Plan - ' North Hertfordshire District Council: Working with our Communities, It's Your Council' 2020 – 2025;
- (2) That the following Council Objectives be noted:
  - 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; and
  - Supporting the delivery of good quality and affordable housing.
- (3) That the intention to finalise a draft for Full Council approval, following consideration with the leadership team, Member Workshop and further Cabinet meeting be noted;
- (4) That the comments made by Overview and Scrutiny Committee at the meeting held on 16 July 2019 (contained in the referral to Cabinet) be taken into consideration during the process of drawing up and adopting the Council Plan and Council Objectives.



**REASON FOR DECISIONS:** 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.

### 30 MEDIUM TERM FINANCIAL STRATEGY 2020 - 2025

*Audio Recording – 14 minutes 53 seconds*

The Executive Members for Finance and IT presented the report entitled Medium Term Financial Strategy 2020 – 2025 together with the following appendix:

- Appendix A - Medium Term Financial Strategy.

The following alternative option was considered:

The Council needed 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 was prioritised towards delivering statutory services and its strategic aims, (as set out in the Council Plan). It was considered whether to delay the MTFS to follow the same timeline as the Council Plan. However, the development of savings ideas would take time, and it was felt necessary to commence this as early as possible. Having a MTFS provided a structure for formulating, discussing and agreeing savings ideas. To avoid conflict with the Council Plan, the MTFS is focused on headline information and referred to a net savings target, to allow opportunities for investments.

The Chairman of the Finance, Audit and Risk Committee presented the referral from the meeting held on 29 July 2019 which contained the following recommendations to Cabinet:

- (1) That Cabinet ask the Service Director – Resources to update the MTFS to show that it did not take account of any potential impacts of Brexit;
- (2) That Cabinet recommended to Full Council the adoption of the Medium Term Financial Strategy 2020-25, as attached at Appendix A.

It was moved by Councillor Ian Albert, Seconded by Councillor Martin Stears-Handscomb and:

**RESOLVED:** That the Service Director – Resources be requested to update the MTFS to show that it did not take account of any potential impacts of Brexit;

**RECOMMENDED TO COUNCIL:** That the Medium Term Financial Strategy 2020-25 as attached at Appendix A be adopted.

**REASON FOR DECISIONS:** Adoption of a MTFS and communication of its contents would 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.

### 31 FIRST QUARTER REVENUE MONITORING 2019/20

*Audio Recording – 22 minutes 48 seconds*

The Executive Member for Finance and IT presented the report entitled First Quarter Revenue Monitoring 2019/20.

The following alternative option was considered:

Budget holders had considered the options to manage within the existing budget but considered the variances reported here necessary and appropriate.

The Chairman of the Finance, Audit and Risk Committee presented the referral from the meeting held on 29 July which contained the following recommendation to Cabinet:

- (1) That Cabinet noted this report;
- (2) That Cabinet approved the changes to the 2019/20 General Fund budget, as identified in table 3 and paragraph 8.2, a £239k decrease in net expenditure;
- (3) That Cabinet noted 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 would be incorporated in the draft revenue budget for 2020/21.

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

**RESOLVED:**

- (1) That the report entitled First Quarter Revenue Monitoring 2019/20 be noted:
- (2) That the changes to the 2019/20 General Fund budget, as identified in table 3 and paragraph 8.2, a £239k decrease in net expenditure be approved:
- (3) That the changes to the 2020/21 General Fund budget, as identified in table 3 and paragraph 8.2, a £130k decrease in net expenditure and that these would be incorporated in the draft revenue budget for 2020/21 be noted.

**REASON FOR DECISIONS:** Members would be 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.

**32 FIRST QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2019/20**

*Audio Recording – 27 minutes 52 seconds*

The Executive Member for Finance and IT presented the report entitled First Quarter Investment Strategy (Capital and Treasury) 2019/20 together with the following appendices:

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

The following alternative options were considered:

- (1) Options for capital investment were considered as part of the Corporate Business Planning process.
- (2) The primary principles governing the Council's investment criteria were 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) would then be considered, which provided an income source for the Council. In relation to this, the Council could then take a different view on its appetite for risk, which would be reflected in the Investment Strategy. In general, greater returns could be achieved by taking on greater risk. Once the Strategy had been set for the year, there was limited scope for alternative options as Officers.

The Chairman of the Finance, Audit and Risk Committee presented the referral from the meeting held on 29 July which contained the following recommendation to Cabinet:

- (1) That Cabinet noted the forecast expenditure of £7.822million in 2019/20 on the capital programme, paragraph 8.2 refers;
- (2) That Cabinet approved 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;
- (3) That Cabinet noted 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;
- (4) Cabinet was asked to note the position of Treasury Management activity as at the end of May 2019.

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

**RESOLVED:**

- (1) That the forecast expenditure of £7.822million in 2019/20 on the capital programme, paragraph 8.2 refers be noted.
- (2) That 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 be approved;
- (3) That 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 be noted;
- (4) That the position of Treasury Management activity as at the end of May 2019 be noted.

**REASON FOR DECISIONS:**

- (1) Cabinet was required to approve adjustments to the capital programme and ensure the capital programme was fully funded.

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.

**33 PLAYGROUNDS**

*Audio Recording – 32 minutes 32 seconds*

County Councillor Fiona Hill thanked the Chairman for the opportunity to address Cabinet as follows:

- She thanked the Executive Member for taking account of the needs of Royston.
- She did not support the decision taken to decommission playgrounds;
- She had been due to meet with a potential funder for the remaining playgrounds in Royston, although, depending on the result of Cabinet's discussions, this may not now be required;
- Younger children preferred smaller playgrounds;
- Childhood obesity was a major problem;
- Active play was encouraged;
- She appealed to Cabinet to accept the recommendations contained in the report.

Councillor Tony Hunter thanked the Chairman for the opportunity to address Cabinet as follows:

- He was quietly delighted that their efforts had delayed removal of equipment;
- Removal of equipment was a false economy;
- Betjeman Road was a focal point for youngsters;
- Farrier Court was a favourite for small children;
- He hoped that the Greenspace Strategy would be reviewed.

The Executive Member for Environment and Leisure presented the report entitled Playgrounds together with the following appendices:

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

The following alternative option was considered:

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

The following Members took part in the debate:

- Councillor Ian Albert;
- Councillor Judi Billing.

It was moved by Councillor Steve Jarvis, seconded by Councillor Ian Albert and:

**RESOLVED:**

- (1) That delaying the removal of play equipment at Betjeman Road and Farrier Court both in Royston until the 31st March 2020 be approved;
- (2) That the additional expenditure of £4,400 for 2019/20 be agreed.

**RECOMMENDED TO COUNCIL:** That 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. This would provide sufficient time to re-evaluate the current Green Space Management Strategy (GSMS) with regard to playground provision in the District and align with a review of the Medium Term Financial Strategy (MTFS).

**REASON FOR DECISIONS:**

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.

**34 WASTE COLLECTION FROM MULTI OCCUPANCY PROPERTIES (MOP)**

*Audio Recording – 43 minutes 27 seconds*

The Executive Member for Recycling and Waste presented the report entitled Waste collection from Multi Occupancy Properties (MOP) together with the following appendix:

- Appendix A: Urbaser's financial claim to retain weekly collections except recycling.

The following alternative options were considered:

- (1) Continue to implement the agreed fortnightly collection of residual waste from MOP in accordance with the contract; and
- (2) Provide a two tier system where some MOP received residual weekly & others fortnightly collection at MOP.

The Chairman of the Overview and Scrutiny Committee presented the referral from the meeting held on 16 July 2019 which contained the following recommendations to Cabinet:

That the recommendations contained in the report be endorsed.

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

- Councillor Ian Albert;
- Councillor Paul Clark.

The Service Director – Place and Service Director – Waste responded to questions and clarified that weekly collection from multi occupancy properties were in line with the service delivery by East Herts District Council.

It was moved by Councillor Steve Jarvis, Seconded by Councillor Ian Albert and:

**RESOLVED:**

- (1) That 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 be approved:
- (2) That an increase in the revenue budget for 2019/20 of £68k to fund those additional costs be approved:
- (3) That the £164k increase in expenditure budget required annually to retain weekly collections from MOPs would be incorporated in the draft revenue budget for 2020/21 be noted.

**REASON FOR DECISIONS:** 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.

**35 THE DEVELOPMENT AGREEMENT FOR THE JOHN BARKER PLACE AREA OF HITCHIN**

*Audio Recording – 59 minutes 41 seconds*

The Executive Member for Housing and Environmental Health presented the report entitled The Development Agreement for the John Baker Place Area of Hitchin.

The following alternative options were considered:

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

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

- Councillor Sam North;
- Councillor Martin Stears-Handscomb;
- Councillor Steve Jarvis.

It was moved by Councillor Gary Grindal, seconded by Councillor Martin Stears-Handscomb and:

**RESOLVED:**

- (1) That officers be authorised to assess the suitability of the existing DA and review if an alternative agreement was required for Settle's new scheme.
- (2) That, 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.

**REASON FOR DECISIONS:** The economic operating environment for registered providers had changed significantly and many items contained in the existing DA appear to be redundant. The Council's financial situation had also changed since 2013.

**36 ADOPTION OF A SCRAP METAL DEALERS LICENSING POLICY**

*Audio Recording – 1 hour 6 minutes 17 seconds*

The Executive Member for Housing and Environmental Health presented the report entitled Adoption of a Scrap Metal Dealers Licensing Policy together with the following appendices:

- Appendix A - Proposed Policy; and
- Appendix B – Consultation Responses.

The following alternative option was considered:

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

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

- Councillor Paul Clark;
- Councillor Judi Billing.

The Licensing Manager responded to questions raised and confirmed that there had been no responses received to the consultation on the proposed Policy.

It was moved by Councillor Gary Grindal, seconded by Councillor Martin Stears-Handscomb and:

**RESOLVED:** That the Scrap Metal Dealers Licensing Policy as attached at Appendix A be adopted.

**REASON FOR DECISION:** To ensure that the Council had a clear and transparent policy for the determination of applications and the enforcement of licences.

**Tuesday, 30th July, 2019**

The meeting closed at 8.44 pm

Chairman

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**CABINET  
24 SEPTEMBER 2019**

**PUBLIC DOCUMENT**

**TITLE OF REPORT: QUESTIONS BY THE PUBLIC**

In accordance with Standing Order 4.8.10(c), one question was submitted by Members of the Public by the deadline date for questions set out in the Council's Constitution.

**(A) Climate Emergency**

Mr Philip Devonald to Councillor Steve Jarvis (Executive Member for Environment and Leisure):

"What progress has the Council made in addressing the climate emergency declared at the Annual Meeting in May?"

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**CABINET**  
**24 September 2019**

**PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: STRATEGIC PLANNING MATTERS**

REPORT OF THE SERVICE DIRECTOR - REGULATORY

EXECUTIVE MEMBER: 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 letter in Appendix A be noted and endorsed by Cabinet.

2.3 That the Local Plan Inspector's letter at Appendix B be noted.

**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 have 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. As with previous reports, 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** – The Inspector wrote to the Council on 8 August 2019 expressing concerns over the nature of the delays which are affecting the examination. He requests that the Council ensures only “genuinely necessary” additional work is undertaken. He asks that if delays to the Examination beyond April 2020 cannot be minimised, or if serious slippage in the timetable continues to occur, the Council should consider withdrawing the Plan. Welwyn Hatfield’s Plan was submitted for examination in May 2017.
- 8.1.2 **St. Albans** – As previously reported, the Inspectors examining St Albans plan requested a range of further information on the Plan before proceeding. This was submitted at the end of July 2019. Provisional dates for the Stage 1 hearings of the Examination have now been set for the weeks commencing 20 January and 3 February 2020. These will examine the strategic policies of the Local Plan. Following these hearings the Inspectors will advise on the appropriate way forward for the Examination.

### **8.2 North Hertfordshire Local Plan**

- 8.2.1 Following the Inspector’s letter of 9 July 2019 (reported to Cabinet in July), the Council responded on 18 July requesting that the Inspector seek to complete his review of the consultation responses and identify any additional queries within 21 days. This letter is attached as Appendix A.
- 8.2.2 The Inspector responded on 9 August 2019. This letter informed the Council that he had concluded his review of the representations. A number of further questions and queries were identified. The Inspector identifies that ‘by and large’ the issues set out in his second letter ‘are not of the fundamental nature of those raised in his previous letter’. The Inspector’s letter has been published on the Council’s website and is also attached to this report as Appendix B.
- 8.2.3 The Inspector’s second letter reiterates that he will not be accepting any further correspondence from other participants at this stage and that there will be a full opportunity for others to have their say in due course. The Council’s website has been updated to this effect.
- 8.2.4 Officers in consultation with the Local Plan Project Board are considering a realistic timetable for responding to the Inspector’s wide-ranging requests. An update will be reported verbally at Cabinet.

### **8.3 Neighbourhood Plans**

- 8.3.1 The referendum on the Wymondley Neighbourhood Plan was held on Thursday August 29 2019. A majority of votes were cast in favour of the Plan. The Plan will now be 'made' by the Service Director – Regulatory in consultation with the Executive Member for Planning and Transport under delegated powers (the delegated decision report will be published in MIS) and will form part of the statutory Development Plan for determining planning applications.
- 8.3.2 The Council has appointed Mr Andrew Ashcroft to undertake the examination of the Preston Neighbourhood. The examiner asked the Parish and District councils a number of questions. A response was provided within the Inspector's timetable and has been published on the Council website.

### **8.4 Government Announcements**

- 8.4.1 Amendments to the Community Infrastructure Levy regulations came into force on 1 September 2019. Among other matters, this lifts the previous pooling restrictions that applied to Section 106 legal agreements. There is now no limit on the number of section 106 planning obligations which can be used to pay for the same piece of infrastructure. Authorities can now also collect monitoring fees.
- 8.4.2 The amendments also introduce a requirement for authorities to produce Infrastructure Funding Statements on an annual basis from December 2020. These will require authorities to publically report on the receipts and expenditure from planning obligations over the relevant period.
- 8.4.3 An update to the Government's Indices of Deprivation will be published on 26 September 2019. These provide statistics on relative deprivation for small areas of the District. The last statistics were released in 2015. Any relevant update will be included in a subsequent report.

### **8.5 London Luton Airport**

- 8.5.1 Statutory consultation is expected to commence in October 2019 ahead of formal submission of a Development Consent Order (DCO) for the proposed expansion of the airport to the Planning Inspectorate in 2020. Any update will be reported verbally at Cabinet.
- 8.5.2 London Luton Airport Limited has written to a number of residents and other stakeholders seeking to identify all those with a legal interest in:
- Property or land that may be required for a proposed development; or
  - Property or land which is not required for the development itself, but is in an area which may be affected by the proposed development.

The purpose of this exercise, known as 'Land Referencing', is to identify those parties who will be statutory consultees, and those who LLAL will write to as part of their statutory consultation.

## **8.6 Other transport, planning and infrastructure matters**

- 8.6.1 **Monitoring and five-year land supply** - The Council's latest annual monitoring report for the period to 31 March 2019 is currently being prepared. This will be reported upon in due course. As part of this work, it is necessary for the Council to update its calculation of five-year land supply. This is a key Government policy. A Council must generally take a more liberal approach to the determination of planning applications where it cannot demonstrate a five-year supply.
- 8.6.2 The revised NPPF changes the way in which five-year land supply is calculated. The ongoing nature of the Local Plan examination also affects which sites can be included. Officers have calculated that the Council's land supply at 1 April 2019 for decision-making purposes is approximately 1.3 years. This is well below the five-year requirement. Planning reports and decisions will reflect this fact as appropriate.
- 8.6.3 **Stevenage Community Infrastructure Levy Examination** – An examination into the proposed introduction of a Community Infrastructure Levy (CIL) in Stevenage was held on 5 September 2019. A written representation was submitted to the Inspector to be considered in the Examination process, as previously reported to Cabinet in June 2019.
- 8.6.4 **A505 Transport Corridor Joint Study** – As previously reported, officers from North Hertfordshire together with Luton, Central Bedfordshire and Hertfordshire County Council have agreed to proceed with Stage 2 of the study. The draft Stage 2 is currently being considered by officers.

## **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. Workload and vacancies are monitored on an on-going basis. Following recruitment of a graduate planning policy officer there is currently one vacancy within the Strategic Planning team and one officer on maternity leave

## **15. APPENDICES**

15.1 Appendix A – Letter from NHDC to Local Plan Inspector

15.2 Appendix B – Letter from Local Plan Inspector to NHDC

## **16. CONTACT OFFICERS**

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## **17. BACKGROUND PAPERS**

- 17.1 None



**NORTH HERTFORDSHIRE DISTRICT COUNCIL**

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18 July 2019

Mr Simon Berkeley

c/o Ms. Louise St John Howe

By email only

Contact Officer:

Direct Line:

E-mail:

Nigel Smith

01462 474847

[nigel.smith@north-herts.gov.uk](mailto:nigel.smith@north-herts.gov.uk)

Dear Mr Berkeley,

**Examination of the North Hertfordshire Local Plan 2011-2031**

Thank you for your letter dated 9 July 2019. This outlined a number of 'issues and reservations' in relation to the ongoing Examination of our Local Plan. Your intention to hold additional hearing sessions on a range of matters is noted.

The letter states that you have not yet completed your review of the representations but that you anticipate doing so within the next few weeks. You acknowledge that this may give rise to additional areas where you may require further information.

I would therefore be grateful if, within 21 days of receipt of this letter, you could inform the Council either:

- (i) That your review exercise has been completed and provide any additional queries arising (or confirm there are no further queries); or
- (ii) That your review remains ongoing with a timetable for its completion.

Once you have confirmed that your review is complete, we will provide you with a timetable for our response at the earliest opportunity. This will allow us to consider all of your requests comprehensively and 'in the round'.

Yours sincerely,

Nigel Smith  
Strategic Planning Manager,  
North Hertfordshire District Council

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## 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](mailto:louise@poservices.co.uk) Mobile: 07789 486419

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Mr Nigel Smith  
Strategic Planning Manager  
North Hertfordshire District Council

By email only

9 August 2019

Dear Mr Smith

### Examination of the North Hertfordshire Local Plan 2011 – 2031

Further to my letter of 9 July, I am writing to inform you that I have now concluded my review of the representations. In the light of that and having looked again at the evidence produced by the Council, I have some questions and queries to raise. In relation to some issues, it is clear to me that a further hearing session will be necessary. Where that is so, I have indicated accordingly. With regard to other issues, much depends on the Council's answers to the questions I have posed. In those cases, I will set out the way forward in due course.

I will say that, by and large, the issues set out here are not of the fundamental nature of those I raised in my previous letter. Many are very detailed points and, although potential soundness issues, are likely to be readily addressed.

As previously, I have numbered the following paragraphs to assist with any necessary cross-referencing.

1. Are there any points raised in the representations that leads the Council to consider that a further modification is required, either to one of the proposed modifications or to the Plan?

#### Availability of representations

2. Numerous representations say that a considerable number of representations made at the Regulation 19 stage have been lost and not published, and that people have consequently been excluded from the examination process. If so, that is a significant problem. Please can the Council explain the situation here. Have I been provided with all of the representations made? Have they all been published, or otherwise made available for other participants to see?

#### Villages for growth

3. Draft main modification MM010 amends the settlement hierarchy in Policy SP2. It removes five villages from the 'category A villages' tier of the hierarchy and identifies them as being villages "*for growth*". The modification also assigns housing figures to each of the five villages concerned. Many representations object to this draft modification. For the avoidance of doubt, I ask the Council to prepare a short paper briefly explaining the actual effect of this change, and why it considers the modification necessary for soundness. Given the nature of this modification and for reasons of fairness, I have decided that a hearing session will be needed on this point.

London Luton airport

4. It appears that plans for London Luton Airport have progressed since the hearing sessions were closed. London Luton Airport Ltd has announced its preferred option for the airport's growth – to expand the airport from its current cap of 18 million passengers per annum (mppa) to 32 mppa, which involves the construction of a second terminal to the north of the runway. How certain are these plans and what is the likely timescale involved? Are there any respects in which these plans affect the soundness of the Local Plan or the robustness of the evidence base underpinning it, for example in relation to traffic? Will it be necessary for the airport expansion plans to take account of the development included in the Plan, and the traffic associated with it?

Optional technical standards

5. Through Policies SP9 and D1, the Plan seeks to require adherence to the Government's optional national technical standards for water efficiency and the nationally-described internal space standards for dwellings. As you know, for such policies to be sound, they must be supported by clear evidence of need and evidence that viability has been considered. Following discussion at the hearings, and in the light of the representations, I remain concerned about the justification for this. Notwithstanding the Council's paper [HOU12], I am presently not persuaded that adequate evidence has been produced to support the inclusion of these aspects of Policies SP9 and D1. I therefore invite the Council to consider its position. In short, the Council should either seek to produce the evidence required, or it should propose to delete the requirements from the Plan.

Education provision

6. I note the comments from the County Council as the Local Education Authority ('the LEA') about education provision including, but not limited to, those about the Stevenage area. However, I am unfortunately struggling to fully understand the present position. From my reading of the representation, it appears that the LEA's calculations about the number of secondary school forms of entry required have shifted. But I am not entirely clear on this and I presently do not know the Council's reaction. I would therefore be grateful if the Council would provide a concise explanatory paper updating me on all of this, addressing all of the LEA's comments concerning education provision. This should, ideally, be drawn up with the LEA and clearly highlight the current differences between the position of the Council and the LEA. A position statement, Statement of Common (and uncommon) Ground, or a Memorandum of Understanding would be of considerable assistance. Until I fully understand the present position of the two authorities, I cannot tell whether a further hearing will be necessary on this issue – although unfortunately I suspect it likely will be.
7. In relation to site KB4, draft main modification MM288 clarifies that land north of Watton Road will be reserved for long term secondary education needs. Should draft modification MM178 therefore include deletion of the reference to an 'all-through' school, for consistency?
8. Among other things, draft main modifications MM224 to MM227 introduce to sites CD1, CD2, CD3 and CD5 in Codicote requirements relating to the provision of land on site CD5 for the expansion of the existing school to accommodate the additional pupils arising from each of the four sites involved. In short, site CD5 must be developed first and dwellings on the other sites cannot be occupied until the land for school expansion on site CD5 is secured. Concerns have been raised that this approach leaves delivery on sites CD1, CD2 and CD3 dependent on site CD5

being developed, and that this could either prevent or delay delivery. I have some concerns in this regard. On behalf of Taylor Wimpey North Thames, the *Education Impact Assessment Report* (25 February 2019) by EPDS Consultants considers alternative options. The representation from Warden Developments suggests a change to the wording of the draft modification. It would assist me considerably to know the Council's position on this. It would also help to know the Council's view about whether, if land on site CD5 or elsewhere is necessary, that land should be specifically allocated for the school in the Plan. My aim here is to ensure that the most appropriate strategy is taken to the provision of school places in Codicote, and to have adequate confidence in the delivery of housing proposed.

9. The Chair of Governors of Knebworth Primary and Nursery School has raised concerns about primary school capacity in the Knebworth area. What is the Council's position on this? Is this among the issues raised by the LEA?

#### Retail and town centres

10. A number of proposed modifications, and particularly draft modification MM017, add specificity about the level and location of new retail floorspace. Some representations have suggested that greater flexibility is necessary in relation to Letchworth and Hitchin and, if I understand things correctly, that new town centre strategies are now being drawn up. I would be grateful to know the Council's stance on this, and especially whether or not it is necessary for soundness to modify the policies concerned. Does the Plan, and draft modification MM306, still reflect the Council's aspirations for Letchworth town centre, and does draft modification MM262 still reflect the Council's aspirations for Hitchin town centre? If there are uncertainties at present, might a commitment to reviewing the Plan's retail policies at an early stage be necessary for effectiveness?
11. Draft modification MM017 earmarks 6,800 square metres gross of retail floorspace for 'urban extensions'. As I understand it from draft modification MM020, these are the 'urban extensions' to Baldock and the East of Luton. Is that correct, and is it necessary for effectiveness to add clarification either to Policy SP4 or to the text in draft modification MM020?

#### Historic and natural environment

12. Historic England has raised a few issues, and it would assist me to know the Council's position on each. I will say that it presently seems to me that wording proposed through draft modification MM056 for Policy SP13 does not properly reflect paragraphs 132 to 135 of the 2012 NPPF, particularly in relation to the two-pronged approach concerning substantial harm and less than substantial harm to the significance of a designated heritage asset. I ask the Council to look again at this. In my experience, this is commonly an area of difficulty, and local authorities sometimes find the best way to be consistent with national policy on this point is to repeat it.
13. Does paragraph 4.200 of the Plan correctly identify the extent of Forster Country?
14. Introduced through draft modification MM157, Policy NEx refers to the Chilterns AONB. Policy NE3 is specifically about the AONB. Neither explicitly refers to the great weight that national policy says should be given to conserving landscape and scenic beauty in AONBs. Should they? In addition, how do these policies distinguish between the hierarchy of international, national and locally designated sites as set out in paragraph 113 of the 2012 NPPF, to ensure that protection is commensurate with their status?

Strategic sites and employment issues

15. In relation to Policy SP3 d, draft modification MM014 clarifies that an appropriate amount of employment land will be sought by the Council through the masterplanning of allocated housing sites on the edge of the district. I am not clear about the need for such a contribution to the employment land supply, or the quantum involved. In addition, I have reservations about the effectiveness of the draft modification as presently worded. Should it include at least some indication of the amount and/or type of employment uses required?
16. Is it intended that Policy ETC1 would allow a Household Waste Recycling Centre and a depot on site BA10? If so, does it?
17. In relation to masterplans to be produced for strategic sites, draft modification MM057 says that *“... the masterplan will normally be provided before or at outline application stage. It will be secured through conditions and/or a legal agreement”*. For effectiveness, should the latter sentence say *“Adherence to the masterplan will be secured through conditions and/or a legal agreement”*?
18. Is there any inconsistency between the wording of Policy ETC2, proposed through draft modification MM090, and the policies for strategic allocations, in relation to employment generating uses? Should text be added to include strategic housing allocations as appropriate locations for some employment generating uses?
19. In the light of the representation from Anglian Water concerning draft modification MM057, is it necessary for soundness to ensure that the masterplans for the strategic sites include flood risk and drainage measures?

Other matters

20. Does the Key Diagram illustrate the proposed amendments to the Green Belt boundary?
21. One representation indicates that site RD1 in Reed is subject to a legal covenant restricting its occupation. Is that right, and if so, is the site deliverable or developable?
22. Draft modification MM367 introduces to Policy WY1 a requirement for consultation with Stevenage Borough Council in relation to flood risk issues. Is that necessary for soundness?
23. There appears to be inconsistency between draft modifications MM010 and MM366 in respect of the housing figures for Little Wymondley. I ask that this be clarified and rectified if necessary.
24. I note that the Local Transport Plan 4 has now been published. Does this have any bearing on the soundness of the Plan, and are any modifications necessary for effectiveness in this regard?
25. Should draft modification MM043 be amended to reflect the national requirement to undertake a review of the Plan every five years to see if the Plan needs to be updated?
26. Sport England objects to draft modification MM300 regarding Policy LG4. Is it necessary for soundness?

The way forward

As I said in my previous letter, I cannot second guess how long it may take the Council to address the questions I have set out above, or to undertake the actions I previously identified. 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.

Once I have the Council's full response to my two letters I will confirm the full list of matters on which I consider an additional hearing to be necessary and I will set out further Matters and Issues, with specific questions to focus those additional hearing sessions. As I previously indicated, I will invite participants to provide statements addressing the questions therein, in due course.

As a reminder to the Council and others, 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 in due course. I ask the Council to place a message explaining this on the examination web page.

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

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**CABINET  
24 SEPTEMBER 2019**

**\*PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: FRAUD PREVENTION POLICY**

REPORT OF THE SERVICE DIRECTOR- RESOURCES

EXECUTIVE MEMBER : EXECUTIVE MEMBER FOR FINANCE AND IT

COUNCIL PRIORITY : PROSPER AND PROTECT / RESPONSIVE AND EFFICIENT

**1. EXECUTIVE SUMMARY**

1.1 The overarching fraud prevention policy attached at appendix A has been written to replace the existing policies and guidance that cover: fraud, corruption, money laundering and bribery. It also covers additional requirements in relation to tax evasion. The intention of the new policy is to provide all the information in one place and reduce duplication.

**2. Recommendations**

2.1 That Cabinet approve the Fraud Prevention Policy attached at Appendix A.

**3. REASONS FOR RECOMMENDATIONS**

3.1 The new policy provides all the information in relation to fraud and similar offences. This makes it more accessible, especially as the total length of documentation is shorter. By making it easier to read and understand policies, it should aid compliance.

**4. ALTERNATIVE OPTIONS CONSIDERED**

4.1 It was considered whether to just continue to review and update the existing policies. This was discounted due to the expected benefits of a combined policy. Whilst most other Authorities continue to have separate policies, there is no requirement for this.

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

5.1 The Finance, Audit and Risk Committee will be consulted on this policy and asked to provide any comments.

**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 Policies should be reviewed on a regular basis to ensure that they remain current in relation to any new legislation or other guidance. The review is also an opportunity to consider whether the policy has remained relevant and accessible.
- 7.2 The policies that this policy is proposed to replace have evolved separately over time, and they have a lot of similar content. The current anti-bribery policy was approved by Cabinet in March 2016, the anti-fraud and corruption policy was approved by the Senior Management Team in April 2014 and the money laundering policy had a minor update in April 2017.
- 7.3 The Criminal Finances Act 2017 introduced a corporate offence of failing to prevent tax evasion. Whilst the Council's financial regulations and other policies already provide the controls in relation to this, it is felt to be appropriate to add it in to this policy as well.

## **8. RELEVANT CONSIDERATIONS**

- 8.1 As this new policy replaces three existing policies, it is not possible to provide a tracked changes version. A link to the existing policies is provided in background papers. The philosophy that has been applied is that a policy only fully serves its purpose if it has been read by all of the intended audience and the required actions have been understood. There have been no changes to the fundamental content or requirements of the policy. Therefore the aim has been to:
- Retain all necessary content in the body of the policy
  - Provide a brief summary of essential actions
  - Remove any duplication
  - Provide practical examples of how it applies
  - Move additional information (especially where it is not relevant to everyone) in to 'toolkits' or appendices
  - Minimise references to legislation and external guidance, unless it is expected that it would be used on a regular basis
- 8.2 The Council has essential e-learning for fraud awareness and prevention and anti-bribery. Both of these modules are short and remain very relevant. The fraud training has recently been promoted again to Officers. Checks on who has completed it will then take place and those Officers that have not completed it will be sent personal reminders, with the intention of achieving 100% completion. The same approach will be adopted for the anti-bribery module after that. At its meeting on 11<sup>th</sup> April 2017, Full Council resolved that all Officers and Members undertake the anti-bribery e-learning module. The completion rate of the module by Members at the time was very low, and there have been new Members since. As such, Members will be reminded that the anti-bribery module is essential learning and therefore must be completed by all. It is also intended to provide Member and Officer training sessions (in conjunction with the Shared Anti-Fraud Service) covering all aspects of this new policy. This will not replace the e-learning modules, but will allow more in-depth training in some of the key areas.

- 8.3 The Bribery Act 2010 created a corporate offence of failure to prevent bribery. This means that if an Officer or Member were to be found guilty of a bribery offence, then the Council could also be prosecuted. The Council would have a defence if it can show that it has put in place adequate procedures. Adequate procedures are not defined by the legislation, but the Ministry of Justice provided guidance that included 6 principles. These principles are detailed below, as well as detailing how the Council will meet them. The Criminal Finances Act also references guidance about procedures that organisations should put in place. This guidance has the same 6 principles. The 6 principles have therefore been applied across the whole policy, as this would seem to be good practice.
- 8.4 **1. Proportionality of risk-based prevention procedures and 3. Risk Assessment.** These are covered by the policy in section 3 in sub-section entitled “Risk Assessment and Proportionate Action”. It is also considered that the policy itself makes it clear what the individuals it covers are required to do.
- 8.5 **2. Top Level Commitment.** This policy has been reviewed by the Senior Management Team, and they will implement it in practice if it is adopted by Cabinet. Training in relation to this area will continue to be mandatory for all Officers.
- 8.6 **4. Due diligence.** This is covered by the policy in section 3 in sub-section entitled “Working with third parties and contractual terms”.
- 8.7 **5. Communication and Training.** See paragraph 8.2 above in relation to internal communication and training. The Council’s contract terms make it clear to suppliers that we have a zero-tolerance approach to the various offences covered by this proposed policy.
- 8.8 **6. Monitoring and Review.** This policy and all linked policies and procedures (including the financial regulations) will be kept under regular review by Senior Management, and the Service Director: Resources and Service Director: Legal and Community in particular. These reviews will not be at set intervals but will react to changes to legislation, any concerns raised and any other relevant factors. Examples of triggers could be a whistle-blowing complaint or an Internal Audit finding and recommendation.

## 9. LEGAL IMPLICATIONS

- 9.1 As reference in paragraph 8.3, there is a requirement to have procedures in place in relation to preventing bribery and tax evasion. This report details the proposed policy and other actions that are planned in relation to this.
- 9.2 Under paragraph 5.6.1 of the Constitution, Cabinet “prepare and agree to implement policies and strategies other than those reserved to Council”. The Finance, Audit and Risk Committee “review and comment on the development of anti-fraud and anti-corruption strategies” (Constitution paragraph 10.1.5 (n)).

## 10. FINANCIAL IMPLICATIONS

- 10.1 There are no significant capital or revenue implications arising from the content of this report. It is expected that any training sessions provided by the Shared Anti-Fraud Service will be covered by the existing partnership agreement and payment.

## **11. RISK IMPLICATIONS**

- 11.1 The proposed fraud prevention strategy is being put in place as part of the Council's overall control framework that helps to reduce risk. Any incidences of the offences covered by this policy could result in financial, legal and reputational risks for the Council.
- 11.2 The Council has an overarching "Fraud, Corruption and Bribery" risk on its risk register. This incorporates a number of sub-risks that are kept under regular review. This includes the risks from both within the Council, and from outside. It also covers financial and other (e.g. reputational) risks.

## **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 equalities implications arising from this report.

## **13. SOCIAL VALUE IMPLICATIONS**

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

## **14. HUMAN RESOURCE IMPLICATIONS**

- 14.1 As detailed in the report, it is intended that there will be a requirement for Officers to continue to undertake mandatory e-learning in relation to this policy. Officers are also required to sign an annual declaration of their awareness of fraud and corruptions matters.

## **15. APPENDICES**

- 15.1 Appendix A - Fraud Prevention Policy.

## **16. CONTACT OFFICERS**

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## **17. BACKGROUND PAPERS**

<https://www.north-herts.gov.uk/home/council-data-and-performance/policies/anti-fraud-and-corruption-policy>

**Fraud Prevention Policy**  
**(including fraud, corruption, money-laundering, bribery and tax evasion)**

<b>This policy applies to:</b>	
Members	Yes
Officers	Yes
Managers	Yes, including some specific additional requirements
Others	Agency staff, temporary staff, volunteers, consultants, contractors and partners

You must:

- Be aware of the definitions in relation to fraudulent and related activity, including the various criminal offences they include
- Not commit any of the offences detailed
- Report any suspicions of these offences being committed
- Develop (where applicable to role) and fully comply with policies and processes to reduce the risk of these offences being committed
- Disclose any gifts and hospitality that you receive, in line with other policies

**Policy author and further advice from:** Ian Couper, Service Director- Resources

Contents:

1. Definitions
2. Reporting
3. Practical Considerations
4. Implications of non-compliance
5. Toolkit A- Potential signs of control weaknesses
6. Toolkit B- Specific requirements in relation to Money Laundering risks
7. Appendix A- Disclosure Report to the Money Laundering Reporting Officer
8. Appendix B- Role of the Money Laundering Reporting Officer (MLRO)

## **1. Definitions**

***Fraud*** encompasses an array of irregularities and illegal acts characterised by intentional deception with intent to make a gain or to cause a loss, or to expose another to a risk of loss. It can be perpetrated for the benefit of or to the detriment of North Hertfordshire District Council and by persons outside as well as inside the Council.

***Corruption*** is the offering, giving, soliciting or acceptance of an inducement or reward that may influence the action of a Member or officer of the Council.

**Money laundering** is the term used to describe a number of offences involving the proceeds of crime or terrorist funds. It is a criminal offence to:

- Conceal, disguise, convert, transfer or remove criminal property from the United Kingdom
- Enter into or become concerned in an arrangement which an individual knows or suspects facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person
- Acquire, use or possess criminal property
- Fail to disclose one of the principal offences listed above, where there are reasonable grounds for knowing or suspecting the money was a proceed of crime
- Tell someone that you are going to make a report or tell someone that they are being investigated (tipping-off)
- Falsify, destroy, dispose of, conceal any document which is relevant to an investigation, or allow this to happen

**Bribery** is an inducement or reward offered, promised, received or provided to gain personal, commercial, regulatory or contractual advantage and such advantage leads to the improper performance of a relevant function or activity. It is a criminal offence to:

- Give, promise to give, or offer payment, gifts or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given
- Give, promise to give, or offer payment, gifts or hospitality to a government official, agent or representative to “facilitate” or expedite a routine procedure
- Accept payment from a third party that is offered with the expectation that it will obtain business advantage for them, whether known or suspected
- Accept a gift or hospitality from a third party if it is offered or provided with an expectation that a business advantage will be provided by the Council in return, whether known or suspected
- Retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy.

It is also an offence for the Council to fail to prevent bribery, or to fail to put in place adequate measures to prevent bribery.

**Tax evasion** is criminal conduct which involves individuals or businesses paying too little tax or wrongly claiming tax repayments by acting dishonestly. It is an offence to dishonestly “take steps with a view to” or “be knowingly concerned in” the evasion of the tax. For these offences to be committed it is not necessary that any tax actually be successfully evaded. It is now also an offence for the Council to fail to take appropriate steps to prevent an associated person (e.g. employees and contractors) criminally facilitating the evasion of a tax, and this will be the case whether the tax evaded is owed in the UK or in a foreign country. Examples include:

- Knowingly entering false or misleading information in relation to the employment of an individual to facilitate the underpayment of income tax
- Knowingly processing invoice payments or raise debt to facilitate the underpayment of tax
- Knowingly processing documents for services supplied to the Council as being outside the scope of VAT, when they should be in scope
- Knowingly helping an overseas contractor to avoid overseas tax on payments they make to the Council

- Knowingly processing a payment to an employee / contractor as an expense rather than another type of payment which would be subject to tax.

## 2. **Reporting**

The Council will promote an environment where everyone feels able to report any concerns that they have, including anything related to this policy.

With the exception of Money Laundering (see below), any suspicions that you have can be reported to:

- Your immediate Manager or Supervisor
- Your Service Director
- The Monitoring Officer (see the Whistleblowing policy)

Suspicions of fraud against the Council can also be reported to the Shared Anti-Fraud Service (<https://www.hertfordshire.gov.uk/services/Business/Consumer-advice/safs.aspx>). Suspicions of benefit fraud (including housing benefit fraud) should be reported to the Department for Work and Pensions (online at <https://www.gov.uk/report-benefit-fraud>, by phone 0800 854 440 or text phone 0800 328 0512).

Suspicions of Money Laundering must be reported directly to the Money Laundering Reporting Officer (MLRO) (Service Director- Resources) or the Deputy MLRO (Service Director- Customers) using the form at Appendix A. The form guides you through the information that you need to provide, and you should provide as much information as possible, including any supporting information. You should avoid talking to anyone else about any suspicions, due to the criminal offence of tipping-off.

The referral should take place before any payment is taken (where applicable) and must not then be taken until clearance is received from the MLRO. The MLRO will consider all reports in a timely manner and follow the process described in Appendix B.

The Council will investigate all suspicions that are reported, and where deemed appropriate the matter raised may be:

- Referred to the Shared Internal Audit Service (SIAS)
- Referred to the Shared Anti-Fraud Service (SAFS)
- Referred to the Police
- Subject to an HR investigation undertaken by management
- Referred to the Council's External Auditor
- Subject to an Independent Inquiry
- Reported to National Crime Agency (Money Laundering only)

Individuals may be worried about repercussions from failing to engage in what they believe is a criminal activity or reporting that activity. The Council encourages openness and will support anyone who raises genuine concerns under this Policy and/ or our Whistleblowing Policy, even if they turn out to be mistaken. This is because reporting such concerns has been identified as one of the most effective tools to counter fraud and related offences.

The Council is committed to ensuring no one suffers any detrimental treatment as a result of acting in good faith. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the Monitoring Officer immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Complaints Resolution Policy.

You should also note that failing to report suspicions of money laundering is, in itself, a criminal offence.

### **3. Practical considerations**

The Council, through the Senior Management Team, is committed to developing a policy that is proportionate to the risks it faces. This section highlights some of the more detailed requirements.

The role of the Finance, Audit and Risk Committee includes reviewing and developing anti-fraud and anti-corruption strategies, as well as reviewing the effectiveness of SAFS.

#### **Risk Assessment and Proportionate Action**

Management are responsible for putting in place processes and controls that help to prevent fraud, corruption and bribery. For higher risk areas (e.g. payments and income) this should limit the responsibility that is placed on one person, involve effective separation of duties and be fully compliant with the Financial Regulations and Contract and Procurement Rules. This should include that full records are maintained. These controls should be kept under review to ensure they are operating effectively and that staff have received appropriate training. SIAS can support in this through operational audits.

If a SIAS audit or a fraud incident highlights an opportunity for controls to be improved, then the Council is committed to taking proportionate action to address this. The responsible manager is expected to determine and implement any improvements.

The Council has an overarching “Fraud, Corruption and Bribery” risk on its risk register. This incorporates a number of sub-risks that are kept under regular review. This includes the risks from both within the Council, and from outside. It also covers financial and other (e.g. reputational) risks.

In relation to Money Laundering, the Council has determined those activities that are most susceptible to money laundering. From this it has developed some specific requirements that are detailed in Toolkit B. If you are involved in financial transactions, treasury management, Council Tax, NNDR or sale of land and property then you must be fully aware of the requirements in this toolkit.

#### **Linked Policies and Procedures**

Everyone is required to adhere to all Council policies, procedures and processes. There are a number of policies/ Codes that specifically relate to this area, i.e.:

- Employee Code of Conduct (Officers)
- Councillor’s Code of Conduct (Members)
- Employee Handbook (Officers)
- Financial Regulations (Officers and Members)
- Contract and Procurement Rules (Officers and Members)
- Conflicts of Interest Policy (Officers)



- Management of Organisational Conflicts in Council roles and duties Guidance (Officers and Members)
- Whistleblowing Policy (Officers and Members)
- Employee Gifts and Hospitality Policy (Officers)
- Members Protocol for Gifts and Hospitality (Members)
- Protocol for Member/ Officer Working Arrangements
- Information Security Policy (Officers and Members)

### **General management controls**

Effective management also helps to ensure that controls are operating effectively. Toolkit A at the end of this policy provides some areas to look out for.

Managers are required to comply with HR checks during the recruitment process. This requires that written references are obtained for all employees (including temporary and agency staff). Also, where appointment is dependent on the holding of specific qualifications, HR manages the process for ensuring that stated qualifications are verified and copies of certificates retained on the individual's personal file. This helps to ensure the integrity of all staff working for the Council.

The Council's Scheme of Delegation, Financial Regulations and Contract Procurement Rules contain checks and balances on decision-making and ensure that decisions are taken at the right level with appropriate transparency.

### **Working with third parties and contractual terms**

It is appreciated that the Council has less control when it contracts with others to undertake services or works on its behalf. However it takes a risk based approach, based on the need to acquire specialist skills, seek economies of scale or obtain additional capacity. There are additional requirements when working with contactors and third parties.

The terms of the Council's contracts require that contractors take all reasonable steps, in accordance with good industry practice, to prevent any bribery and fraudulent activity by the Staff, the Contractor (including its shareholders, members, directors) and/or any of the Contractor's suppliers, in connection with the receipt of monies from the Council. The Contractor must notify the Council immediately if it has reason to suspect that any fraud has occurred, is occurring or is likely to occur. In response to this information, the Council will decide how to respond.

The Council's zero tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and partners at the outset of our business relationship with them and as appropriate thereafter.

The contact manager, or partnership lead, will be responsible for communicating and ensuring adherence to these requirements. Where a Selection Questionnaire is used, the standard version ensures understanding and acceptance of these requirements at an early stage, and therefore this must be used as a template.

A company is automatically and perpetually barred from competing for public contracts where it is convicted of a corruption offence. Although this can be lifted where the company

has demonstrated that they have taken sufficient action to change their behaviour (known as self-cleaning). Organisations that are convicted of failing to prevent bribery are not automatically barred. The Council has the discretion to exclude organisations convicted of this offence, and (unless exceptional circumstances apply) will exercise this discretion. The Council will also reserve the right to continue to exclude organisations where it is felt that evidence of 'self-cleaning' is insufficient.

Toolkit A at the end of this policy provides some further areas to look out for.

## **Communication and Training**

The Council is committed to making training available to everyone. This will range from general training (e.g. e-learning) through to specific training for certain roles. Some of this training will be deemed to be mandatory. Managers should identify and arrange any training that their staff require. All officers should also request training on any areas that they are uncertain about.

### **4. Implications of non-compliance**

In all cases the Council will seek to make use of the strongest available sanctions for engagement in these illegal activities and/ or non-compliance with this policy. Whilst this is primarily focused on behaviour against the Council or where purporting to be acting on behalf of the Council, it is likely that it will also be applied to more general engagement in these activities. As a deterrent and to make public its position with regard to these acts, the Council seeks to publicise its successful sanctions in the local press

For Members, this will include prosecution and civil proceedings. The Council will also utilise its own Standards Committee to the fullest extent to promote high standards and regulate the conduct of Members.

For employees (including agency and temporary staff), this will include disciplinary action, prosecution and civil proceedings. Employees found to have committed guilty of gross misconduct for offences of fraud, theft, serious financial malpractice, using their position for personal gain or for the gain of others, will be subject to immediate dismissal. As with all disciplinary matters, the level of proof required is that of the balance of probability. Disciplinary cases involving allegations of fraud, corruption and financial malpractice will be handled on this basis. The decision to refer the matter on for further action, such as Police prosecution, will be taken by the Service Director- Resources and the investigating officer, in conjunction with the Council's Monitoring Officer.

It should also be noted that failure to undertake any mandatory training will also result in disciplinary action being taken against employees and Members.

Where others commit, or attempt to commit, fraud (or related acts) against the Council, then the Council will seeks to apply sanctions whenever possible. This will range from official warnings to criminal prosecution. In all cases, the Council will seek to recover any fraudulently obtained amounts, and where necessary and appropriate its costs incurred in doing so, and will utilise all means available to recover these amounts. This will include freezing assets, confiscation orders, civil litigation and general debt recovery.

## **5. TOOLKIT A- Potential signs of control weaknesses**

The following are potential signs of concern in relation to staff and processes.

- Staff not taking annual leave
- Staff only ever taking very short periods of leave
- Due to sickness or vacancies, processes are not being followed in full (e.g. where checks are required, they are not taking place)
- Complaints (or an increase in complaints) from customers or other stakeholders
- Decision making records are missing, or rationale is missing or not sufficiently justified
- Authorisation processes are not followed correctly, and those responsible for monitoring those processes are hindered from doing so
- Staff are secretive about certain matters or relationships
- Staff make trips out at short notice without explanation
- Staff have a more lavish lifestyle than you would expect
- Staff or a contractor/ consultant is accused of engaging in improper business practices

The following are risk factors in relation to suppliers.

- Requests for stage payments that are not in accordance with the contract or seem unusual
- Requests for payment in a different way to usual (e.g. a new bank account)
- Requests for payment in a different currency or via a different country, especially where there is no known connection to the business
- A supplier or potential supplier has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials
- A potential supplier/ supplier requests payment in cash and/or refuses to sign a formal agreement, or to provide an invoice or receipt for a payment made
- A supplier or potential supplier requests an unexpected additional fee or commission to "facilitate" a service
- A supplier or potential supplier demands entertainment or gifts before commencing or continuing contractual negotiations or provision of services
- A supplier or potential supplier requests that you provide employment or some other advantage to a friend or relative
- The Council receives an invoice from a supplier or potential supplier that appears to be non-standard or customised
- A supplier or potential supplier insists on the use of side letters or refuses to put terms agreed in writing
- A supplier or potential supplier requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to the Council
- Those who work for the Council or on its behalf are offered an unusually generous gift or lavish hospitality by a supplier or potential supplier
- Requests for charitable support or donations in lieu of, or in addition to, contractual payments

## **6. TOOLKIT B- Specific requirements in relation to Money Laundering risks**

### **General**

The Council will not accept cash payments that are greater than £3,000. Anyone who wishes to make a cash payment in excess of this limit will need to make advance arrangements for acceptance with the Service Director- Resources.

The Council will also not accept £50 notes due to the increased risk of fraudulent notes.

For all transactions it is important to think about if anything feels wrong, e.g.:

- Is it plausible that the person can pay the amount they are paying by the means that they are paying it?
- Does the name of the person involved match the source of the funds (e.g. name on cheque book, credit card)?
- Is the payment being broken down in to a number of small transactions?
- Refunds where the money is going to a different place than the original source
- Does the transaction make sense?

### **Treasury Management**

The Service Director- Resources is responsible for detailing the procedures it has in place for establishing the identity / authenticity of lenders, and ensuring that these are followed. The Council does not accept loans from individuals, and loans will only be obtained from the Public Works Loan Board (PWLB), authorised institutions under the Banking Act and other Local Authorities.

### **Council Tax and NNDR**

Refunds that exceed £500 for Council Tax or £5,000 for NNDR Tax will be subject to a Money Laundering check. This involves the Senior Officer/Manager checking the validity of the refund and confirming that the refund is being paid to the correct party (i.e. the party responsible for the payment).

### **Sale of Land and Property**

Where the Council is proposing to sell either land or property with a value in excess of £10,000, client identification must be sought before business is conducted. If the client has legal representation, then the responsibility for confirmation of identity rests with their legal representative, otherwise it rests with the Council's Legal Services Team.

Evidence of the identity of the prospective client should be obtained as soon as practicable after instructions are received unless evidence of the client has already been obtained. This requirement applies to both new and existing clients.

Evidence obtained from an individual should confirm proof of identity and proof of their current address. Evidence obtained with regard to an organisation should allow the company to be fully identified in terms of registered office, registration number etc. If satisfactory evidence of identity is not obtained then the transaction must not be progressed.

Evidence should be annotated 'Evidence re Money Laundering', placed on the Council's client file and retained for at least five years from the end of the business relationship or one-off transaction(s). This is to ensure that it could be used in a future investigation into money laundering. Care must be taken to ensure compliance with the General Data Protection Regulations when storing individuals' personal data.

Records should be maintained in such a way as to provide an audit trail during any subsequent investigation. In practice, records of work carried out for clients in the normal course of Council business should suffice in this regard.

Where evidence of identity is required, the Council officer dealing with the transaction, must require individuals to provide evidence of identity in the form of at least one of the following documents:

- Current passport
- Current full UK photocard driving licence (both sections)
- Current UK provisional photocard driving licence (both sections)
- Birth certificate
- Marriage certificate

Additionally, an individual must prove their current address by providing at least one item from the following list:

- Current full UK photocard driving licence (if not already used as evidence of identity)
- Current UK provisional photocard driving licence (if not already used as evidence of identity)
- Bank, building society or credit union statement or passbook (with printed address) (less than 3 months old)
- Recent utility bill (i.e. dated within the last twelve months), i.e. gas, electric, water (not a mobile phone bill)
- Mortgage statement (less than 12 months old)
- Insurance document (less than 12 months old)
- Credit card statement (less than 3 months old)

Original documents should be photocopied and the client requested to sign them thus confirming that the photocopies are an authentic copy of the original documents presented.

If a client is unable to visit in person, the client should be asked to provide documents 'certified as a true copy' by a notary public. Checks should then be made to ensure that the notary is registered with the Law Society. Once this has been confirmed, the notary should be contacted to confirm that they did indeed certify the documents.

Where the client is a company, identity should be established by means of:

- The company's full name and registration number;
- Details of the registered office address; and
- Any separate trading address relevant to the contract concerned

A company search should then be carried out to verify the details given and check the location of any relevant trading address.

In the event that one or a few individuals effectively own the company, the personal identity of the key contact should also be checked. This should include obtaining the evidence

described above in relation to individuals, as well as evidence of their position within the organisation.

**APPENDIX A- Disclosure Report to the Money Laundering Reporting Officer**

**CONFIDENTIAL**

**FOR COMPLETION BY THE OFFICER REPORTING THE SUSPECTED OFFENCE**

**To: Ian Couper, Service Director- Resources**

From: .....

Service Directorate: ..... Tel: .....

**DETAILS OF SUSPECTED OFFENCE:**

**Name(s) and address(es) of person(s) involved:**

(Please also include date of birth, nationality, national insurance numbers- if possible)

(If a company please include details of nature of business, type of organisation, registered office address, company registration number, VAT registration number)

**Nature, value and timing of activity involved:**

(Please include full details e.g. what, when, where, how. Continue on a separate sheet if necessary)

**Nature of suspicions regarding such activity:**

(Please continue on a separate sheet if necessary)

**Has any investigation been undertaken (as far as you are aware)?**

Yes                      No

**If yes, please include details below:**

**Have you discussed your suspicions with anyone else?**

Yes                      No

**If yes, please specify below, explaining why such discussion was necessary:**

**Have you consulted any supervisory body guidance re money laundering? (e.g. the Law Society)**

Yes                      No

**If yes, please specify below:**

**Do you feel you have reasonable grounds for not disclosing the matter to the FCA? (e.g. are you a lawyer and wish to claim legal professional privilege?)**

Yes                      No

**If yes, please set out full details below:**



**Are you involved in a transaction which might be a prohibited act under the Proceeds of Crime Act and which requires appropriate consent from NCA?**

Yes

No

**If yes, please enclose details below:**

**Please detail below any other information you feel is relevant:**

**Signed:..... Dated:.....**

**Do not discuss the content of this report with anyone, especially the person you believe to be involved in the suspected money laundering activity described. To do so may constitute a tipping off offence.**

**FOR COMPLETION BY THE MONEY LAUNDERING REPORTING OFFICER**

Date report received: .....

Date receipt of report acknowledged: .....

**Consideration of Disclosure**

Action plan:

**Outcome of Consideration of Disclosure**

Are there reasonable grounds for suspecting money-laundering activity?

If there are reasonable grounds for suspicion, will a report be made to NCA?

Yes                      No

If yes, please confirm date of report to NCA: .....

Details of liaison with NCA regarding the report:

Is consent required from the SOCA for any ongoing or imminent transactions that would otherwise be prohibited acts?

Yes                      No

If yes, please confirm full details:

Date consent received from SOCA: .....

Date consent given by you to employee: .....

If there are reasonable grounds to suspect money laundering, but you do not intend to report the matter to the SOCA, please set out below the reason(s) for non-disclosure:

Date consent given by you to employee for any prohibited act transactions to proceed:

.....

Other relevant information:

**Signed:**..... **Dated:**.....

**THIS REPORT MUST BE RETAINED FOR FIVE YEARS**

## **APPENDIX B- Role of the Money Laundering Reporting Officer (MLRO)**

Upon receiving a disclosure report, the MLRO will date it and formally acknowledge its receipt. The acknowledgement will also advise of the timescale within which response should be expected.

The MLRO will consider the disclosure report and any other relevant internal information available to them. This might include:

- Reviewing other transaction patterns and volumes
- The length of any business relationship involved
- The number of any one-off transactions and linked one-off transactions
- Any identification evidence held.

The MLRO may undertake other reasonable inquiries to ensure that all available information is taken into account when deciding whether a report to NCA is required. The MLRO may need to discuss his report with the reporting individual.

Once the MLRO has evaluated the disclosure report and any other relevant information, they must determine in a timely manner whether:

- there is actual or suspected money laundering taking place; or
- there are reasonable grounds to know or suspect that this is the case; and
- there is a need to seek consent from NCA for a particular transaction to proceed.

Where the MLRO concludes that there are no reasonable grounds to suspect or confirm money laundering, the disclosure report is annotated accordingly. All information known to the Council at the time is recorded and the reasons why the information obtained did not give rise to knowledge or suspicion of money laundering detailed. Consent can then be given for any ongoing or imminent transactions to proceed.

In cases where legal professional privilege may apply, the MLRO will liaise with the Service Director- Legal and Community to decide whether there are reasonable grounds for not reporting the matter to the NCA.

Where the MLRO concludes that actual or suspected money laundering is taking place this will be disclosed as soon as practicable to NCA via the SAR Online system,.

Where consent is required from NCA for a transaction to proceed, then the transaction(s) in question must not be undertaken or completed until this consent has been received.

The MLRO will act as the link between NCA and the relevant Council officers to ensure that the appropriate action is taken in these circumstances.

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**CABINET  
24 SEPTEMBER 2019**

**\*PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: COUNCIL TAX REDUCTION SCHEME 2020/2021**

REPORT OF THE SERVICE DIRECTOR - CUSTOMERS

EXECUTIVE MEMBER: COUNCILLOR IAN ALBERT

COUNCIL PRIORITY: RESPONSIVE AND EFFICIENT

**1. EXECUTIVE SUMMARY**

- 1.1 To provide Cabinet with an update on how the scheme is operating.
- 1.2 To consider whether any changes should be made to the Council Tax Reduction Scheme (CTRS) for year eight (2020/2021), prior to public consultation and a final recommendation being made to Council later in the financial year.

**2. RECOMMENDATIONS**

- 2.1. That Cabinet notes the CTRS position relating to this and previous financial years.
- 2.2. That Cabinet notes that a full review of the CTRS is underway and that further recommendations for changes to the Scheme will be presented to Cabinet in September 2020 for implementation in 2021/2022.
- 2.3. That Cabinet confirms whether it wishes to continue with the amount to be distributed to Parish, Town & Community Councils and if so whether this should be maintained at £38,885
- 2.4 That the following proposed changes to the CTRS for 2020/2021 be subject to consultation:
  - A) That a de minimis amount of £2.50 per week be introduced for reductions in entitlement, with no de minimis amount for increases in entitlement
  - B) That any payments made under the Windrush Compensation Scheme be disregarded for the purposes of CTRS
- 2.5 That a further report on the outcome of the consultation be presented to Cabinet at its meeting on 17 December 2019

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

- 3.1. To decide on whether any changes are proposed to the CTRS for 2020/2021 and enable the required consultation to be carried out.

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

- 4.1. The purpose of this report is to consider whether the scheme as it stands meets the needs of providing support where required and is affordable. Other options can be considered as part of this process.

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

- 5.1 This report is recommending that there be two minor changes to the CTRS for 2020/2021 and is seeking the views of Cabinet on this. Consultation with the Major and Local Precepting Authorities and the public will be required, prior to Cabinet considering its final recommendations to Council in December 2019, taking into consideration the outcome of the consultation.

### **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 15 August 2019.

### **7. BACKGROUND**

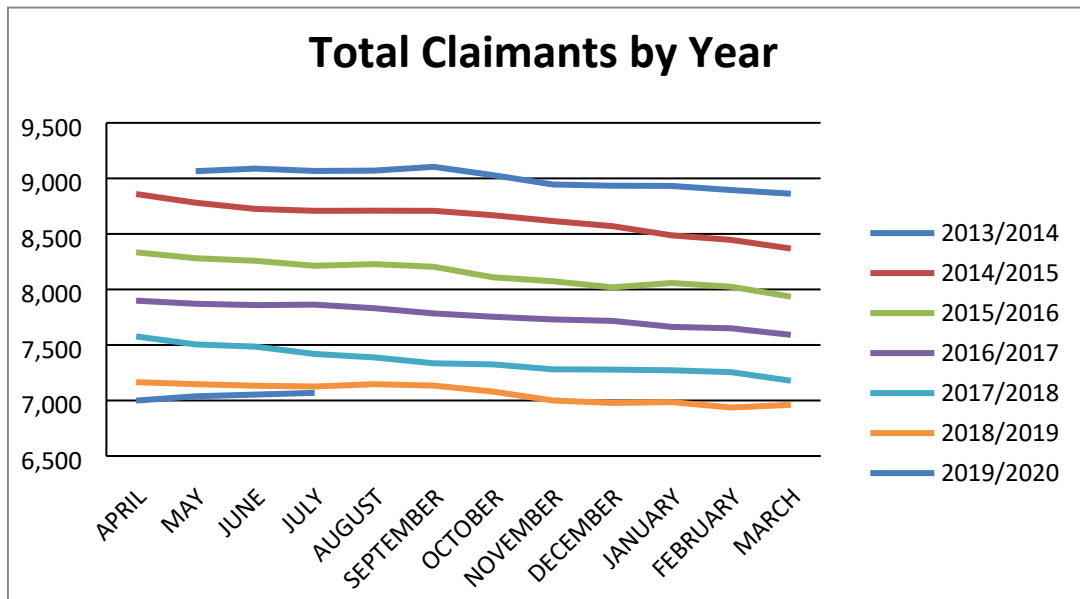
- 7.1 Council Tax Benefit was abolished on 1 April 2013 and was replaced by locally defined Council Tax Reduction Schemes.
- 7.2 2019/2020 is the seventh year of the scheme, which is now fully embedded.
- 7.3 The Council's Scheme is based on the old Council Tax Benefit Scheme and is therefore means-tested with a standard percentage reduction being made to the final award. This reduction was 33.13% for the first two years of the Scheme and has been reduced to 25% for the subsequent five years. A lower reduction means that the claimant will receive more benefit and therefore pay less Council Tax.
- 7.4 The Scheme has been generally accepted within North Hertfordshire. The Council has received very little feedback on the Scheme and collection rates have been fairly well maintained considering the recent period of austerity.



7.5 The Scheme continues to cost less than originally anticipated due in the main to the reduction in the number of claimants. This has been a steady year-on-year reduction until the early part of 2018/2019, when the claimant numbers plateaued out. The numbers reduced in the latter part of the year but so far in 2019/2020, the numbers have actually slightly increased. The steady reduction in numbers meant that the Scheme continued to cost about the same amount each year even though Council Tax levels increased. With claimant numbers now not reducing as steadily as in the earlier years of the Scheme, and the tendency for all Major Preceptors to apply the maximum increase in Council Tax without triggering a local referendum, the value of awards is increasing. Further, maximum expected increases in Council Tax for 2020/2021, reduces the scope available to make the Scheme more generous.

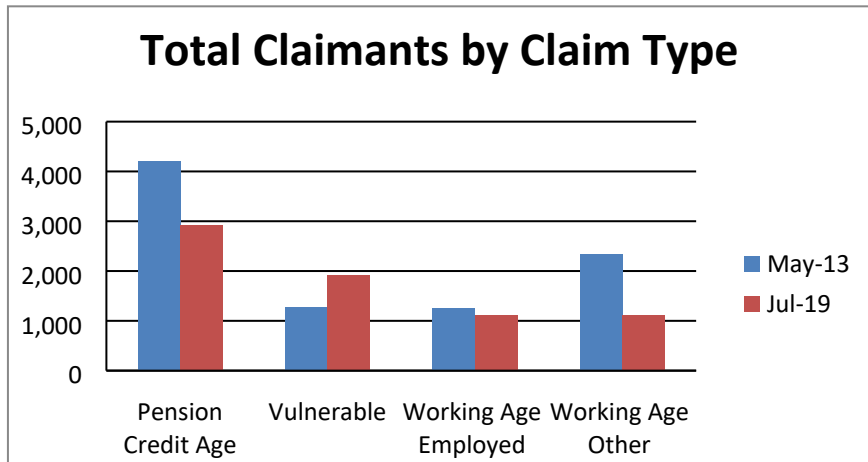
7.6 Chart 1 below shows how claimant numbers have steadily reduced since the Scheme was introduced, until this current year.

**Chart 1**



7.7 Chart 2 below shows the difference in number of claimants by claimant type from May 2013 (the earliest data we have) to July 2019. Members will see there has been a significant reduction in the number of Pension Credit Age claimants (1,274 less or 30.3%) and Working Age claimants not working (1,220 less or 52.1%). The number of Working Age claimants in work has remained fairly constant (142 less or 11.4%), however the number of Vulnerable claimants, i.e. those in receipt of a Disability Premium has increased significantly (640 more or 50.4%).

**Chart 2**



## 8. RELEVANT CONSIDERATIONS

### **Changes to Housing Benefit and should these be reflected in the CTRS?**

- 8.1 In previous years, Cabinet has considered whether any changes to the Housing Benefit Regulations should be reflected within the Council's CTRS Scheme.
- 8.2 Where it has been recommended to make any changes to the Scheme, these have to be the subject of public consultation before a final recommendation is made to the Council for adoption or not into the Scheme.
- 8.3 The Government has implemented one change to the Housing Benefit Regulations, which Members may wish to include in the Council's CTRS. This is the requirement to disregard any payments made to recipients under the Windrush Compensation Scheme. The effect of this is that any payments made under this scheme will be ignored for Housing Benefit purposes and if adopted by the Council, also for CTRS purposes.

### **Other Considerations**

- 8.4 The introduction of Verification of Earnings & Pensions (VEP), previously Right Time Information (RTI) has resulted in an unforeseen consequence for those in receipt of CTRS, who have fluctuating incomes.
- 8.5 Through VEP, the Council is notified by DWP (via HMRC) whenever there is a change in income or other change which may effect the entitlement of a claimant. Notifications are also being received, which trigger a recalculation when changes are made to Universal Credit, which do not change the overall entitlement to CTRS. Many of these changes are very small and in fact the vast majority are £0.00 as a change is triggered for example at the start or end of a repayment of an advance or the start or end of a deduction, for example to clear Council Tax arrears, which does not effect the entitlement to CTRS.

- 8.6 These changes result in bills being produced and instalments being reset, so that in theory, and also in practice, a customer may go throughout an entire year without paying anything and they will never be caught up in the recovery cycles, if they have a change every month resulting in a recalculation and their instalments being reset.
- 8.7 In the first quarter of this year, recalculations were carried out for the following amounts:

<b>No of Claims</b>	<b>Value of change of entitlement</b>
238	£0.00
10	Between £0.01 and £0.49
4	Between £0.50 and £2.49
6	Between £2.50 and £4.99
0	Between £5.00 and £7.49
1	Between £7.50 and £9.99

- 8.8 Officers would recommend that the deminimis level be set at £2.50 for reductions in entitlement and that it be kept under review. £2.50 per week is considered high enough to eliminate a significant number of small changes in entitlement and also not too high to exempt too many customers from having any recalculations at all. For example, £2.50 per week is £130.00 per year, so theoretically any customer with an entitlement of £130.00 per year or less may not have a recalculation during the year, so long as the entitlement stays below £130.00. At the beginning of this financial year we had 91 customers with an annual entitlement of less than £130.00.
- 8.9 It is recommended that there be no deminimis amount applied for increases in entitlement.
- 8.10 The numbers identified in 8.7 above will increase significantly as more customers migrate to Universal Credit

**Amount to be distributed to Parish, Town & Community Councils**

- 8.11 When CTRS was introduced in 2013, the Government provided funding to each Billing Authority to compensate for the reduction in their Tax Bases as CTRS was to be treated as a Discount and was no longer reimbursed on a pound for pound basis through subsidy arrangements. Each Billing Authority was also given a sum of money to distribute amongst its Parish, Town & Community Councils to compensate for their reduction in the Tax Base. For the first year of the CTRS (2013/2014) this amount was £90,850.
- 8.12 This funding is no longer separately identifiable within the Council's financial settlement from the Government and the principle has now been adopted each year that the amount of money distributed by the Council will reduce in line with its own reduction in Government support.
- 8.13 By 2017/2018, this amount had reduced to £38,885 and it has remained at that level since then, as the Council no longer receives any Revenue Support Grant (RSG).

- 8.14 2019/2020 is the final year of a four year settlement, which was announced in February 2016 and allowed Councils to be able to forward plan for those four years. The four year settlement confirmed that this Council would not receive any RSG from 2018/2019 and also announced an additional tariff on Business Rates (known as negative RSG) for 2019/2020, which would have further reduced Council funding by around £1M.
- 8.15 The Government reviewed the position regarding the negative RSG and this was not imposed in this current year and consequently, the Council confirmed that the amount to be distributed to Parish, Town & Community Councils should remain at £38,885 and that this should be reviewed for 2020/2021.
- 8.16 Unfortunately, uncertainty remains regarding the funding settlement for 2020/2021 and the Government recently announced that there would be a one year settlement announced in December 2019, pending a wider ranging review to be carried out during 2020.
- 8.17 The Council could decide to remove this Grant, however Members should be aware that the Government has strongly suggested that they would not expect Councils to do so.
- 8.18 Removal of the Grant would be more justifiable, should the Government impose the negative RSG, but this will not be known until the settlement is announced in late December.

#### **Wider ranging review of the CTRS**

- 8.19 2020/2021 will be the eighth year of the Scheme, which has remained mainly unchanged throughout that time. The Scheme is still based on means testing as this is considered to be the fairest way of administering the Scheme.
- 8.20 Whilst the Council continues to administer a substantial number of Housing Benefit claims, there is little to be gained in terms of administrative costs in changing the Scheme, as the same processes have to be performed as those needed to calculate Housing Benefit. However, many Councils are moving towards different types of Schemes in anticipation of the expected drop in Housing Benefit caseloads, which will escalate when the managed migration of the caseload takes place, some time between 2020 and 2024 on current projections, although these have slipped several times already.
- 8.21 Ideally, the Scheme needs to be simple to administer and for customers to understand, fair and be cost effective. Unfortunately, it is difficult to achieve all three of these objectives, as any two will usually disqualify the third.
- 8.22 Nevertheless, a lot of work is being carried out to test a number of different options, which will be reported to Cabinet in or before September 2020, to allow plenty of time for consultation before implementation in April 2021.

## **9. LEGAL IMPLICATIONS**

- 9.1 Section 5(2) of Schedule 4 of the Local Government Finance Act 2012, which inserts Schedule 1A to the Local Government Finance Act 1992 requires the Council to set its Council Tax Reduction Scheme by 31 January preceding the start of the financial year in which it is to apply. This has been further amended by Regulation 2 of The Council Tax Reduction Schemes (Amendment) (England) Regulations 2017 to 11 March.
- 9.2 Full Council's terms of reference include at 4.4.1 (z) "approving the Council Tax Reduction Scheme". Cabinet's terms of reference include at 5.6.39 recommending to Full Council "The Council Tax Reduction Scheme".
- 9.3 Section 3(1) of Schedule 4 of the Local Government Finance Act 2012, which inserts Schedule 1A to the Local Government Finance Act 1992 requires the Council to consult on any changes to its scheme as follows:
- Consult any Major Precepting Authority which has power to issue a precept to it
  - Publish a draft scheme in such manner as it thinks fit
  - Consult such other persons as it considers are likely to have an interest in the operation of the scheme
- 9.4 For the original scheme implemented for 2013/2014, it was necessary to carry out comprehensive consultation to ensure that the Council complied with the legal requirement to consult and did not leave itself open to challenge. Very minor changes were made to the Scheme in year two and a restricted consultation exercise was carried inviting members of the public to comment on the Council's web site. Only minor changes have been made in subsequent years, with the resulting restricted consultation. This position remains the same with the proposals for 2020/2021, however this time the consultation with the public will consist of advertising on the Council's web site and using the Citizens Panel.
- 9.5 Cabinet should note that changes to the Scheme cannot be made later in the financial year due to the need to consult before any changes can be implemented.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 There will be financial implications in respect of the Collection Fund for the implementation of a deminimis rule, which are difficult to quantify. However as the vast majority of changes result in no change in entitlement, this is not considered to be significant and should be easily absorbed within the 1% allowance for non-collection.
- 10.2 Whilst not directly a subject of this report, far more significant is the effect on the Council Tax Base should all the Major Precepting Authorities increase their Council Tax Precepts by the maximum allowed before a local referendum is triggered.
- 10.3 Based on the caseload at the end of July 2019, Council Tax increases of 2.99% for the District and County Councils and £12.00 for the Hertfordshire Police & Crime Commissioner will incur additional awards of CTRS of £265,346 and reduce the Council Tax Base by 149.

- 10.4 The figures could increase if more scope is given to the Police & Crime Commissioner to increase its precept and any further provision is made to increase Council Taxes to help fund Adult Social Care.
- 10.5 There is no statutory requirement for the council to provide funding to Parish, Town and Community Councils, but it may choose to do so and the Government actively encourages Councils to do so. In 2018/2019 this Council passed on £38,885. The current proposed cost of funding to Parish, Town and Community Councils in 2019/20 is £38,885.

## **11. RISK IMPLICATIONS**

- 11.1 Any risks associated with the Scheme will be evaluated when the next report is prepared for consideration by Cabinet.
- 11.2 There is a risk that there may be an increase in caseload. At this stage, Cabinet is only considering the criteria on which to consult and no final decision needs to be made until the December Cabinet Meeting, by which time there will be further, more up-to-date data on which to make that decision.

## **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 By conducting extensive consultation when the scheme was first implemented, the Council sought to collect information from those who may be potentially affected by these proposals. The public consultation showed broad support for the scheme. By substantially retaining the same scheme since 2013/2014, the Council continues to meet its obligations under the Equality Act. The proposed review will identify any adverse impacts and an equality impact analysis may be required to capture these.

## **13. SOCIAL VALUE IMPLICATIONS**

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

## **14. HUMAN RESOURCE IMPLICATIONS**

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

## **15. APPENDICES**

- 15.1. None

## **16. CONTACT OFFICERS**

- 16.1 Howard Crompton: Service Director - Customers  
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## **17. BACKGROUND PAPERS**

17.1. None

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**CABINET  
24 SEPTEMBER 2019**

**PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: REVIEW OF THE COMMENTS, COMPLIMENTS & COMPLAINTS  
(3C'S) POLICY**

REPORT OF THE SERVICE DIRECTOR - CUSTOMERS

EXECUTIVE MEMBER: COUNCILLOR MARTIN STEARS-HANDSCOMB, LEADER OF THE COUNCIL

COUNCIL PRIORITY: RESPONSIVE AND EFFICIENT

**1. EXECUTIVE SUMMARY**

- 1.1 This report seeks Cabinet approval to adopt the revised Comments, Compliments and Complaints policy (also known as 3Cs), attached as Appendix A to this report, in order to ensure the Council's policy is current and reflects best practice. The policy has been updated to provide a clear and easy to understand explanation about how the Council manages and deals with customer feedback. Key revisions made are highlighted and explained further in section 8.

**2. Recommendations**

- 2.1 That the updated policy, as contained in Appendix A to this report, is approved by Cabinet.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1 To ensure that the NHDC Policy for Comments, Compliments and Complaints is up to date and clear and easy for customers and our staff to understand.
- 3.2 To ensure that the definition of a complaint is understood and includes social media as a channel for customer contact and feedback.

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 No alternatives have been considered as this is an update to an existing policy

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

- 5.1 Consultation with the Local Government Ombudsman has taken place with regards to the handling of social media comments.
- 5.2 Once adopted, the revised policy will be circulated to partner organisations such as Citizens Advice and others who may have contact with our customers.
- 5.3 The Leader of the Council, as the Executive Member responsible for this policy, has been consulted.
- 5.4 A draft report was considered by the Overview & Scrutiny Committee on 16 July 2019 and comments made at that meeting have been incorporated into 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 15 August 2019..

## **7. BACKGROUND**

- 7.1 North Hertfordshire District Council has a well embedded policy for receiving and handling customer feedback; Comments, Compliments and Complaints (3Cs). This policy has previously been accredited to Quality Management Standard ISO 10002/2004 and follows a structure used by many other Councils and is familiar to the Local Government Ombudsman (LGO).
- 7.2 3Cs are recorded centrally on our corporate Customer Relationship Management (CRM) system by the Customer Services team and are reported corporately to the Council's Senior Management Team as well as to Overview and Scrutiny Committee twice yearly. All Service Managers have access to view the 3Cs for their service via the CRM dashboard.
- 7.3 The 3Cs policy was last updated in 2015 along with a review of the Unreasonable Customer Behaviour and Unreasonable Complainants' policy. A further review has been carried out to bring the policy up to date and to include a section covering how we will respond to 3Cs via Social Media reflecting the growing use of Social Media amongst our customers.

## **8. RELEVANT CONSIDERATIONS**

- 8.1 The updated 3Cs policy is attached as Appendix A with the updates shown as track changes. The reason for bringing this update to Cabinet is to obtain approval for the inclusion of a new section relating to social media. The key updates are explained in more detail below.

- 8.2 **Section 4.4** has an addition regarding complaints about the contractors who provide services on the Council's behalf. All of our contractors have systems in place to enable customers to provide feedback, whether positive or negative. The feedback is recorded and reported to NHDC on a regular basis. Wherever possible we encourage customers to provide feedback / report issues directly to the contractors as they are usually best placed to resolve any issues. This consistent approach also avoids potential duplication of reports and double counting. We do however, recognise that at times we may need to step in if an issue is not being resolved satisfactorily and this is something that the Local Government Ombudsman would expect of us. This section has been updated following the comments from Overview & Scrutiny to make it clearer that the Council will deal with any complaints about a contractor where the customer prefers this or where the matter has not been satisfactorily resolved.
- 8.3 **Section 4.5** has a new addition regarding complaints about staff. A complaint about a staff member may, through the course of the complaint investigation, lead to the matter being considered under the Managing Misconduct Policy. If this is identified early on then it would avoid a member of staff potentially being subjected to two separate investigations regarding the same matter. The policy therefore now states that any concerns in this area require early consultation with HR.
- 8.4 **Section 6.2** has been amended following comments by the Overview & Scrutiny Committee to include clarity on what is a serial, persistent or vexatious complainant.
- 8.5 **Section 7.3** previously concerned letters in the newspaper. This has now been expanded to include social media comments in response to the growing use of social media to interact with us. Since 2018 we have had a separate corporate Social Media policy, which describes our approach to interacting with customers using this channel, however there has been no reference to this channel in the 3Cs policy until now. The Policy has been updated to reflect that comments on social media (similar to letters in the paper) will not **automatically** be formally recorded as complaints. The reason for this approach is detailed in the following paragraphs.
- 8.6 Social media is a growing platform for NHDC customers. We currently have 10,375 followers on Twitter and 2,805 on Facebook. We have high levels of engagement with the outward promotional activity on our pages such as events, job vacancies and Council Meetings. The Communications Team manage the outward activity and have recently recruited a Digital Engagement Officer.
- 8.7 In addition to the outbound activity, our Customer Service Team handle inbound customer service contact from some customers via social media. The contact type ranges from simple questions to specific requests for service. This channel may also be used to complain about or indeed compliment our services.

8.8 We align our social media channel as much as possible with the other traditional channels (telephone, face to-face and email) whilst recognising that not all interactions are specific requests for information or service and that some comments posted will be just online conversation or opinion that it will not be appropriate for us to comment on. If a comment made on social media fits within the clearly defined criteria of a complaint then we will divert the interaction away from social media so that we can privately continue the conversation and initiate the complaints process as appropriate.

8.9 The policy defines a complaint as 'a **specific** expression of dissatisfaction with the quality of a service provided by the Council usually falling under one of the following categories':

- 1) We have failed to do something we should have.
- 2) We have done something badly or in the wrong way.
- 3) A customer feels they have been treated unfairly or discourteously.

This definition is applicable to comments on social media as well. For example if one customer is contacting us to complain about an ongoing problem that needs escalating then this would meet the complaint criteria, however if several other customers then added their own negative comments of a more general nature then they would not meet the complaint criteria.

8.10 We use a platform called Hootsuite for monitoring and responding to social media contact. This allows us to 'tag' contacts to gather some reporting data regarding the type of contacts we are receiving as well as the volumes. Hootsuite also monitors the sentiment of posts to identify whether a post is negative, positive or neutral in sentiment. Although a useful indicator there are many factors involved with measuring sentiment so it is considered an indicator only and not wholly accurate, for example sarcasm is not easily detected and may be interpreted as positive.

8.11 Hootsuite will also monitor NHDC mentions, which is a social media conversation that we are not directly involved in but are mentioned. We can view these conversations but in most cases it is not appropriate for us to comment or get involved. Hootsuite reports now accompany the 3Cs reports presented to the Senior Management Team and Overview and Scrutiny.

8.12 Consultation has taken place with the Local Government Ombudsman's office to ensure we are aligning with best practice. The LGO is supportive of this approach and is aware that many Councils have not yet included social media within their policy and / or do not accept complaints at all via social media at the moment.

- 8.13 The Unreasonable complainants Policy has also been updated with very minor changes. As part of a corporate approach to reduce the number of separate policies, this has been added to the 3Cs policy as an Appendix, while the unacceptable customer behaviour part of that policy has been incorporated into an existing Health and Safety Policy covering the same subject.

## **9. LEGAL IMPLICATIONS**

- 9.1 Section 5.6 of the Council's Constitutions sets out the functions of the Cabinet. Section 5.6.1 states:

*"To prepare and agree to implement policies and strategies other than those reserved to Council".*

- 9.2 There is no statutory requirement for adopting a 3C's policy or equivalent but the Council chooses to do so as a matter of good practice and good customer service.

## **10. FINANCIAL IMPLICATIONS**

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

## **11. RISK IMPLICATIONS**

- 11.1 A fit for purpose 3C's policy is important in terms of managing complaints in a fair, transparent and equitable way. It is an important tool in effectively managing 3C's and evidencing that this has been done, should a complaint be escalated to the Local Government Ombudsman.

- 11.2 Failure to address the growing importance of Social Media as a means of customer contact and feedback within the 3C's policy, may lead to the risk of reputational damage to the Council.

## **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 This policy applies to all customers and therefore there are no specific equalities implications. To further assist those that exhibit a protected characteristic, additional assistance will be provided to any customer who has difficulty in making a 3C.

- 12.3 An Equalities Impact Assessment will be carried out after all consultation has taken place.

**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 Sometimes complaints are received about the conduct of staff. There are policies in place to deal with these situations, which ensure that any investigations are carried out in a transparent manner for the member of staff concerned and that specific processes are followed.

**15. APPENDICES**

15.1 Appendix A – Comments, Compliments and Complaints Policy Updated July 2019

**16. CONTACT OFFICERS**

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**17. BACKGROUND PAPERS**

17.1 None

NORTH HERTFORDSHIRE  
DISTRICT COUNCIL



# **North Hertfordshire District Council Comments, Compliments and Complaints Policy and Procedure**

**July 2019**

## 1. Introduction

- 1.1 At North Hertfordshire District Council (NHDC) we endeavour to provide high quality services to our customers, however, we recognise that on occasion, despite our best efforts things can go wrong. By welcoming feedback through our Comments, Compliments and Complaints (3Cs) procedures we can try to remedy situations that have gone wrong and continue to improve our services as well as learn from examples of positive feedback about things that have been done well.
- 1.2 To enable us to effectively capture, monitor and act on feedback we have a 3Cs system which has previously been accredited to ISO 10002:2004. Although we no longer undertake this accreditation we continue to work to the standards set by the British Standards Institute in their Complaints Management System Standard ISO 10002:2004.
- 1.3 All Council employees receive training on the 3Cs process as part of the corporate induction and have access to a range of information and guidance to support effective handling of 3Cs. Whilst we welcome feedback on all aspects of 3Cs this policy and procedure is mainly focussed on complaint handling and shall apply to complaint handling for all services within NHDC unless it is overridden by legislative requirements.

## 2. Comments and Compliments

- 2.1 Comments and compliments are welcomed so that we can learn from examples of where things have worked well and to recognise when Council staff and contractors provide exceptional levels of service.
- 2.2 Additionally comments, which may be identifying opportunities to make changes to services or processes, can help us understand our customers views on matters and provide valuable customer insight into our services.
- 2.3 All customer feedback whether it is a comment, compliment or complaint is recorded on a central database (CRM system) and passed on to the relevant service manager for review and to deal with as appropriate.
- 2.4 Data relating to comments, compliments and complaints will be reported at high level without disclosing any personal details to senior management and Councillors. All data held within the CRM system will be kept in accordance with our data retention schedules.

## 3. Complaints

### 3.1 What is a complaint?

- 3.2 A complaint can sometimes be difficult to determine, as a guide we define a complaint as being a [specific](#) expression of dissatisfaction with the quality of [a](#) service provided by the Council, usually falling under one of the following categories:



1. We have failed to do something we should have
  2. We have done something badly or in the wrong way
  3. A customer feels they have been treated unfairly or discourteously
- 3.3 Occasionally something may be originally received as a complaint when it needs to be dealt with in a different way. In these cases the appropriate reporting process will be followed, some examples are included below:

#### **3.4 Examples of what is not covered by our Complaints Policy**

The list below is not exhaustive but gives examples of things that are not dealt with as complaints.

- Disagreement with a policy decision; we will still welcome this feedback but will record it as a comment and it will be dealt with outside of the complaints policy. You can also discuss this with your local Councillor.
- A missed bin would be processed as a request for service by our contractor. However repeated (justified) missed bins or failure to deal with an issue correctly could lead to a complaint.
- Challenging a Penalty Charge Notice (PCN), a procedure for challenging a PCN along with an external appeals process is already in place.
- A Highways fault report (i.e. a faulty street light) would need to follow the Highways fault reporting process managed by Hertfordshire County Council.
- A complaint relating to another organisation, we are not able to consider these within our policy; however we will signpost customers to contact organisations directly.
- Planning objections, a separate process exists for planning objections to be submitted.

#### **4. How to make a complaint**

- 4.1 A complaint can be made in writing (via the website e-form, email, hard copy complaint form or letter) or by telephone or in person. We encourage complaints to be made in writing wherever possible so we can ensure we have a clear understanding of the complaint; however we may contact you to discuss and clarify details of the complaint if we feel that will assist with the investigation process. We will respond to complaints in writing wherever possible so that there is a record of the outcome. We will not usually consider complaints regarding matters that are over 12 months old unless there is a compelling reason to do so.
- 4.2 We can provide information on how to complain in different languages and formats and can provide assistance to people who find writing difficult.

4.3 To ensure that we can capture all of the relevant and correct information we do not accept anonymous complaints. We also do not accept complaints from third parties except in circumstances where the customer has a disability and / or a representative acting on their behalf, in these circumstances customer service staff will provide appropriate assistance. [We will not usually handle letters in the paper through our 3Cs process, however if you have supplied contact details we may try and contact you directly to follow up on your comments if appropriate to do so. Similarly comments made on social media will not automatically be handled through our 3Cs process as detailed in 7.3.](#)

[4.4 Complaints regarding contractors who provide services on our behalf should wherever possible be directed to the contractors in the first instance. This allows the contractor the opportunity to resolve the matter quickly and avoids potential duplication. The customer may chose not to deal with the contractor directly in which case we must ~~accept~~ agree to handle the matter through our own complaints process, likewise if the matter is not satisfactorily resolved by the contractor then the customer may escalate the complaint to be handled through our process. Contractor feedback is monitored through regular contract management meetings.](#)

#### **4.5 Our complaints process is set out below**

We will always seek to resolve a complaint or an issue as quickly as possible. Sometimes issues are raised as complaints in the hope of getting an immediate response, however if we know we will be able to resolve an issue quickly for you then we may deal with as a service issue, so we can provide an earlier resolution. An example of this could be a missed bin which if it is not an ongoing problem can be resolved quickly with a phone call to our contractors.

##### **Stage 1**

- Once a formal complaint is received it will be recorded on our Customer Relationship Management (CRM) system and an acknowledgment with a reference number will be sent to you within two working days.
- Details of your complaint will be sent to an appropriate officer to investigate. If your complaint concerns a member of staff, then that staff member would not be the investigating officer. [A complaint about a member of staff may be referred to Human Resources for a separate internal investigation if appropriate; details of any action resulting from an HR investigation would be confidential.](#)
- We may need to contact you to discuss the complaint or obtain further information to ensure that we fully understand the complaint and can investigate it thoroughly.

- We aim to respond to 80% of complaints within 10 working days. This takes into account the fact that some complaints can be very complex and take longer to complete.
- If we are not able to fully respond to your complaint within 10 days then we will contact you to provide you with an update and advise when we expect to provide a full response.
- If you are dissatisfied with the Stage 1 response, you **may** have the right to escalate the complaint to Stage 2 of the process. We will review complaints under Stage 2 of the process only if one or more of the following circumstances is applicable:
  1. ~~You believe the~~The complaint has not been fully understood or investigated thoroughly due to a misunderstanding of the original complaint.
  2. That all points raised in the complaint have not been fully responded to.
  3. You have not had a response to the Stage 1 complaint within the prescribed timescales and have not had an indication as to when a response can be expected.

To request a review under Stage 2 you should contact the Customer Service Centre within 14 days of our response to you, advising why you are dissatisfied with the complaint outcome. A complaint can only be escalated to Stage 2 if it has been through Stage 1 of the process and meets one or more of the criteria for escalation. Details of how to request this will also be included in your Stage 1 outcome letter.

If your complaint does not meet the criteria to escalate to a Stage 2 but you are dissatisfied with our response then you may wish to refer your complaint to the Local Government Ombudsman, details can be found in section 5 of this document.

#### **4.6 Stage 2**

- If your complaint is escalated to Stage 2, an acknowledgment with a reference number will be sent to you within two working days.
- Your complaint will be reviewed by a Senior Manager who will not have investigated the complaint at Stage 1.
- We may need to contact you to discuss the complaint or obtain further information to ensure that we fully understand the complaint and can investigate it thoroughly.
- We aim to investigate and respond to you fully about your complaint within 10 working days. If this is not possible we will contact you to provide you with an update and advise when we expect to provide a full response.

- If you are still dissatisfied with our response once your complaint has been through our process, then you may wish to refer your complaint to the Local Government Ombudsman, details can be found in section 5 of this document.

## **5. The Local Government Ombudsman**

- 5.1 The Local Government Ombudsman can investigate complaints about the council, however in most cases before they will investigate a complaint, the council must have had the chance to put things right first. The Ombudsman will not usually consider complaints that are over 12 months old unless there is a compelling reason to do so.

The Local Government Ombudsman  
PO Box 4771  
Coventry  
CV4 0EH  
[www.lgo.org.uk](http://www.lgo.org.uk)  
Telephone: 0300 061 0614

## **6. Unreasonable Complainant Policy**

- 6.1 We have a duty to make sure that public money is spent wisely and achieves value for complainants and the wider public. In a very small number of cases despite exhausting our complaints policy and possibly that of the LGO, a complainant may continue to pursue a complaint unreasonably.
- 6.2 While we do not normally limit the contact complainants have with us, in some cases it is necessary to do so because the nature or frequency of a complainant's contact hinders our ability to consider their and other customers' complaints. We refer to these as serial, persistent or vexatious complainants, which can be defined as a complaint where it is readily apparent that the customer is pursuing a complaint which is entirely without merit and made with the intention of causing inconvenience, harassment or expense to the organisation (further examples can be found at Appendix A – Procedure and Policy statement).
- 6.3 We have a clear policy in place which sets out how staff should deal with unreasonable complainant behaviour. This includes that contact could be limited, restricted or in some cases stopped altogether.

Further information on the Policy can be found on the complaints section of our website.

## **7. Complaints about Councillors**

- 7.1 A complaint about a Councillor should be directed to the Monitoring Officer at North Hertfordshire District Council. This can be done in the following ways;

- Completing our online form [Making a Complaint Against a Councillor Form](#)
- By telephone 01462 474578
- By email: [monitoring.officer@north-herts.gov.uk](mailto:monitoring.officer@north-herts.gov.uk)
- In writing: The Monitoring Officer, Council Offices, Gernon Road, Letchworth Garden City SG6 3JF

## 7.2 Complaints made to Councillors

Councillors cannot make formal complaints on behalf of constituents as this would be considered a third party complaint as covered in section 4. However they are able to provide guidance on how a complaint can be made to the Council through the established 3Cs process.

Councillors can refer matters on behalf of a constituent to officers of the Council to be looked into; however, it can only be treated as a formal complaint once the Council has discussed the matter with the constituent directly and agreed the formal route with them.

Councillors can also discuss matters of policy with constituents however policy matters are not usually covered by the complaints policy because policy decisions have been made through a democratic process.

## 7.3 Social media comments

We [recognise that social media is a platform used by many of our customers and as such have a separate policy covering this.](#)  
[We proactively use social media to engage with our residents and our Customer Services team respond to specific requests for service made via our own social media pages.](#)

[We also recognise that many comments made on social media are general expressions of opinion or public discussion and mostly informal in nature. For that reason we](#) will not usually handle them [through](#) our [formal 3Cs](#) process. That is not to suggest that we do not take social media comments seriously, more that we understand that the users of social media do not usually expect their comments to be processed in a formal manner [and often such comments are of a general nature and not about a specific incident that the Council can investigate.](#) [However if a comment clearly fits within our 3Cs criteria we will contact you directly to follow up and handle the matter through our formal process as appropriate.](#) [Requests for service will be processed in the same way as if received via other channels, for example a missed bin report would be reported to our contractors for resolution in the first instance. However ongoing or unresolved issues may be treated as a complaint.](#)

[We are able to report through our Social media platform on the volumes, types and sentiment of interactions on our social media pages and this information will be used in conjunction with our standard 3Cs reports.-](#)

## **7.4 Community Trigger**

The introduction of a Community Trigger on 20 October 2014 means that if a resident, or group of residents, are experiencing anti social behaviour (ASB), and feel that appropriate action is not being taken, they have the right to request a review of their case. The case review is called the 'community trigger'.

Any victim of ASB or someone acting on their behalf such as a carer, family member, MP or local councillor in North Hertfordshire can use the community trigger to request a review of their case, providing they meet the trigger threshold:

- Three reports from an individual about separate incidents in six months or;
- Three individuals have separately reported similar incidents in six months.

The Community Trigger is separate from the Complaints Policy; further details including the process for activating the Community Trigger can be found on our website.

## **7.5 Performance Monitoring and Reporting**

Key complaints data specifically relating to volumes and performance is collated and analysed on an ongoing basis. This data is reported regularly to departmental and senior management teams as well as twice a year to the Councils Overview and Scrutiny Committee, the reports are published on our website.

## **Appendix A - Procedure and Policy statement for Managing Unreasonable Customer Contact and Complainant Behaviour**

We are committed to dealing with all complaints fairly and impartially and to providing a high standard of service to those who make complaints. We also have a duty to make sure that public money is spent wisely and achieves value for complainants and the wider public.

Whilst we do not normally limit the contact customers have with us, in some cases it is necessary to do so either because the nature or frequency of a customer's contact with the Council hinders our ability to provide services and the consideration of their, and other people's complaints or concerns. We refer to these as serial, unreasonably persistent customers or vexatious complainants.

Some customers may have justified concerns or complaints but pursue them in inappropriate ways, others may pursue matters which appear to have no substance or have already been investigated and determined. The contact may be amicable but still place heavy demands on staff time or it may be emotionally charged and distressing for all concerned.

### **Examples of unreasonable actions and behaviours**

- Continuing to pursue a complaint even though the Council's complaint procedure has been fully exhausted and / or refusing to co-operate with the complaints investigation process.
- Refusal to accept a decision, repeatedly arguing points with no new or relevant evidence being provided.
- Refusal to accept that certain issues are not within the remit of our complaints procedure (i.e. third party matters outside of the Council's remit) despite having been provided with full information about the procedure's scope.
- Making what appear to be groundless or vexatious complaints about the staff member dealing with the complaint.
- Excessive number of contacts with staff regarding the complaint which have a negative effect on the Council's ability to deal with the complaint effectively.
- Excessive demands on the time and resources of staff with lengthy phone calls, emails to numerous staff or detailed letters, not necessarily related to a formal complaint

Where the level of contact is unreasonable or the nature is considered vexatious we will act to limit contact. The decision to restrict access is taken by a Senior Manager. Any restrictions imposed will be appropriate and proportionate and will be reviewed at appropriate intervals.

### **The options most likely to be considered by the Council are;**

- Requesting contact in a particular form e.g. by letter only
- Requiring contact to take place via a specified officer
- Asking the customer to enter into an agreement about their future contact with the Council.
- Terminating contact with a complainant

### **Considerations prior to taking action**

Whether the consideration of a complaint has concluded it may be appropriate to end all communication regarding the issue and refer the complainant to the Ombudsman.

Any action to restrict access could have serious consequences for the individual so before action is taken we should be satisfied that:

- The complaint has been or is being investigated properly
- Any decision reached is the right one
- Communications with the complainant have been adequate
- The complainant is not now providing any significant new information that might affect the outcome of the complaint.

### **Case Review**

Before action is taken to restrict access the case must be reviewed by a Service Director or the Chief Executive. If a decision is made to limit or restrict access to services the complainant will be notified in writing with an explanation of:

- Why the decision has been taken
- What it means in terms of contact with the Council
- How long the restriction will be in place and when it will be reviewed.
- A copy of the letter sent to the complainant should be sent to the Customer Service Manager for attaching to the customer record on the CRM.

If a restriction is in place then ongoing correspondence / contact will be reviewed and considered .If it is simply a continuation of previous matters then receipt should be acknowledged and a record / copy placed on file but a response will not be provided. Any new matters will be treated as such.

Any restrictions should be for a specified period of time with a review date, unless there are good grounds to extend the restrictions they should be lifted at the end of the review period.

If a complainant wishes to request a review of a decision to limit their access to the Council they should request this in writing.