

**NORTH HERTFORDSHIRE DISTRICT COUNCIL**



28 June 2019

Our Ref Council 11.07.19  
Your Ref.  
Contact. Hilary Dineen  
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To: The Chairman and Members of North Hertfordshire District Council

You are invited to attend a

**MEETING OF THE COUNCIL**

to be held in the

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

on

**THURSDAY, 11 JULY 2019**

at

**7.30 PM**

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

Yours sincerely,

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

Jeanette Thompson  
Service Director – Legal and Community

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

<b>Item</b>	<b>Page</b>
<b>1. APOLOGIES FOR ABSENCE</b>	
<b>2. MINUTES - 21 MAY 2019</b> To take as read and approve as a true record the minutes of the meeting of this Committee held on the 21 May 2019.	5 - 26
<b>3. NOTIFICATION OF OTHER BUSINESS</b> Members should notify the Council of other business which they wish to be discussed by the Cabinet at the end of either Part I or Part II business set out in the agenda. They must state the circumstances which they consider justify the business being considered as a matter of urgency.  The Chairman will decide whether any item(s) raised will be considered.	
<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 and presentations from members of the public.	
<b>6. ITEMS REFERRED FROM OTHER COMMITTEES</b> To receive Items referred from other Committees.	27 - 84
<b>7. CONSTITUTIONAL AMENDMENTS</b> REPORT OF SERVICE DIRECTOR - LEGAL AND COMMUNITY & MONITORING OFFICER  This reports set out a number of requested amendments to the Constitution.	85 - 88
<b>8. MEMBERS ALLOWANCES SCHEME AMENDMENT 2019-20</b> REPORT OF THE SERVICE DIRECTOR - LEGAL AND COMMUNITY  To undertake an in-year review of Cabinet Special Responsibilities Allowances, within the Members' Allowances Scheme, so that these are reduced in line with Appendix B and that this reduction is applied retrospectively from 22 May 2019 for the Leader and Executive Members.	89 - 104
<b>9. QUESTIONS FROM MEMBERS</b> To consider any questions submitted by Members of the Council, in accordance with Standing Order 4.8.11 (b).	

**10. NOTICE OF MOTIONS**

To consider any motions, due notice of which have been given in accordance with Standing Order 4.8.12.

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# Public Document Pack Agenda Item 2

## NORTH HERTFORDSHIRE DISTRICT COUNCIL

### MINUTES

Meeting of the Council held in the Council Chamber, Council Offices,  
Gernon Road, Letchworth Garden City  
on Tuesday, 21st May, 2019 at 7.30 pm

**PRESENT:** Councillors Jean Green (Vice-Chairman), Ian Albert, Daniel Allen, Kate Aspinwall, Clare Billing, Judi Billing, Ruth Brown, Val Bryant, Paul Clark, Sam Collins, Bill Davidson, George Davies, Steve Deakin-Davies, Elizabeth Dennis-Harburg, Morgan Derbyshire, Gary Grindal, Simon Harwood, Terry Hone, Keith Hoskins, Mike Hughson, Tony Hunter, Steve Jarvis, David Levett, Ian Mantle, Jim McNally, Ian Moody, Gerald Morris, Michael Muir, Lisa Nash, Lynda Needham, Sue Ngwala, Sam North, Helen Oliver, Sean Prendergast, Mike Rice, Adem Ruggiero-Cakir, Val Shanley, Carol Stanier, Martin Stears-Handscomb, Claire Strong, Kay Tart, Richard Thake, Terry Tyler, Tom Tyson and Michael Weeks

**IN ATTENDANCE:** David Scholes (Chief Executive), Anthony Roche (Deputy Chief Executive), Jeanette Thompson (Service Director - Legal and Community), Melanie Stimpson (Democratic Services Manager) and Hilary Dineen (Committee, Member and Scrutiny Manager)

**ALSO PRESENT:** At the commencement of the meeting approximately 30 members of the public.

#### 1 ELECTION OF CHAIRMAN OF THE COUNCIL FOR THE CIVIC YEAR 2019/20

*Audio Recording – Start of Item – Session 1 - 10 seconds*

The Chief Executive welcomed everyone to the meeting and advised that the current Chairman of the Council (Councillor John Bishop) was unable to attend the meeting.

He called for nominations to the position of Chairman of the Council.

It was proposed by Councillor David Levett, seconded by Councillor Bill Davidson and:

**RESOLVED:** That Councillor Jean Green be elected Chairman of the Council to hold office until the next Annual Meeting of the Council in 2020.

Councillor Jean Green then read and signed the Statutory Declaration of Acceptance of Office and the Chief Executive (David Scholes) placed the chain of office upon her. Councillor Green thanked the Council for her election as Chairman and advised that her Consort for the year would be Mr James Graft.

#### 2 APOLOGIES FOR ABSENCE

*Audio Recording – Start of Item – Session 1 - 6 minutes 43 seconds*

Apologies for absence were received from Councillors David Barnard, John Bishop, Faye Frost, Ben Lewis and Deepak Sangha.

**3 ELECTION OF VICE-CHAIRMAN OF THE COUNCIL FOR THE CIVIC YEAR 2019/20**

*Audio Recording – Start of Item – Session 1 – 7 minutes 19 seconds*

The Chairman called for nominations to the position of Vice-Chairman of the Council.

It was proposed by Councillor Martin Stears-Handscomb, seconded by Councillor David Levett and:

**RESOLVED:** That Councillor Terry Tyler be appointed Vice-Chairman of the Council to hold office until the next Annual meeting of the Council in 2020.

Councillor Terry Tyler then read and signed the Statutory Declaration of Acceptance of Office and the Chairman (Councillor Jean Green) placed the chain of office upon him. Councillor Tyler thanked the Council for his election as Vice-Chairman.

**4 MINUTES - 17 JANUARY 2019**

*Audio recording – Start of Item – 11 minutes 32 seconds*

Councillor Paul Clark raised a query in that he had requested that a full written copy of the statement given by the Leader of the Council in response to a question be sent to him. This statement had not been received, nor had it been included in the Minutes.

It was moved by Councillor David Levett, seconded by Councillor Martin Stears-Handscomb and:

**RESOLVED:** That the Minutes of the Meeting of the Committee held on 17 January 2019 be approved as a true record of the proceedings and be signed by the Chairman.

**5 MINUTES - 7 FEBRUARY 2019**

*Audio recording – Start of Item – 11 minutes 59 seconds*

It was proposed by Councillor David Levett, seconded by Councillor Martin Stears-Handscomb and:

**RESOLVED:** That the Minutes of the Meeting of the Committee held on 7 February 2019 be approved as a true record of the proceedings and be signed by the Chairman.

**6 MINUTES - 20 MARCH 2019**

*Audio recording – Start of Item – 12 minutes 20 seconds*

It was proposed by Councillor David Levett, seconded by Councillor Martin Stears-Handscomb and:

**RESOLVED:** That the Minutes of the Meeting of the Committee held on 20 March 2019 be approved as a true record of the proceedings and be signed by the Chairman.

Councillor Stears-Handscomb raised a Point of Order in that Paragraph 4.8.2 of the Constitution was unclear as to the circumstances in which a meeting of Council could be cancelled and this had resulted in the cancellation of the scheduled Full Council meeting due to take place on 4 April 2019.

He had sought assurances from Officers that in future all Group Leaders would be consulted prior to the cancellation of a Full Council meeting and had requested Officers to bring a report to Council regarding an amendment to the constitution regarding this matter.

## **7 CHAIRMAN'S ANNOUNCEMENTS**

*Audio recording – Start of Item – 22 minutes 51 seconds*

### **(1) Audio Recording**

The Chairman announced that, in accordance with Council policy, this meeting was being audio recorded. Members of the public and the press may use their devices to film/photograph, or do a sound recording of the meeting. Please do not use flash and disable any sound notifications that may emit from your device.

### **(2) Filming of Meeting**

The Chairman reminded everyone present that this meeting was being filmed and that it was likely that participants in the meeting would be captured. Any member of the public who does not wish to be filmed should identify themselves to the Committee clerk.

### **(3) Declarations of Interest**

Members were reminded that any declarations of interest in respect of any business set out in the agenda, should be declared as either a Disclosable Pecuniary Interest or Declarable Interest and are required to notify the Chairman of the nature of any interest declared at the commencement of the relevant item on the agenda. Members declaring a Disclosable Pecuniary Interest must withdraw from the meeting for the duration of the item. Members declaring a Declarable Interest, who wished to exercise a 'Councillor Speaking Right', must declare this at the same time as the interest, move to the public area before speaking to the item and then must leave the room before the debate and vote.

### **(4) Paperless Meetings**

All meetings going forward would be paperless.

Members were advised that, prior to any meeting they should ensure that the agenda was downloaded onto the tablet. This would also ensure that if there were any updates required that this was completed prior to the tablet needing to be used at a particular meeting.

If Members had any issues with the tablets prior to a meeting they should contact IT in advance. However, IT support would be available in the refreshment area on the ground floor from 6pm prior to Council, Cabinet Planning and Overview and Scrutiny meetings.

IT support was available at the meeting tonight. If Members had any issues with their tablet during the meeting please indicate for assistance to one of the IT Team.

The late papers would be displayed on the screens around the Council Chamber.

### **(5) New Councillors**

The Chairman congratulated and welcomed Councillors George Davies, Morgan Derbyshire, Keith Hoskins, Sam North, Sean Prendergast, Adem Ruggiero-Cakir, Carol Stanier, Kay Tart and Tom Tyson following their successful election on 2 May 2019.

(6) **Re-elected Councillors**

The Chairman congratulated Councillors David Barnard, Judi Billing, Jean Green, Tony Hunter, Steve Jarvis, Gerald Morris and Michael Muir who were successfully re-elected at the District Council Elections.

(7) **Councillors who did not stand for re-election**

The Chairman thanked those Councillors who did not stand for re-election for their work and effort, namely former Councillors Julian Cunningham, Nicola Harris, Cathryn Henry, Bernard Lovewell, Paul Marment, Janine Paterson and Harry Spencer-Smith.

(8) **Councillors who were unsuccessful in seeking re-election**

The Chairman thanked those Councillors who were unsuccessful at the District Council Elections for their work and effort, namely former Councillors Sarah Dingley and Lynda Needham.

Councillors David Levett, Martin Stears-Handscorn and Paul Clark paid tribute to former Councillor and Leader of the Council Lynda Needham.

(9) **Register of Interests Forms**

The Chairman advised that, as Members were aware, there had been some technical difficulties with the on-line completion of the Register of Interests form which Committee, Member and Scrutiny Services apologised for. The technical difficulties had now been resolved and the online version was now available.

Please remember that Members that are required by law to complete a Register of Interests form – these will need to be completed by the required deadline of 4 June 2019.

(10) **Refreshments**

All Councillors were invited to refreshments after the meeting in Committee Rooms 2/3.

(11) **Order of Business**

The Chairman advised that she was changing the order of business as follows:

Items 20 – Petition and 21 – Notice of Motion will be taken after item 12 – Appointment of Members of Cabinet.

**8 DISTRICT COUNCIL ELECTIONS - 2 MAY 2019**

*Audio recording – Start of Item – 34 minutes 23 seconds*

The Returning Officer presented the results of the District and Parish Council Elections held on 2 May 2019.

**RESOLVED:** That the report of the Returning Officer regarding the results of the District and Parish Council Elections held on 2 May 2019 be noted.

**REASON FOR DECISION:** To inform Members of the results of the District and Parish Council Elections held on 2 May 2019.



## 9 SCHEDULE OF COUNCIL MEETINGS 2019/20

*Audio recording – Start of Item – 35 minutes*

Councillor Martin Stears-Handscomb proposed that the schedule of Council meetings be approved subject to the following amendments:

- that there be an additional meeting of Full Council to take place on 16 January 2020;
- that the Budget Workshops due to be held on 9 September 2019 and 4 November 2019 be retitled “Administration”
- that the Budget Workshops due to be held on 10 September 2019 and 6 November 2019 be retitled “Opposition”

This proposal was seconded by Councillor David Levett.

The following Member took part in the debate:

- Councillor Richard Thake.

It was moved by Councillor Stears-Handscomb, seconded by Councillor David Levett and

### **RESOLVED:**

- (1) That the following programme of ordinary meetings of the Council be approved for the Civic Year 2019/20:

Thursday, 11 July 2019;  
Thursday, 12 September 2019;  
Thursday, 21 November 2019;  
Thursday, 6 February 2020;  
Thursday, 16 January 2020;  
Thursday, 2 April 2020.

- (2) That the Service Director – Legal be requested to present a report to Council regarding the Constitution
- (3) That, subject to the following, the Calendar of Meetings for 2019/20, as attached as Appendix A, be approved.
  - The Budget Workshops due to be held on 9 September 2019 and 4 November 2019 be retitled “Administration”
  - The Budget Workshops due to be held on 10 September 2019 and 6 November 2019 be retitled “Opposition”
  - An additional meeting of Council be held on or about 16 January 2020 (date to be confirmed).

**REASON FOR DECISION:** To enable Members to agree a programme of ordinary meetings of the Council for 2019/20.

## 10 LEADER OF THE COUNCIL

*Audio Recording – Start of Item – 38 Minutes 25 seconds*

It was proposed by Councillor Helen Oliver, seconded by Councillor Judi Billing and:

**RESOLVED:** That Councillor Martin Stears-Handscomb be elected as Leader of the Council until Annual Council in May 2023.

Councillor Stears-Handscomb thanked the Council for electing him as Leader of the Council. He stated that it was a great honour as well as being a great challenge, which he would do his best to meet.

It was a joint Administration and he would be working very closely with the Deputy Leader of the Council and would be looking for opportunities to use the expertise of all of the Councillors.

**11 APPOINTMENT OF A DEPUTY LEADER OF THE COUNCIL**

*Audio recording – Start of Item – 40 minutes 57 seconds*

The Council noted that the Leader of the Council had appointed Councillor Paul Clark as Deputy Leader for the 2019/20 Civic Year.

**12 APPOINTMENT OF MEMBERS OF THE CABINET FOR 2019/20**

*Audio recording- Start of Item – 41 minutes 20 seconds*

The Leader of the Council informed Members of the Cabinet Members and restated that this was a joint Administration.

He advised that Deputy Cabinet Members would be appointed to each position and this information would be announced in Members Information Service.

There was an additional Cabinet Member this year, but to ensure this did not cause additional cost to the Council, the Service Director – Legal and Community had been requested to bring a report to Council in due course.

**RESOLVED:** That it be noted that the following Members be appointed as Executive Members of the Cabinet for 2019/20 responsible for the following areas, and that the delegations for inclusion in the Council's Constitution will be advised by the Leader and reported to the next meeting of Full Council:

**Cabinet Member**

Councillor Martin Stears-Handscomb  
Councillor Paul Clark

Councillor Ian Albert  
Councillor Judi Billing  
Councillor Keith Hoskins  
Councillor Steve Jarvis  
Councillor Gary Grindal  
Councillor Elizabeth Dennis-Harburg

**Portfolio**

Leader and Cabinet Chairman  
Planning and Transport and Cabinet  
Chairman  
Finance and IT  
Community Engagement  
Enterprise and Co-Operative Development  
Environment and Leisure  
Housing & Environmental Health  
Recycling and Waste Management

**13 PETITION**

*Audio Recording – Start of Item – 42 minutes 58 seconds*

Mr Philip Devonald introduced Ms Annie Sander and Ms Gilly Chegwyn who presented a petition with approximately 520 signatures asking that North Hertfordshire District Council declare a Climate Emergency.

Ms Sander, on behalf of the Green Party and Ms Chegwyn, Co-ordinator of the local Extinction Rebellion Group, gave a verbal presentation in support of the petition.

The Democratic Service Manager advised that the petition followed the same wording as the notice of motion and asked North Hertfordshire District Council to support the motion. A sample of 120 signatures was taken to ensure that this was a valid petition.

**RESOLVED:** That the petition asking that North Hertfordshire District Council declare a Climate Emergency be received.

## **14 NOTICE OF MOTION**

*Audio Recording – Start of Item – 51 minutes 9 seconds*

### **Climate Emergency**

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

“Council notes that:

- (a) the recent 2018 Intergovernmental Panel on Climate Change (IPCC) report states that we have just 12 years to act on climate change if global temperature rises are to be kept within the recommended 1.5 degrees Celsius;
- (b) all governments (national, regional and local) have a duty to limit the negative impacts on climate breakdown, and the governments that recognise this should not wait for their national governments to change their policies. UK county, district and city councils need to commit to aggressive reduction targets and carbon neutrality as quickly as possible;
- (c) districts are well placed to lead the world in reducing carbon emissions, as their responsibility for planning policies opens up a range of sustainable transport, buildings and energy opportunities;

In light of the above, the Council therefore agrees to:

- (1) Join other councils in declaring a Climate Emergency;
- (2) Ask the Leader to write to the Secretary of State requesting that they provide the necessary powers and resources to make local action on climate change easier;
- (3) Request that, in light of the IPCC report, officers review the council’s Climate Change Policy with the aim of bringing a report to Council in autumn of 2019, after consideration by Overview and Scrutiny. The review should include an action plan to achieve a target of zero carbon emissions by 2030 and proposals for regular reporting to Overview and Scrutiny Committee of the progress with the plan;
- (4) Ask officers to ensure that, as the Council’s policies are routinely reviewed, specific consideration is given to how policies and our related decisions and actions, affect our contribution to climate change, and where necessary, update these policies to reduce our impact wherever possible;
- (5) Ask officers to investigate the most appropriate training for Members and officers about how to promote carbon neutral policies for consideration by Council;
- (6) Continue to work with partners across the district, county and wide region to deliver widespread carbon reductions.”

Councillor Dennis-Harburg thanked the presenters of the petition on the same subject.

She reminded Members that the Government had now declared a Climate Emergency, although this did not negate the need for this Council to recognise the serious situation and take steps, however small, to push back against man made, accelerated climate breakdown. District Council's are well placed to take action in terms of Planning and infrastructure development, working alongside colleagues at County, to build homes and networks fit for the future and lead by example.

The climate change strategy, currently being developed, must be reviewed by Overview and Scrutiny Committee and that there is a commitment to attain zero carbon emissions by 2030.

The following Members took part in the debate:

- Councillor David Levett;
- Councillor Martin Stears-Handscorn;
- Councillor Steve Jarvis;
- Councillor Judi Billing;
- Councillor Paul Clark;
- Councillor Michael Weeks;
- Councillor Jim McNally.

Councillor Thake moved that the motion be put.

Councillor Stears-Handscorn called for a recorded vote.

The result of the vote was as follows:

**For**

Councillors: Ian Albert, Daniel Allen, Kate Aspinwall, Clare Billing, Judi Billing, Ruth Brown, Val Bryant, Paul Clark, Sam Collins, Bill Davidson, George Davies, Steve Deakin-Davies, Elizabeth Dennis-Harburg, Morgan Derbyshire, Jean Green, Gary Grindal, Simon Harwood, Terry Hone, Keith Hoskins, Mike Hughson, Tony Hunter, Steve Jarvis, David Levett, Ian Mantle, Jim McNally, Ian Moody, Gerald Morris, Michael Muir, Lisa Nash, Sue Ngwala, Sam North, Helen Oliver, Sean Prendergast, Mike Rice, Adem Ruggiero-Cakir, Val Shanley, Carol Stanier, Martin Stears-Handscorn, Claire Strong, Kay Tart, Richard Thake, Terry Tyler and Tom Tyson.

**TOTAL 43**

**Abstain**

Councillor Michael Weeks

**TOTAL 1**

It was therefore:

**RESOLVED:**

Council notes that:

- (a) the recent 2018 Intergovernmental Panel on Climate Change (IPCC) report states that we have just 12 years to act on climate change if global temperature rises are to be kept within the recommended 1.5 degrees Celsius;

**Tuesday, 21st May, 2019**

- (b) all governments (national, regional and local) have a duty to limit the negative impacts on climate breakdown, and the governments that recognise this should not wait for their national governments to change their policies. UK county, district and city councils need to commit to aggressive reduction targets and carbon neutrality as quickly as possible;
- (c) districts are well placed to lead the world in reducing carbon emissions, as their responsibility for planning policies opens up a range of sustainable transport, buildings and energy opportunities;

In light of the above, the Council therefore agrees to:

- (1) Join other councils in declaring a Climate Emergency;
- (2) Ask the Leader to write to the Secretary of State requesting that they provide the necessary powers and resources to make local action on climate change easier;
- (3) Request that, in light of the IPCC report, officers review the council's Climate Change Policy with the aim of bringing a report to Council in autumn of 2019, after consideration by Overview and Scrutiny. The review should include an action plan to achieve a target of zero carbon emissions by 2030 and proposals for regular reporting to Overview and Scrutiny Committee of the progress with the plan;
- (4) Ask officers to ensure that, as the Council's policies are routinely reviewed, specific consideration is given to how policies and our related decisions and actions, affect our contribution to climate change, and where necessary, update these policies to reduce our impact wherever possible;
- (5) Ask officers to investigate the most appropriate training for Members and officers about how to promote carbon neutral policies for consideration by Council;
- (6) Continue to work with partners across the district, county and wide region to deliver widespread carbon reductions.

**NB: A 5 minute comfort break was taken at this point in the meeting.**

## **15 TO APPOINT MEMBERS OF COMMITTEES FOR 2019/20**

*Audio Recording – Start of Item – Session 2 – 13 seconds*

It was moved by Councillor Stears-Handscomb, seconded by Councillor Helen Oliver and

### **RESOLVED:**

- (1) That the seats allocated to each political party on the Committees to which Section 15 of the Local Government and Housing Act 1989 applied and the seats allocated to each political party on the bodies to which Section 15 of the Local Government and Housing Act 1989 did not apply be as set out in Appendix A to these Minutes; and
- (2) That Members be appointed to the various Committees and other bodies in accordance with the wishes of the individual groups, as detailed in Appendix B to these Minutes.

**REASON FOR DECISION:** To comply with the provisions of Section 15 of the Local Government and Housing Act 1989.

**16 APPOINTMENT OF CHAIRMEN AND VICE-CHAIRMEN OF COMMITTEES FOR 2019/20**

*Audio Recording – Start of Item – Session 2 – 1 minute 21 seconds*

It was moved by Councillor Stears-Handscomb, seconded by Councillor Paul Clark that the Chairmen and Vice-Chairmen of Committees for 2019/20 be appointed in accordance with the details set out in appendix A to the report and:

It was moved by Councillor Harwood and seconded by Councillor Claire Strong that Councillor David Levett be appointed as Chairman of the Overview and Scrutiny Committee and

**RESOLVED:** That the Chairmen and Vice-Chairmen of Committees for 2019/20 be appointed in accordance with the details set out in the Appendix C to these Minutes.

**REASON FOR DECISION:** To comply with the provisions of Standing Order 4.8.1(a)(ix) of the Council's Constitution.

**17 ADJOURNMENT**

*Audio Recording – Start of Item – Session 2 – 2 minutes 4 seconds*

The Chairman adjourned the meeting to enable the five Area Committees to meet to elect their respective Chairmen and Vice-Chairmen for 2019/20.

***The meeting was adjourned at 8.48pm***

***The meeting was reconvened at 9.10pm.***

**18 KEY DECISIONS - ANNUAL REPORT ON CASES OF SPECIAL URGENCY**

*Audio Recording – Start of Item – Session 2 - Start of Item – 9 minutes 36 seconds*

The Leader of the Council presented the report entitled Key Decisions – Annual Report on cases of Special Urgency and asked that Council note the report.

Councillor David Levett seconded the report and it was:

**RESOLVED:** That the report entitled Key Decisions – Annual Report on Cases of Special Urgency be noted.

**REASON FOR DECISION:** To comply with Regulation 19 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

**19 ANNUAL REPORT OF THE OVERVIEW AND SCRUTINY COMMITTEE**

*Audio Recording – Start of Item – Session 2 – 10 minutes 42 seconds*

Councillor Dennis-Harburg (Vice-Chairman of the Overview and Scrutiny Committee 2018/19) introduced the Annual Report of the Overview and Scrutiny Committee and called upon former Councillor Cathryn Henry (Chairman of the Overview and Scrutiny Committee 2018/19) to present the report.

**RESOLVED:** That the Annual Report of the Overview and Scrutiny Committee for 2018/19 be noted.

**REASON FOR DECISION:** To comply with the provisions of Standing Order 6.2.6 of the Council's Constitution.

**20 ANNUAL REPORT OF THE STANDARDS COMMITTEE 2018/19**

*Audio Recording – Start of Item – Session 2 – 15 minutes 25 seconds*

Councillor Rice (Chairman of the Standards Committee 2018/19) presented the Annual Report of the Standards Committee.

Councillor Rice moved, Councillor Levett seconded and it was:

**RESOLVED:** That the Annual Report of the Standards Committee for 2018/19, as attached at Appendix A to the report, be received and noted.

**REASON FOR DECISION:** To promote and maintain high standards of conduct and to demonstrate a strong commitment to ethical values.

**21 NOMINATION OF REPRESENTATIVES ON OUTSIDE ORGANISATIONS AND OTHER BODIES FOR 2019/20**

*Audio Recording – Start of Item – Session 2 – 18 minutes 40 seconds*

The Leader of the Council moved the nominations contained in the report entitled Nomination of Representatives on Outside Organisations and other bodies for 2019/20 with the exception of those where additional votes were required, this was seconded by Councillor Clark.

**RESOLVED:**

- (1) That the report regarding nominations to Outside Organisations, as submitted, be approved, with confirmation that:
  - (a) the Council's nominated representative on the British Schools Museum will be Councillor Val Bryant;
  - (b) the Council's nominated representative on the Chilterns Conservation Board will be Councillor Steve Jarvis;
  - (c) the Council's nominated representative on the Hertfordshire Health Scrutiny Committee will be Councillor Sue Ngwala;
  - (d) the Council's nominated representative on Hitchin Cow Common Trust will be Councillor Ian Albert;
  - (e) the Council's nominated representative on the Letchworth Garden City Heritage Foundation will be Councillor Helen Oliver;
  - (f) the Council's nominated representative on the London Luton Airport Consultative Committee will be Councillor Paul Clark;
  - (g) the Council's nominated representative on the North Herts Minority Ethnic Forum will be Councillor Adem Ruggiero-Cakir;
  - (h) the Council's nominated representative on the Police and Crime Panel will be Councillor Sam North;
  - (i) the Council's nominated substitute on the Police and Crime Panel will be Councillor Judi Billing;

- (j) the Council's nominated representative on the Royston & District Sports Council will be Councillor Carol Stanier;
  - (k) the Council's nominated representatives on the Royston Town Twinning Association will be Councillors Ruth Brown and Jean Green;
  - (l) the Council's nominated representatives on the King George V Playing Fields User Group will be Councillors Ian Albert, Paul Clark and Simon Harwood;
- (2) That the Committee, Member and Scrutiny Manager be requested to investigate whether there are any requirements from the organisation regarding nominations to Royston First (BID);
- (3) That, subject to the findings of (2) above, the Council's nominated representative on the Royston First (BID) will be Councillor Ruth Brown;
- (4) That the Committee, Member and Scrutiny Manager be requested to investigate whether nominations are required for the Bedfordshire and River Ivel Internal Drainage Board and refer this to the next meeting of Full Council;
- (5) That the following organisations, that have either ceased to exist or no longer require nominations, be removed from the list of Outside Organisations:
- (i) Arts Council for North Herts
  - (ii) settle
  - (iii) Royston and District Volunteer Centre
  - (iv) Stevenage and North Herts Women's Resource Centre.
- (6) That the Committee, Member and Scrutiny Manager be requested to investigate whether the East and North Herts NHS Trust – Involvement Committee is still in operation:
- (7) That, subject to the findings regarding (6) above, the Council's nominated representative on the East and North Herts NHS Trust – Involvement Committee will be Councillor Lisa Nash;
- (8) That Political Group Leaders notify the Proper Officer of nominations to the remaining vacancies or any changes to the existing representatives on outside organisations.

**REASON FOR DECISIONS:** To comply with the provisions of Standing Order 4.8.1(b)(iv) and (v) of the Council's Constitution.

The meeting closed at 9.40 pm

Chairman



## APPENDIX A

### APPOINTMENT OF COMMITTEES INCLUDING THOSE TO WHICH SECTION 15 OF THE LOCAL GOVERNMENT AND HOUSING ACT 1989 APPLIES

	<b>Conservative</b>	<b>%</b>	<b>Labour</b>	<b>%</b>	<b>Lib Dem</b>	<b>%</b>	<b>Constitution</b>
<b>Total Seats</b>	<b>22</b>	<b>44.90%</b>	<b>16</b>	<b>32.65%</b>	<b>11</b>	<b>22.45%</b>	<b>49</b>
Overview & Scrutiny Committee	7	43.75%	5	31.25%	4	25.00%	16
Finance, Audit & Risk Committee	3	42.86%	2	28.57%	2	28.57%	7
Planning Control Committee	7	46.67%	5	33.33%	3	20.00%	15
Licensing & Appeals Committee	6	42.86%	5	35.71%	3	21.43%	10 to 15 Currently 14
Standards Committee	5	41.67%	4	33.33%	3	25.00%	12
Council Tax Setting Committee	2	40.00%	2	40.00%	1	20.00%	5
Employment Committee	2	40.00%	2	40.00%	1	20.00%	5
Employment Appeals Committee	2	40.00%	2	40.00%	1	20.00%	5
Joint Staff Consultative Committee (JSCC)	2	40.00%	2	40.00%	1	20.00%	5
<b>Totals</b>	<b>36</b>	<b>42.86%</b>	<b>29</b>	<b>34.52%</b>	<b>19</b>	<b>22.62%</b>	<b>80 to 85</b>
Variation		-2.04%		1.87%		+0.17%	Currently 84

<b>AREA COMMITTEE</b>	<b>Conservative</b>	<b>Labour</b>	<b>Lib Dem</b>	<b>Total</b>
Baldock & District Committee	4	-	2	<b>6</b>
Hitchin Committee	2	8	3	<b>13</b>
Letchworth Committee	4	8	1	<b>13</b>
Royston & District Committee	5	-	2	<b>7</b>
Southern Rural Committee	7	-	3	<b>10</b>
<b>Total</b>	<b>22</b>	<b>16</b>	<b>11</b>	<b>49</b>

**APPOINTMENT OF BODIES NOT INCLUDED IN THE POLITICAL BALANCE CALCULATIONS**

**TO BE ADVISED**

<b>Name of Body</b>	<b>Conservative</b>	<b>Labour</b>	<b>Lib Dem</b>	<b>Total</b>
Hitchin Town Centre Working Party	Membership to be advised	Membership to be advised	Membership to be advised	
Community Facilities Capital Grants Panel	3	4	2	10 (1 vacancy)
Joint Member Panel of NHDC and Letchworth Garden City Heritage Foundation (All Members of the Letchworth Committee)	4	8	1	<b>13</b>
CCTV Joint Committee (three Cabinet Members)	0	2	1	3
Cabinet Sub-Committee (Council Charities) [3 Cabinet Members nominated by the Leader of the Council]	0	2	1	3
Cabinet Sub-Committee (Local Authority Trading Companies' Shareholder) [3 Cabinet Members nominated by the Leader of the Council]	0	1	2	3
<b>Total</b>	<b>7</b>	<b>17</b>	<b>7</b>	<b>31</b> <b>(1 vacancy)</b>

**APPOINTMENT OF MEMBERS OF COMMITTEES FOR 2019/20**

**NORTH HERTFORDSHIRE DISTRICT COUNCIL**

**CONSTITUTION OF COMMITTEES, SUB-COMMITTEES AND WORKING GROUPS 2019/20**

Set out below are the proposed Members of the Committees, Sub-Committees and Working Groups for the Civic Year 2019/20:

**OVERVIEW AND SCRUTINY COMMITTEE**

(16 Members)

Councillor Kate Aspinwall  
Councillor Val Bryant  
Councillor Sam Collins  
Councillor George Davies  
Councillor Simon Harwood  
Councillor Terry Hone  
Councillor Tony Hunter  
Councillor David Levett  
Councillor Jim McNally  
Councillor Lisa Nash  
Councillor Sue Ngwala  
Councillor Helen Oliver  
Councillor Adem Ruggiero-Cakir  
Councillor Carol Stanier  
Councillor Claire Strong  
Councillor Tom Tyson

**(Substitutes:**

Councillor Ruth Brown  
Councillor Bill Davidson  
Councillor Morgan Derbyshire  
Councillor Ian Mantle  
Councillor Gerald Morris  
Councillor Sam North  
Councillor Kay Tart

**FINANCE, AUDIT & RISK COMMITTEE**

(7 Members)

Councillor Kate Aspinwall  
Councillor Steve Deakin-Davies  
Councillor Morgan Derbyshire  
Councillor Steve Jarvis  
Councillor Sam North  
Councillor Kay Tart  
Councillor Michael Weeks

**(Substitutes:**

Councillor Sam Collins  
Councillor George Davies  
Councillor Ian Moody  
Councillor Adem Ruggiero-Cakir

**COUNCIL TAX SETTING COMMITTEE**

(5 Members)

Councillor Ian Albert  
Councillor David Levett  
Councillor Sam North  
Councillor Martin Stears-Handscomb  
Councillor Claire Strong

(Substitutes:

Councillor Sam Collins  
Councillor Simon Harwood  
Councillor Kay Tart

**EMPLOYMENT COMMITTEE**

(5 Members)

Councillor Judi Billing MBE  
Councillor Keith Hoskins MBE  
Councillor David Levett  
Councillor Val Shanley  
Councillor Martin Stears-Handscomb

(Substitutes:

Councillor Kate Aspinwall  
Councillor Paul Clark  
Councillor Ian Moody

**EMPLOYMENT APPEALS COMMITTEE**

(5 Members - none of whom are Members of the Employment Committee and at least one of whom must be an Executive Member)  
(Chairman to be elected at each meeting)

Councillor Kate Aspinwall  
Councillor David Barnard  
Councillor Paul Clark  
Councillor Sue Ngwala  
Councillor Michael Weeks

(Substitutes:

Councillor Val Bryant  
Councillor Steve Jarvis  
Councillor Mike Rice

## **JOINT STAFF CONSULTATIVE COMMITTEE**

(5 Members)

Councillor Kate Aspinwall  
Councillor Terry Hone  
Councillor Keith Hoskins MBE  
Councillor Claire Strong  
Councillor Kay Tart

(Substitutes:

Councillor Paul Clark  
Councillor Tony Hunter  
Councillor Martin Stears-Handscomb

## **CABINET SUB-COMMITTEE (COUNCIL CHARITIES)**

(3 Cabinet Members)

Councillor Judi Billing MBE  
Councillor Elizabeth Dennis-Harburg  
Councillor Steve Jarvis

## **CABINET SUB-COMMITTEE (LOCAL AUTHORITY TRADING COMPANIES' SHAREHOLDER)**

(3 Cabinet Members)

Councillor Ian Albert  
Councillor Paul Clark  
Councillor Keith Hoskins MBE

## **PLANNING CONTROL COMMITTEE**

(15 Members)

Councillor Daniel Allen  
Councillor Ruth Brown  
Councillor Val Bryant  
Councillor Morgan Derbyshire  
Councillor Mike Hughson  
Councillor Tony Hunter  
Councillor David Levett  
Councillor Ian Mantle  
Councillor Ian Moody  
Councillor Sue Ngwala  
Councillor Sean Prendergast  
Councillor Mike Rice  
Councillor Val Shanley  
Councillor Terry Tyler  
Councillor Michael Weeks

**(Substitutes:**

Councillor David Barnard  
Councillor Sam Collins  
Councillor George Davies  
Councillor Gary Grindal  
Councillor Michael Muir  
Councillor Adem Ruggiero-Cakir  
Councillor Carol Stanier

**LICENSING AND APPEALS COMMITTEE**

(Pool consisting of 10 to 15 Members)  
(Usually 14 Members appointed) - **NO Substitutes**

Councillor Ian Albert  
Councillor Daniel Allen  
Councillor David Barnard  
Councillor Elizabeth Dennis-Harburg  
Councillor Gary Grindal  
Councillor Jim McNally  
Councillor Gerald Morris  
Councillor Lisa Nash  
Councillor Sam North  
Councillor Mike Rice  
Councillor Adem Ruggiero-Cakir  
Councillor Richard Thake  
Councillor Tom Tyson  
Councillor Michael Weeks

**BALDOCK & DISTRICT COMMITTEE**

(Baldock, Arbury & Weston & Sandon Wards - Parishes of Ashwell, Bygrave, Caldecote, Clothall, Hinxworth, Newnham, Radwell, Rushden, Sandon, Wallington & Weston)

(6 Members)

Councillor Steve Jarvis  
Councillor Jim McNally  
Councillor Michael Muir  
Councillor Valentine Shanley  
Councillor Tom Tyson  
Councillor Michael Weeks

**HITCHIN COMMITTEE**

(Hitchin and St. Ippolyts (North) Parish ward)

(13 Members)

Councillor Ian Albert  
Councillor Clare Billing  
Councillor Judi Billing MBE  
Councillor Val Bryant  
Councillor Paul Clark  
Councillor Sam Collins  
Councillor Elizabeth Dennis-Harburg  
Councillor Simon Harwood

Councillor Keith Hoskins MBE  
Councillor Mike Hughson  
Councillor Martin Stears-Handscomb  
Councillor Kay Tart  
Councillor Richard Thake

### **LETCHWORTH COMMITTEE**

(Letchworth only)

(13 Members)

Councillor Daniel Allen  
Councillor Kate Aspinwall  
Councillor Morgan Derbyshire  
Councillor Gary Grindal  
Councillor Terry Hone  
Councillor David Levett  
Councillor Ian Mantle  
Councillor Sean Prendergast  
Councillor Sue Ngwala  
Councillor Helen Oliver  
Councillor Mike Rice  
Councillor Adem Ruggiero-Cakir  
Councillor Deepak Sangha

### **ROYSTON & DISTRICT COMMITTEE**

(Royston & Ermine Ward - Parishes of Barkway, Barley, Kelshall, Nuthampstead, Reed & Therfield)

(7 Members)

Councillor Ruth Brown  
Councillor Bill Davidson  
Councillor Jean Green  
Councillor Tony Hunter  
Councillor Ben Lewis  
Councillor Gerald Morris  
Councillor Carol Stanier

### **SOUTHERN RURAL COMMITTEE**

(Parishes of Codicote, Gosmore, Graveley, Great Ashby, Hexton, Holwell, Ickleford, Kimpton, Kings Walden, Knebworth, Langley, Lilley, Offley, Pirton, Preston, St. Ippolyts (South), St. Paul's Walden & Wymondley)

(10 Members)

Councillor David Barnard  
Councillor John Bishop  
Councillor George Davies  
Councillor Steve Deakin-Davies  
Councillor Faye S Frost  
Councillor Ian Moody  
Councillor Lisa Nash  
Councillor Sam North  
Councillor Claire Strong  
Councillor Terry Tyler

## **STANDARDS COMMITTEE**

(12 District Council Members  
Independent Person and Reserve Independent Person (advisory roles);  
2 Parish Council Members – non-voting co-optees)

(12 District Councillors)

Councillor Kate Aspinwall  
Councillor Clare Billing  
Councillor Judi Billing MBE  
Councillor Ruth Brown  
Councillor Sam Collins  
Councillor David Levett  
Councillor Gerald Morris  
Councillor Sean Prendergast  
Councillor Mike Rice  
Councillor Martin Stears-Handscorn  
Councillor Claire Strong  
Councillor Richard Thake

### **(Substitutes:**

Councillor Ian Albert  
Councillor Paul Clark  
Councillor George Davies  
Councillor Simon Harwood  
Councillor Lisa Nash  
Councillor Deepak Sangha

Independent Person: Mr Nicholas Moss OBE (advisory)  
Reserve Independent Person: Mr Peter Chapman (advisory)  
Parish Councillors Helena Gregory and Gary Hills – non-voting co-optees)

## **HITCHIN TOWN CENTRE WORKING PARTY**

(7 Members)

Nominations to be advised

## **COMMUNITY FACILITIES CAPITAL GRANTS PANEL**

(10 Members)

Nominations to be advised

## **CCTV PARTNERSHIP JOINT EXECUTIVE**

Councillor Ian Albert  
Councillor Paul Clark  
Councillor Martin Stears-Handscorn

## **JOINT MEMBER PANEL – LETCHWORTH GARDEN CITY HERITAGE FOUNDATION**

(All Members of the Letchworth Committee)



## APPENDIX C

### APPOINTMENT OF CHAIRMEN AND VICE-CHAIRMEN OF COMMITTEES 2019/20

COMMITTEE	PROPOSED CHAIRMAN	PROPOSED VICE-CHAIRMAN
Overview & Scrutiny Committee	Councillor David Levett	Councillor Kate Aspinwall
Finance, Audit & Risk Committee	Councillor Kate Aspinwall	Councillor Sam North
Licensing & Appeals Committee	Councillor Lisa Nash	Councillor Daniel Allen
Joint Staff Consultative Committee	Councillor Kay Tart	N/A
Planning Control Committee	Councillor Terry Tyler	Councillor Daniel Allen
Council Tax Setting Committee	Councillor Ian Albert	N/A
Standards Committee	Councillor Judi Billing	Councillor Ruth Brown
Employment Committee	Councillor Martin Stears-Handscomb	N/A
Employment Appeals Committee	Councillor Sue Ngwala	N/A

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## **Referrals From Other Committees**

- 6a MODERN DAY SLAVERY TRANSPARENCY STATEMENT & CHARTER AGAINST MODERN SLAVERY**
- 6b CO-OPERATIVE COUNCILS INNOVATION NETWORK**
- 6c FINANCE, AUDIT & RISK COMMITTEE ANNUAL REPORT**
- 6d REVENUE BUDGET OUTTURN 2018/19**
- 6e ANNUAL TREASURY MANAGEMENT REVIEW 2018/19.**

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**COUNCIL  
11 JULY 2019**

**\*PART 1 – PUBLIC DOCUMENT**

**ITEM 6a**

**TITLE OF REPORT: ITEM REFERRED FROM CABINET: 27 JUNE 2019 – MODERN DAY SLAVERY TRANSPARENCY STATEMENT & CHARTER AGAINST MODERN SLAVERY**

**This referral will be published on 5 July 2019**

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**REPORT CONSIDERED BY CABINET AT THE MEETING HELD ON 26 JUNE 2019**

**TITLE OF REPORT: MODERN DAY SLAVERY TRANSPARENCY STATEMENT & CHARTER AGAINST MODERN SLAVERY**

REPORT OF THE SERVICE DIRECTOR: LEGAL AND COMMUNITY & MONITORING OFFICER

EXECUTIVE MEMBER: COMMUNITY ENGAGEMENT

COUNCIL PRIORITY: RESPONSIVE AND EFFICIENT

**1. EXECUTIVE SUMMARY**

- 1.1 This reports requests that the Cabinet consider the Modern Slavery Transparency in Supply Chain Statement ('Transparency Statement'), consider actions to date and a referral to Council to adopt the Charter Against Modern Slavery (the 'Charter').

**2. RECOMMENDATIONS**

That Cabinet:

- 2.1. approves the Transparency Statement 2019-2020 (Appendix A).  
2.2. notes the actions to date, as per the Action Plan (Appendix B).  
2.3. considers, and then if deems appropriate,

*Recommends to Full Council:  
That, the Council agrees to adopt the Charter Appendix C).*

**3. REASONS FOR RECOMMENDATIONS**

- 3.1 To consider the Transparency Statement and related matters.

**4. ALTERNATIVE OPTIONS CONSIDERED**

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

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

- 5.1. The Executive Member for Community Engagement and the Leader has requested that the issue of the Charter be considered by Cabinet and potentially by Full Council. No formal consultation has taken place with External organisations.

## **6. FORWARD PLAN**

- 6.1 The Transparency Statement was first identified on the Forward Plan on 29 May. Full Council would consider any adoption of the Charter and that issue is therefore not being taken as an Executive decision that would be identified on the Forward Plan.

## **7. BACKGROUND**

- 7.1. On 10 April 2018, a Motion was submitted to Full Council to adopt the Charter [[Click here to view Council page 10.4.18](#)].

- 7.2. An agreed amended Motion was subsequently carried:

*“That, in view of evidence that modern slavery is hidden even in affluent areas like North Hertfordshire, this Council notes the legal duties imposed upon it in the Modern Slavery Act 2015, notes the training delivered by Hertfordshire Constabulary to the Council’s safeguarding group and agrees that the Council must seek to raise awareness of the signs of modern slavery and human trafficking in all its work and within the District. To achieve this the Council agrees to support the principles of the Modern Slavery Charter.”*

- 7.3. Subsequently a Modern Day Slavery & Human Trafficking Action Plan was considered by the Senior Management Team in August and October 2018, the Executive Member kept informed and actions taken accordingly. This was reported through to Overview and Scrutiny Committee in December 2018<sup>1</sup>. The updated Action Plan is appended at B with the actions and status.

## **8. RELEVANT CONSIDERATIONS**

### **Transparency Statement**

- 8.1 In terms of the Transparency Statement, the Modern Slavery Act places a requirement for certain commercial businesses to produce a Transparency Statement. Whilst these do not apply to Councils, it has been prepared on a voluntary basis as recommended by the Local Government Association<sup>2</sup>.

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<sup>1</sup> [[view report here](#)]

<sup>2</sup> <https://www.local.gov.uk/topics/community-safety/modern-slavery/transparency-statements>



- 8.2 The Transparency Statement at Appendix A is based on a similar LGA model. It had been anticipated that this would be first considered by the Council's Contract Procurement Group and then the Corporate Safeguarding Group prior to discussions with the Executive Member and approval by Cabinet at the end of July. Whilst the former consideration has taken place, the Corporate Safeguarding Group is due to meet on Friday 14 June (the day after reports are uploaded for the Special Cabinet meeting). Any further comments on the Transparency Statement may be uploaded and presented in any event at the Special Cabinet meeting - as it was felt prudent to bring both this and Charter considerations to a Cabinet meeting together.
- 8.3 If approved, the Transparency Statement will be placed on the Council's website, and actions/ outcomes reported where possible in the Annual Safeguarding report to the Overview and Scrutiny Committee.

#### **Action plan**

- 8.4 The Council's Action Plan appended at B and is a framework for demonstrating compliance with the statutory duties under the Act. Members will note that it does not include any steps regarding the Transparency Statement, or the Charter.

#### **Charter Against Modern Slavery**

- 8.5 Many Councils have signed up to the Charter and the commitment would be, as per Appendix C, to sign up to:
1. *Train its corporate procurement team to understand modern slavery through the Chartered Institute of Procurement and Supply's (CIPS) online course on Ethical Procurement and Supply.*
  2. *Require its contractors to comply fully with the Modern Slavery Act 2015, wherever it applies, with contract termination as a potential sanction for non-compliance.*
  3. *Challenge any abnormally low-cost tenders to ensure they do not rely upon the potential contractor practising modern slavery.*
  4. *Highlight to its suppliers that contracted workers are free to join a trade union and are not to be treated unfairly for belonging to one.*
  5. *Publicise its whistle-blowing system for staff to blow the whistle on any suspected examples of modern slavery.*
  6. *Require its tendered contractors to adopt a whistle-blowing policy which enables their staff to blow the whistle on any suspected examples of modern slavery.*
  7. *Review its contractual spending regularly to identify any potential issues with modern slavery.*
  8. *Highlight for its suppliers any risks identified concerning modern slavery and refer them to the relevant agencies to be addressed.*
  9. *Refer for investigation via the National Crime Agency's national referral mechanism any of its contractors identified as a cause for concern regarding modern slavery.*

*10. Report publicly on the implementation of this policy annually.”*

8.6 As most of the requirements are procurement based, it was anticipated that the Contract Procurement Group would review and confirm any relevant issues for Cabinet’s consideration. The Contract Procurement Group is next due to meet on 13 June (the day of reports being uploaded), and any additional comments shall be uploaded or reported after that. In the meantime the following is relevant:

1, 3, 7 -10 are largely feasible. More particularly:

2. It would be possible to include a standard clause within our contracts; however, we do not always contract on the Local Authority’s standard terms – it may be contractor’s pro-forma. Sometimes the contractor’s accept amendments and others not.

In the event of refusal then this would delay procurement, or possibly mean that there was no suitable alternative (although it is difficult to quantify the extent that this will be an issue).

3. That we do challenge abnormally low tenders and would raise enquiries if staffing costs appear low. This helps to ensure the sustainability of the contractor, as well indicating modern slavery risks.

4. Contract managers may raise this at a contract meeting; however with small suppliers (particularly suppliers of commodity items like stationery) there may not be a contract meeting so it is unclear how the Council could achieve this in practice for all contractors.

5. The Council has a Whistleblowing Policy in the internet and guidance for managers is available on the intranet. All employees, agency staff and Members are encouraged to use this. It is due to be reviewed this civic year 2019/20.

6. The Council may not be able to achieve this in every case, particularly when contracting on suppliers’ standard terms and conditions and when using frameworks.

8.7 The Charter is stated as going beyond the legal requirements set out in the Modern Slavery Act. Some of the requirements will need larger service manager engagement, and for this reason it is anticipated that some form of annual SMT review report would be required, prior to reporting this issue through in the Annual Safeguarding Report to Overview & Scrutiny.

8.8 If Cabinet decides to refer the Charter for adoption to Full Council, then it should be aware that there would appear to be no formal requirement post Council resolution, other than signing off the document, which is understood to be largely ceremonial.

**General:**

8.9 For information purposes, Members should be aware that the Council also works with other bodies in this key area, including the Police and the Hertfordshire Modern Slavery Partnership. The Council’s External Enforcement Agents have also undertaken the Council’s Safeguarding and Modern Day Slavery Courses.

## 9. LEGAL IMPLICATIONS

- 9.1. The Modern Slavery Act 2015 places certain legal duties upon public and private organisations. With specific reference to this report, section 54 includes a requirement: *“A commercial organisation within subsection (2) must prepare a slavery and human trafficking statement for each financial year of the organisation.*  
*(2) A commercial organisation is within this subsection if it—*  
*(a) supplies goods or services, and*  
*(b) has a total turnover of not less than an amount prescribed by regulations made by the Secretary of State.*  
*(3) For the purposes of subsection (2)(b), an organisation's total turnover is to be determined in accordance with regulations made by the Secretary of State.”*

- 9.2 The Act prescribes that ‘commercial organisations’ that supply goods and services with a turnover of at least £36m must adopt a Transparency Statement. This does not apply to local authorities as per the definitions in the legislation, as:

9.2.1 They are not ‘commercial organisations’, particularly in relation to the supply of goods and services;

9.2.2 They do not have a turnover, and the £36m is linked to definitions within the Companies Act, which does not apply to Local Authorities;

9.2.3 Whilst the Council has gross expenditure for 2018/19 of £66m (which must be matched by income and therefore could be defined as turnover), this is skewed by Housing Benefit payments which the Council administers on behalf of Central Government. Excluding Housing Benefit, would take any measure of “turnover” below the £36m limit.

However adoption of a Transparency Statement is recommended *as good practice* by the Local Government Association.

- 9.3 The Cabinet’s terms of reference include: 5.6.28 *“To make decisions where a policy or strategy does not exist”*. In terms of the Charter, the recommendation to Council would in effect be for the Council, under its terms of reference 4.4.1(t),[to] *“arranging for the discharge of any other functions of the Authority which are not executive functions.”*
- 9.4 Note that signing the Charter would largely be a ceremonial matter; however, if a formally signed document is required by the Co-operative Party, this would have to comply with the Council’s Constitutional arrangements (namely signed by an authorised officer).

## 10. FINANCIAL IMPLICATIONS

- 10.1 There are not expected to be any direct revenue or capital implications arising from this report, other than the training costs for the certificate (valid for 12 months) in Ethical Procurement and Supply – which at the 2018 level was £38 plus VAT per person.

## 11. RISK IMPLICATIONS

- 11.1 The actions in this report should help to reduce the Council’s risks in relation to Modern Slavery. As highlighted in paragraph 8.5 there is a risk that if the terms of the Charter were applied too rigidly, it could limit the Council’s ability to enter in to some necessary contracts, even though there was no actual indication of Modern Slavery concerns.

## **12. EQUALITIES IMPLICATIONS**

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 The introduction of the Transparency Statement, supported by relevant and development opportunities outlined, is a positive step to raise awareness amongst any employee or worker delivering services on behalf of the Council. The introduction of the statement supports the Council's commitment to eradicate slavery in any form.

## **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. Safeguarding and operational support (identifying and referring victims, disrupting activities and supporting police and partner operations specifically tackling modern slavery) for modern slavery matters is ordinarily covered by the Community Protection team (within the Legal and Community Directorate since June 2018) and the Corporate Safeguarding Group. Procurement work and related actions are covered by the Legal Services team, also within that Directorate. It is not envisaged that the actions arising from the report would necessarily increase workload. Modern Slavery is reported to Overview and Scrutiny annually, as part of the Annual Safeguarding Report. If the Charter is adopted, then this practice would continue, albeit that procurement and service managers would have to report any issues through to be incorporated into this report.
- 14.2. As Cabinet will note from the Action Plan, training has been provided in various forms. Further training and costs associated with the Charter will apply.

## **15. APPENDICES**

- 15.1 Appendix A – Transparency Statement on Modern Slavery
- 15.2 Appendix B – Modern Slavery & Human Trafficking Action Plan 2018-2021 (rev.6.19)
- 15.3 Appendix C - Co-operative party Charter Against Modern Slavery extract page 2 Charter from Modern Slavery briefing

## **16. CONTACT OFFICERS**

- 16.1. Jeanette Thompson; Service Director: Legal & Community; Monitoring Officer  
[jeanette.thompson@north-herts.gov.uk](mailto:jeanette.thompson@north-herts.gov.uk); ext 4370
- 16.2 Rebecca Coates; Community Protection Manager  
[Rebecca.coates@north-herts.gov.uk](mailto:Rebecca.coates@north-herts.gov.uk); ext 4504
- 16.3 Helen Rae; Health and Well-being Team Leader  
[Helen.rae@north-herts.gov.uk](mailto:Helen.rae@north-herts.gov.uk); ext. 4333

- 16.4 Reuben Ayavoo; Policy and Community Engagement Manager  
[reuben.ayavoo@north-herts.gov.uk](mailto:reuben.ayavoo@north-herts.gov.uk); ext 4212
- 16.5 Ian Couper; Service Director: Resources and s151 Officer  
[ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk); ext 4243
- 16.6 Rebecca Webb HR Operations Manager  
[Rebecca.webb@north-herts.gov.uk](mailto:Rebecca.webb@north-herts.gov.uk); ext 4481

## 17. BACKGROUND PAPERS

- 17.1. Council Motion and Full Council minutes of 10 April 2018 <https://democracy.north-herts.gov.uk/ieListDocuments.aspx?CId=136&MId=155&Ver=4>
- 17.2. Annual Review of Safeguarding Children and Adults at Risk Overview and Scrutiny meeting 11 December 2018 <http://democracy.north-herts.gov.uk/ieListDocuments.aspx?CId=134&MId=2035&Ver=4>
- General – Modern Slavery:
- 17.3. Modern Slavery Act, 2015 Legislation:  
<http://www.legislation.gov.uk/ukpga/2015/30/contents/enacted>
- 17.4. Government website <https://www.gov.uk/government/collections/modern-slavery>
- 17.5. Local Government Association website (link to LGA Modern Slavery publication)  
<https://www.local.gov.uk/topics/community-safety/modern-slavery>
- 17.6. Hertfordshire Constabulary website <https://www.herts.police.uk/Information-and-services/Advice/Modern-slavery/Modern-slavery>
- 17.7. Police and Crime Commissioner for Hertfordshire website  
<http://www.hertscommissioner.org/modern-slavery>
- 17.8. Shiva Foundation website  
<http://www.shivafoundation.org.uk/>
- 17.9. The Co-Operative Party website <https://party.coop/local/councillors/modern-slavery-charter/>

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## **Modern Slavery Transparency Statement 2019-2020**

### **1. Introduction**

The Council has a key role to play in tackling modern slavery, including identifying and supporting victims and working in partnership locally. The Council's role can be separated into four distinct areas:

1. identification and referral of victims;
2. supporting victims by safeguarding children and adults with care and support needs and providing housing/homelessness services;
3. community safety and disruption activities; and
4. ensuring the supply chains that the Council procures from are free from modern slavery.

Modern slavery intersects with many different areas that the Council is involved with and a number of different officers might come across it while going about their everyday activities. Key examples where officers might come across victims include housing and homelessness services, community protection work, licensing and customer services.

The procurement of services is an important part of the Council's expenditure. Understanding our supply chains and assessing the risk to those working in it requires commitment, support and collaboration. The Council is uniquely placed to be at the forefront of the fight against modern slavery hence the Council has voluntarily compiled this modern slavery Transparency Statement.

This statement sets out North Hertfordshire District Council's actions to understand the potential modern slavery risks related to its activities and to put steps in place to attempt to eliminate acts of modern slavery and human trafficking within its supply chain.

### **2. NHDC's organisational structure & supply chains**

North Hertfordshire District Council is a local authority in the north-eastern part of Hertfordshire, in the East of England region. The activities the Council undertakes are wide ranging in order to fulfil its duties to its residents. Its highest spend contracts are for the Household Waste Services and Grounds Maintenance.

The supply chains for the Council's activities are considered as only operating within the United Kingdom and the risk of slavery and human trafficking is therefore considered low. While the risk of slavery and human trafficking is considered low, the Council remains vigilant and will take all steps available to manage the risks presented.



Going forward, over the next 12 months, the Council will undertake a supply chain mapping exercise that increases its knowledge and awareness of its supply base. It is important that the limited resource available for doing this is focussed on the areas that pose the greatest risk and the mapping exercise will therefore consist of the following steps:

- 1) List suppliers by total spend
- 2) Categorise into spend areas by goods and/or services
- 3) Determine the modern slavery risk rating of Low; Medium or High from: <sup>Appendix A</sup>
  - a. Location of production or service: does the country/area have a high prevalence of modern slavery or other labour rights violations?
  - b. Industry sector: does that industry or sector have a high prevalence of modern slavery or other labour rights violations?
  - c. Value and length of contract: the higher the value or longer the contract will give a higher risk.

### **3. Responsibility: who has responsibility for anti-slavery initiatives?**

The Council believes that safeguarding is the responsibility of all employees, Members, volunteers and organisations delivering services on our behalf. Everybody has a duty to safeguard children and adults in our local communities.

Our Named Safeguarding Officer is our Service Director: Legal and Community. Designated Safeguarding Officers throughout the organisation support colleagues to respond and refer any concerns and a Corporate Safeguarding Group monitors current practice in relation to safeguarding and identifies key areas for development.

Responsibility for safeguarding sits with the Executive Member for Community Engagement. An annual report is also made to the Overview and Scrutiny Committee.

Each Service area is responsible for reviewing spend on their supplier contracts as part of their ongoing commissioning and budget setting process. As part of this process, whenever spend is reviewed, it is considered best practice to include consideration of modern slavery. Going forward the Council's Contract Procurement Group will produce a check list of the modern slavery identifiers within the supply chain and disseminate this within their service areas for increasing awareness of identifying and preventing modern slavery from within its supply chain.





#### **4. Link to relevant policies**

The Council's commitment to safeguarding children and adults at risk is outlined in our policies for safeguarding children and adults at risk that can be found on our website:

<https://www.north-herts.gov.uk/home/community/health-and-social-care/protecting-children-young-people-and-adults-risk>

#### **5. What due diligence of suppliers is carried out ?**

For the appointment of new suppliers, the Council has the Government Standard Supplier Selection Questionnaire, which is used in all appropriate procurements and requests confirmation that suppliers meet Modern Slavery Act 2015 requirements.

Any bidder who fails to evidence their compliance with the required legislation shall be excluded from participating further in the tender process. Incorporated within the Council's standard contract terms are clauses that specify the supplier's contractual obligation concerning Modern Slavery.

Currently there are no processes in place at the Council for reviewing existing supplier's compliance with the Modern Slavery Act 2015 requirements. The supply chain mapping exercise referred to in point 2 of this statement will however provide a useful knowledge base from which to identify the contracts at greatest risk from modern slavery and whose contract managers will be requested to carry out checks for the supplier's compliance to the Modern Slavery Act requirements. Any supplier's found not meeting the required standard will be asked to take action to improve; where this is not forthcoming the contract relationship will be terminated at the next opportunity, taking into account the contract terms and conditions. This exercise is planned to take place over the next 12 months.

#### **6. Key performance indicators**

The following KPIs will be monitored during 2019:

- The number of new contract awards and whether the Modern Slavery Act 2015 applied to the awarded organisation.
- Numbers of staff that have completed modern slavery training, identified as mandatory for all staff.

#### **7. How we train NHDC staff on anti-slavery measures**

In 2018/19, training on modern day slavery was identified as mandatory for all staff and briefings and e-learning was rolled out throughout the organisation. Going forward, all staff are required to undertake safeguarding training at a level relevant to their role. Basic, level one or level two training is refreshed every two or three years. This training now includes modern slavery and human trafficking. Compliance with these training requirements is monitored by the Senior Management Team and audited by the Hertfordshire Safeguarding Children Partnership and Hertfordshire Safeguarding Adults Board.



The Procurement Officer and Legal Commercial Team Manager have both attended the Hertfordshire Modern Slavery Procurement Workshop in September 2018.

Over the next 12 months the Procurement Officer will undertake the CIPS Ethical Procurement and Supply e-learning to achieve the recommended CIPS accreditation in this area.

June 2019

## North Herts District Council Modern Slavery & Human Trafficking Action Plan (2018-2021) App B

ACTION & EXPECTED OUTCOME	TIME FRAME/ STATUS	LEAD
<b>MONITORING AND REPORTING</b>		
<i>To have an effective corporate monitoring and reporting process</i>		
Corporate Safeguarding Group (CSG) to oversee and monitor compliance with modern day slavery and human trafficking duties (MDS) requirements and report / make recommendations to Community Protection Manager/ Service Director: Legal & Community on proposed changes.  To include within Annual Safeguarding report to Overview & Scrutiny Committee.	This work will always be ongoing.	Corporate Safeguarding Group/ Community Protection Manager/ Community Health and Wellbeing Team Leader /Service Director: Legal & Community
<b>POLICY AND PROCESS</b>		
<i>To ensure that legal duties are met and where relevant reflected/ embedded in other corporate policies/ procedures and guidance. Support of victims.</i>		
Incorporate modern slavery requirements in Safeguarding Policy.	Safeguarding Policy includes modern slavery as a category of abuse.  Modern Slavery referral process is published on intranet.	Community Protection Manager/ Community Health and Wellbeing Team Leader / Policy & Community Engagement Manager
<ul style="list-style-type: none"> <li>Development of MDS guidance notes.</li> <li>Development of MDS procedure notes for reporting and referral process.</li> <li>Centralised log of all NRM or MS1 referrals established.</li> <li>Monitoring of NRM / MS1 forms.</li> <li>Inclusion in annual Safeguarding report/ and any audits.</li> <li>Amend Safeguarding intranet page to include MDS.</li> </ul>	Modern Slavery page on intranet contains all requirements.	Community Health and Wellbeing Team Leader / Safeguarding Support Officer
Update procurement and contract procedure rules to ensure, where possible, MDS applicable and compliant (to obtain assurance for MDA compliance for relevant contracts).	Suppliers are required to declare their compliance with modern slavery requirements during tender process.	Contract Procurement Group/ Legal Commercial Team Manager/ Procurement Officer
The Housing Options and Housing Advice Teams provide potential victims of MDS with advice on their housing options (including homelessness services) and signpost to other specialist support agencies as appropriate.  The Housing Options and Housing Advice Teams support the police and partners in Operation Tropic activities through the provision of an on-site housing options	This work will always be ongoing for the team.	Strategic Housing Manager

## North Herts District Council Modern Slavery & Human Trafficking Action Plan (2018-2021) App B

service (including homelessness advice), as required.		
<b>COMMUNICATION AND TRAINING</b> <i>To ensure that employee and Members are aware</i>		
<ul style="list-style-type: none"> <li>• Senior Management Training;</li> <li>• Senior Management Team endorsement of Action Plan</li> <li>• Member awareness through MIS and invites to training sessions;</li> <li>• Staff Briefing and Anti-Slavery awareness day (18 October 2018)</li>   <li>• Support of annual Anti-Slavery 18 October:                             <ul style="list-style-type: none"> <li>– internal: information on intranet, Insight/ again raising awareness and highlighting forthcoming briefing training sessions</li> <li>– external: Communications raising using social media to raise public awareness</li> </ul> </li> <li>• Senior Management Group external trainer;</li> <li>• Regular awareness sessions for the Corporate Safeguarding Group (CSG).</li> <li>• Embed (where possible) in compulsory staff training modules/ delivery. Staff training – series of 1 hour briefing sessions with external trainer (e.g. police) for those staff identified to be arranged for end of October and end of November (new staff to do e-learning, and to be monitored by CSG).</li> </ul>	August 2018 2 October 2018 12 October 2018 17 October 2018 (& repeat 18 October annually)  24 October 2018  CSG meets twice a year.  All staff briefed during 2018. Modern Slavery being integrated into safeguarding e-learning training for all new starters.	Community Protection Manager/ Safeguarding Support Officer  Communications team   Safeguarding Support Officer/ Learning & Employee Engagement Manager
<b>PARTNERS</b> <i>To ensure links between partner organisations</i>		
To work with Hertfordshire Modern Slavery Partnership	Ongoing	Community Protection Manager/ Chief Executive
To work with the North Herts Community Safety Partnership.		

## Charter Against Modern Slavery

### **[Your Council Name] will:**

1. Train its corporate procurement team to understand modern slavery through the Chartered Institute of Procurement and Supply's (CIPS) online course on Ethical Procurement and Supply.
2. Require its contractors to comply fully with the Modern Slavery Act 2015, wherever it applies, with contract termination as a potential sanction for non-compliance.
3. Challenge any abnormally low-cost tenders to ensure they do not rely upon the potential contractor practising modern slavery.
4. Highlight to its suppliers that contracted workers are free to join a trade union and are not to be treated unfairly for belonging to one.
5. Publicise its whistle-blowing system for staff to blow the whistle on any suspected examples of modern slavery.
6. Require its tendered contractors to adopt a whistle-blowing policy which enables their staff to blow the whistle on any suspected examples of modern slavery.
7. Review its contractual spending regularly to identify any potential issues with modern slavery.
8. Highlight for its suppliers any risks identified concerning modern slavery and refer them to the relevant agencies to be addressed.
9. Refer for investigation via the National Crime Agency's national referral mechanism any of its contractors identified as a cause for concern regarding modern slavery.
10. Report publicly on the implementation of this policy annually.

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**COUNCIL  
11 JULY 2019**

**\*PART 1 – PUBLIC DOCUMENT**

**ITEM 6b**

**TITLE OF REPORT: ITEM REFERRED FROM CABINET: 27 JUNE 2019 – CO-OPERATIVE COUNCILS INNOVATION NETWORK**

**This referral will be published on 5 July 2019.**

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## **REPORT CONSIDERED BY CABINET AT THE MEETING HELD ON 27 JUNE 2019**

### **TITLE OF REPORT: CO-OPERATIVE COUNCILS INNOVATION NETWORK**

REPORT OF THE POLICY AND COMMUNITY ENGAGEMENT MANAGER

EXECUTIVE MEMBER: LEADER OF COUNCIL

COUNCIL PRIORITY: RESPONSIVE AND EFFICIENT

#### **EXECUTIVE SUMMARY**

1.1 The report sets out the corporate commitment of the Council to:

- i) joining the Co-operative Council Innovation network as a full member
- ii) As a full member North Hertfordshire District Council will be a co-operative council that builds the co-operative values of accountability, fairness and responsibility into everything it does.

#### **2. RECOMMENDATIONS**

2.1 That Cabinet recommend to Full Council that;

- i) North Hertfordshire District Council become a full member of the Co-Operative Innovation Network and adopt the networks co-operative values, and
- ii) to declare North Hertfordshire District Council a Co-operative Council.

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

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

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

4.1 None.

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

5.1 The administration has asked that this proposed corporate commitment is considered by Cabinet. This is with the view that approval of full membership of the Co-operative Innovation network is sought by full Council.

#### **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 It is widely acknowledged that that public sector faces unprecedented financial challenge. Funding to all local authorities has decreased significantly since 2010, and further future reductions in real terms are also possible.
- 7.2 As resources reduce and demand for services increase, there is real concern that a gap of provision will arise. i.e. a gap between the services that communities expect to receive and the services that local authorities will be able to deliver.
- 7.3 Against this financial position many local authorities acknowledge that there needs to be a more co-operative relationship between public services and the community. To this end several local authorities, who are committed to working more cooperatively for the benefit of their local communities, have come together to form the Co-operative Councils Innovation Network.

## **8. RELEVANT CONSIDERATIONS**

- 8.1 As stated at the outset of the report, The Labour and Co-operative group of North Hertfordshire are currently associate members of the Co-Operative Innovation network. With the recent change in administration, the Leader of the Council seeks to make the Council a full member of the Network.
- 8.2 By becoming full members of the network, the Council will be able to access its shared resources, to share learning and develop ideas and processes to support innovative ways to provide services with reducing budgets.
- 8.3 The network also provides a national voice for similar minded local authorities to influence national debate and the formation of national policy regarding public services.

## **9. LEGAL IMPLICATIONS**

- 9.1 The Cabinet's terms of reference include: 5.6.37 To advise the Council in the formulation of those policies within the Council's terms of reference. Council's terms of reference include 4.4.1 (t) arranging for the discharge of any other functions of the Authority which are not executive functions. Such general overarching issues, where not specified in terms of legislation, are better decided by the full membership.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 There would be an annual subscription fee of £4,990 to join the network. In considering the outturn on the revenue budget for 2018/19, That the transfer of £5k from the underspend on the General Fund to create a budget for joining the Co-operative Councils Innovation Network, subject to the approval of this report to Cabinet.

## **11. RISK IMPLICATIONS**

- 11.1 There are no specific risks associated with the recommendation in this report. Being able to access the shared learning resources may help to reduce risks in the future. However it should be noted that the Council already undertakes a lot of idea sharing through existing formal and informal networks.

## **12. EQUALITIES IMPLICATIONS**

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 The stated values of the Co-operative Council Innovation network seeks to benefit all within the community and are therefore underpinned by the aims of the Public Sector Equality Duty. Any service changes resulting from adopting a more co-operative will be subject to an equality impact assessment.

## **13. SOCIAL VALUE IMPLICATIONS**

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

## **14. HUMAN RESOURCE IMPLICATIONS**

- 14.1 The Network has a ‘Policy Officer group’ that shares good practice and supports officers of member councils. This ought to increase the ability of officers to address the issues faced within the communities that they work in.
- 14.2 Service changes and collaborative working may increase or decrease the workload for teams and staffing implications will need to be considered for any future co-operative projects.

## **15. APPENDICES**

- 15.1 Appendix A – Introducing the CCIN

## **16. CONTACT OFFICERS**

- 16.1. Jeanette Thompson; Service Director: Legal & Community; Monitoring Officer  
[jeanette.thompson@north-herts.gov.uk](mailto:jeanette.thompson@north-herts.gov.uk); ext 4370
- 16.2 Reuben Ayavoo; Policy and Community Engagement Manager  
[reuben.ayavoo@north-herts.gov.uk](mailto:reuben.ayavoo@north-herts.gov.uk); ext 4212
- 16.3 Ian Couper; Service Director: Resources and s151 Officer  
[ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk); ext 4243
- 16.4 Human resources: [Help@north-herts.gov.uk](mailto:Help@north-herts.gov.uk)

## **17. BACKGROUND PAPERS**

- 17.1 None.

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## A network of UK local authorities who are driving global municipal co-operative policy

### Introduction

It is one of the most challenging periods in local government history. Public Sector funding continues to decline, and councils are having to look for innovative ways of providing services with reducing budgets.

The Co-operative Councils' Innovation Network (CCIN) was borne out of this uncertainty – a direct public sector response to delivering services differently, using the co-operative values and principles of self-help, self-responsibility, democracy, equality, equity and solidarity.

### Who are we?

The Co-operative Councils' Innovation Network comprises 27 councils (inc two Town Councils) from across the UK who are committed to finding better ways of working for, and with, local people for the benefit of their local community.

The Network is a non-party-political active hub for co-operative policy development, innovation and advocacy which is:

- **Action-focused:** a vehicle for helping councils translate co-operative policy and principles into practice
- **Membership-based:** funded by modest membership subscriptions from its member councils
- **Open to all UK councils:** members share the belief that working co-operatively with communities holds the key

### Our Members:

Our Member Councils represent 6.2m citizens and hold an annual directly managed budget of £8.2bn.

Bassetlaw District Council  
 Bristol City Council  
 Cardiff Council  
 London Borough of Croydon  
 Glasgow City Council  
 Hull City Council  
 Knowsley Metropolitan Borough Council  
 Lambeth Council  
 Liverpool City Council  
 Milton Keynes Council  
 Newcastle City Council  
 Norwich City Council  
 Oldham Council  
 Plymouth City Council  
 Preston City Council  
 Rochdale Metropolitan Borough Council  
 Royal Borough of Greenwich  
 Salford City Council  
 Sandwell Metropolitan Borough Council  
 Southampton City Council  
 South Tyneside Council  
 Stevenage Borough Council  
 Sunderland City Council  
 Telford and Wrekin Council

### Our Associate

to tackling today's challenges

- **Part of the local government family:** the network is a Special Interest Group registered with the Local Government Association where we work to promote innovation in local government.

## The co-operative approach to public service

Few councils take the brave decision to tackle increasing austerity and challenges on their own front door step by investing to save – investing in communities and the power of people.

Co-operative Councils do just that and demonstrate this in their innovative approaches to service delivery. The co-operative business model allows people and communities to meet their needs and aspirations, offering a unique answer to contemporary problems.

We develop policy informed by real experience and practice, drawing on, influencing and framing national and international policy and political debates about the future of public services, local democracy, and communities across the country. It has huge potential for sharing its approach elsewhere in the UK and overseas. Our work recognises the need to define a new model for local government built on civic leadership, with councils working in equal partnership with local people to shape and strengthen communities; replacing traditional models of top down governance and service delivery with local leadership, genuine co-operation, built on the founding traditions of the co-operative movement: collective action, co-operation, empowerment and enterprise.

## Members:

Edinburgh (Labour & Co-op Group)  
 Gloucester (Labour Group)  
 Greater Manchester Combined Authority  
 Halewood Town Council  
 Hillingdon (Labour & Co-op Group)  
 Newcastle-under-Lyme (Labour & Co-op Group)  
 North Hertfordshire District Council (Labour & Co-op Group)  
 North Warwickshire (Labour Group)  
 Peterborough (Labour Group)  
 Staffordshire (Labour & Co-op Group)  
 Woughton Community Council

## Our Affiliate Members

Branding.coop  
 BWB LLP  
 C.Co  
 Connected Space  
 Co-operative College  
 Co-operatives UK  
 Governance International  
 Locality  
 Oxygen Finance  
 PeopleToo  
 Perform Green  
 Public Service Transformation Academy  
 RedQuadrant  
 Royal Society of Arts  
 SBI/E3M  
 Sporting Assets  
 The Behaviouralist  
 Unlimited Potential

## Context

People are paying more attention to their economic decisions – looking for ethical places to work, sell, and buy goods and services.

The co-operative business model is a proven self-help model. Co-operative enterprises play a major role in driving our economy; showing resilience in tough economic times by creating jobs, adapting to social change and their continuing growth and success. The International Co-operative Alliance tells us that our Network is unique. Only the UK has a network of councils committed to embedding the co-operative Values and Principles into mainstream action for the benefit of local people.

The Network is politically driven with elected councillors chairing and forming the Executive Oversight Committee and Values and Principles Board along with representatives of our Associate and Affiliate Membership. Individuals from the national co-operative sector sit on our Values and Principles Board providing insights and expertise. The Network has a 'Policy Officer Group' who share and support each other.

## Our Supporter Members

Glyn Thomas JP FRSA

## Our work programmes

Members are invited to propose work areas that they want the CCIN to focus on.

CCIN members you can apply for up to £10,000 to deliver a Policy Lab. Policy Labs are projects delivered in partnership with other members. In 2019 we have agreed to fund four Policy Labs:

- Co-operative Approaches to Sustainable Food – lead: Oldham Council
- Co-operatives Unleashed: as seen from the grassroots – lead: Plymouth City Council
- Co-operative Neighbourhoods – lead: Stevenage Borough Council
- Promoting the Cities of Service model of social action to CCIN members – lead: Plymouth City Council

We are also supporting a research piece from one of our Affiliate Members - Peopletoo.

Projects that received funding in earlier years can be viewed here: <http://www.councils.coop/projects/>

## Join us

Join the CCIN to be part of a growing and influential network of councils committed to developing a new relationship with citizens. There is a growing interest, across the political spectrum, in how to share power and responsibility with citizens, support the development of community and civic life and find more cost-effective ways to create successful and resilient communities.

By becoming a member of the Network, you will:

- access the **latest ideas** and thinking about putting Cooperative principles into practice
- position your council as an **innovator**
- help to **influence** policy thinking at national level
- share examples of projects and initiatives and **learn from others** about what works
- co-produce **tools and techniques** to support the development of cooperative approaches
- be invited to **Cooperative Conferences** around the country where you can meet and work with peers
- join an **officer network** who are leading the development of new approaches
- have access to a cadre of ambitious **political leaders** who are trying to bring change to their communities
- access a growing body of **resources** on the new CCIN website
- be part of **regional and national networks** in England, Scotland and Wales
- join the **debate** on our active social media platforms
- access our multi-supplier **Consultancy Framework** of specialist organisations to help you develop policy, implement prototypes and build capacity when you need to move quickly and flexibly
- profile your council's **achievements** nationally

## Types of Membership

### Full Membership

Any Council that can demonstrate its commitment to developing new co-operative approaches to working with their community is welcome to apply as a full member.

### Affiliate Membership

Our Affiliate Membership scheme is open to non-governmental organisations and corporations wishing to show their support and engage in the process of developing innovative Co-operative Councils.

### Associate Membership

Our Associate Membership scheme is open to the following organisations:

- Town and Parish Councils in England, Northern Ireland, Scotland and Wales
- Groups of elected representatives engaged in local councils (Unitary, County, District and Borough) in England, Northern Ireland, Scotland and Wales:
  - Minority administrations of local councils where opposition parties block membership and the administration therefore join as a political group
  - Opposition groups that will seek to become a Full Member if they take control of their local authority
- Other elected authorities:
  - The devolved administrations of the United Kingdom of Great Britain and Northern Ireland
  - Local and regional government within Europe and beyond

Contact: Nicola Huckerby | E: [comms@councils.coop](mailto:comms@councils.coop) | M: 07813 687 292



**COUNCIL  
11 JULY 2019**

**\*PART 1 – PUBLIC DOCUMENT**

**ITEM 6c**

**TITLE OF REPORT: ITEM REFERRED FROM FINANCE, AUDIT AND RISK  
COMMITTEE: 3 JUNE 2019 – FINANCE, AUDIT & RISK COMMITTEE ANNUAL  
REPORT**

**This referral will be published on 5 July 2019.**

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**REPORT CONSIDERED BY FINANCE, AUDIT AND RISK COMMITTEE AT THE MEETING HELD ON 3 JUNE 2019**

North Hertfordshire District Council

# Finance, Audit & Risk Committee Annual Report

2018 to 2019

## **Contents**

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## **Introduction from the Finance Audit & Risk Committee Chairman**

I am pleased to present the Annual Report of the Finance, Audit & Risk (FAR) Committee which describes the Committee's work and achievements over a 12 month period to March 2019.

I hope this Annual Report demonstrates the importance of the role of the Finance Audit & Risk Committee and the contribution it makes to the Council's overall governance. All meetings are open to the public and I would encourage residents to come along and see the Committee in action.

As well as elected members, the Committee is supported by the Service Director: Resources and the Accountancy Manager. Similarly representatives from the Shared Internal Audit Service (SIAS), the Shared Anti-Fraud Service (SAFS) and our External Auditors (Ernst Young) regularly attend the meetings of the Committee.

Due to the changes in Administration as a result of the recent NHDC elections, I will no longer be Chairman nor a member of this Committee, a position that I have held for the past two years. I would like to express my thanks to the Members of the Committee, Ian Couper and his team and all others involved in this very important statutory Committee.

**Councillor Terry Hone**

**May 2019**

## **Role of the Committee**

The purpose of the FAR Committee is to provide independent scrutiny and assurance of finance, audit and internal control matters and to provide effective scrutiny of financial matters. This also encompasses corporate governance and risk management.

The Committee reports to Cabinet. The work of the Committee provides assurance to Cabinet and Council on the annual accounts, risk management, audit and internal control.

The full Terms of Reference for this Committee are provided in the Council's Constitution.

[http://www.north-herts.gov.uk/sites/northherts-cms/files/Constitution%20Section%2010\\_0.pdf](http://www.north-herts.gov.uk/sites/northherts-cms/files/Constitution%20Section%2010_0.pdf)

## **Effectiveness**

The Code of Practice for Internal Audit in Local Government 2006 requires an Audit Committee to review its own remit and effectiveness.

Such a review was carried out by the Client Audit Manager within the Shared Internal Audit Service who has responsibility for the provision of the Internal Audit Service at North Herts District Council. It was reported to the June 2018 meeting of the FAR Committee. This review concluded that the Committee was operating effectively.

A further review will again be carried out and reported to the June 2019 meeting of the Committee.

## **Members of the Committee**

The following Members were appointed to the Committee for 2018/19:

Councillor Terry Hone	Conservative	Chairman
Councillor Simon Harwood	Conservative	Vice-Chairman
Councillor Ian Albert	Labour	
Councillor Kate Aspinwall	Labour	
Councillor Jim McNally	Conservative	
Councillor Ian Moody	Conservative	
Councillor Terry Tyler	Liberal Democrat	

Substitutes:

Councillor Steve Jarvis	Liberal Democrat
Councillor Ben Lewis	Conservative
Councillor Helen Oliver	Labour
Councillor Janine Paterson	Conservative

To support Members appointed to the Committee, assistance was readily available from relevant Officers. An additional development opportunity that some Members took advantage of was a training session on Treasury, Risks and Investments.

## Meetings

A work plan was agreed at the start of the year, which included regular review of the following:

- Reports of the External Auditor (Ernst and Young)
- Internal Audit Reports (Shared Internal Audit Service – SIAS) to enable monitoring of the delivery of the internal audit service
- Anti-fraud reports (Shared Anti-Fraud Service- SAFS) to enable monitoring of the effectiveness of anti-fraud activity
- Risk Management Updates
- Financial monitoring including Treasury Management Activity and Revenue/Capital monitoring

As and when required, the planned Agenda is supplemented by reports where the Committee has requested additional information or assurance.

The Committee met five times in the year and the following reports were presented and discussed:

### 18 June 2018

The Effectiveness of the Finance Audit & Risk Committee  
Annual Assurance Statement and Internal Audit Annual Report 2017-2018  
SIAS update on progress against the 2018-19 audit plan  
Risk Management Update and Annual Report on Risk Management  
FAR Annual Report  
Draft Annual Governance Statement for 2017-18  
Revenue Budget Outturn 2017-2018  
Capital Programme Outturn 2017-18  
Annual Treasury Management Review 2017-18

### 30 July 2018

Audit findings report 2017-18  
Annual Governance Statement for 2017-18  
Statement of Annual Accounts for 2017-2018  
Medium Term Financial Strategy  
First Quarter Revenue Monitoring 2018-19  
First Quarter Capital Monitoring for 2018-19  
First Quarter Treasury Monitoring Report for 2018-19

### 24 September 2018

Annual Audit Letter for the year ended 31 March 2018  
Progress report on the Shared Anti-Fraud Service (SAFS)  
Annual Governance Statement Action Plan 2018/19- Progress Review  
SIAS Annual Report for 2017-18  
SIAS update on progress against the 2018-19 Audit Plan  
Risk Management Update  
Integrated Capital and Treasury Strategy

### 17 December 2018

SAFS Anti-Fraud Progress Report  
SIAS update on progress against the 2018-19 Audit Plan  
Updated Contract Procurement Regulations  
Risk and Opportunities Management Update  
Second Quarter Revenue Budget Monitoring 2018-19  
Second Quarter Capital Monitoring for 2018-19

Second Quarter Treasury management 2015-16  
Corporate Business Planning- Draft Budget 2019-20

### **28 January 2019**

External Audit Plan for the year ending 31<sup>st</sup> March 2019  
Certification of Grants and Claims Annual Report 2017-18  
Revenue Budget 2019-20  
Investment Strategy (Integrated Capital and Treasury)

### **21 March 2019**

SIAS update on progress against the 2018-19 Audit Plan  
Internal Audit Plan for 2019-20  
SAFS Anti-Fraud Plan for 2019-20  
Review of the Annual Governance Statement Action Plan and Local Code of Corporate Governance  
Risk and Opportunities Management Update  
Third Quarter Revenue Budget Monitoring 2018-19  
Third Quarter Capital Monitoring 2018-19  
Treasury Management Third Quarter Report 2018-19

## **Main Achievements**

Taking the year as a whole, the Finance, Audit & Risk Committee has been successful in maintaining a comprehensive overview of internal control and governance. In addition, it played a key role in financial monitoring by reviewing reports and providing comments and recommendations to Cabinet.

The Committee received a report on changes to the Contract Procurement Rules. This allowed the Committee to make a recommendation on a change. With this change it was referred on to Cabinet and Council that the proposals be approved.

The Committee received a report on the proposed format of the new Investment Strategy report, which combines the capital and treasury strategies. This report is a new statutory requirement. This allowed the Committee to provide a view on how user friendly the new format was.

## **Planned work for 2019-20**

The Committee will receive the items that ensure it covers its remit. This will include fulfilling its statutory requirement to approve the Annual Governance Statement and Statement of Annual Accounts. The Committee will also comment on a planned update to the fraud prevention policy.

All Members of the Committee are encouraged to take advantage of the various offers of training and development that have been made by Officers as well as some of the external courses that are available. Attendance at a meeting of the Risk and Opportunities Management Group would also be beneficial. This will enable Members of the Committee to discharge their responsibilities to the best of their ability.



**COUNCIL**  
**11 JULY 2019**

**\*PART 1 – PUBLIC DOCUMENT**

**ITEM 6d**

**TITLE OF REPORT: ITEM REFERRED FROM CABINET: 11 JUNE 2019 – REVENUE BUDGET OUTTURN 2018/19**

**Extract from Minutes of the Cabinet meeting held on 11 June 2019**

**REVENUE BUDGET OUTTURN 2018/19**

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

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

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

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

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

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

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

The existing recommendation 2.5 would be renumbered 2.6.

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

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

**RESOLVED:**

- (1) That the report entitled Revenue Budget Outturn 2018/19 be noted;
- (2) That a decrease of £555k in the 2018/19 net General Fund expenditure, as identified in table 3 and paragraph 8.1, to a total of £14.626million be approved;
- (3) That the adjustments to the 2019/20 General Fund budget, as identified in table 3 and paragraph 8.2, a £467k increase in net expenditure be approved;
- (4) That, as referred to in paragraph 8.3, the transfer of £48k from the underspend on the General Fund to the Strategic Priority fund to enable the Senior Management Team to undertake invest to save and/or continuous improvement Projects be approved;
- (5) That the transfer of £5k from the underspend on the General Fund to create a budget for joining the Co-operative Councils Innovation Network, subject to a future report to Cabinet be approved;

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

**REASON FOR DECISIONS:**

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

## REPORT CONSIDERED BY CABINET AT THE MEETING HELD ON 11 JUNE 2019

### TITLE OF REPORT: REVENUE BUDGET OUTTURN 2018/19

REPORT OF: THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR FINANCE AND IT

COUNCIL PRIORITY: RESPONSIVE AND EFFICIENT

#### 1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to inform Cabinet of the summary position on General Fund income and expenditure as at the end of the financial year 2018/19. The net outturn of £14.626m represents a **£555k decrease** from the working budget of £15.181million. There are corresponding requests to carry forward **£474k** (of underspends) to fund specific projects that will now take place in 2019/20. There is a further forecast impact on the 2019/20 base budget of a **£7k decrease**. Within these summary totals there are several budget areas with more significant variances, which are detailed and explained in table 3. The report also provides an update on;
- the delivery of planned efficiencies (paragraph 8.3)
  - the use of budget approved to be carried forward from 2017/18 (table 4)
  - performance against the four key corporate 'financial health' indicators (paras 8.6-8.10)
  - confirmation of the funding position as the end of 2018/19 (table 6)
  - details of earmarked reserves movements and balances (table 8)

#### 2. RECOMMENDATIONS

- 2.1 That Cabinet notes this report.
- 2.2 That Cabinet approves a decrease of £555k in the 2018/19 net General Fund expenditure, as identified in table 3 and paragraph 8.1, to a total of £14.626million.
- 2.3 That Cabinet approves the adjustments to the 2019/20 General Fund budget, as identified in table 3 and paragraph 8.2, a £467k increase in net expenditure.
- 2.4 That, as referred to in paragraph 8.3, Cabinet approves the transfer of £48k from the underspend on the General Fund to the Strategic Priority fund to enable the Senior Management Team to undertake invest to save and/or continuous improvement projects
- 2.5 That Cabinet recommend that Council approves the net transfer to earmarked reserves, as identified in table 8, of £1.504million.

#### 3. REASONS FOR RECOMMENDATIONS

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

#### 4. ALTERNATIVE OPTIONS CONSIDERED

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

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

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

#### 6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 18<sup>th</sup> March 2019.

#### 7. BACKGROUND

- 7.1. Council approved the revenue budget for 2018/19 of £14.747 million in February 2018. The working budget at financial year-end has increased to £15.181 million. Table 1 below details the approved changes to this budget to get to the current working budget:

**Table 1 - Current Working Budget**

	<b>£k</b>
Original approved budget for 2018/19	14,747
Quarter 3 2017/18 Revenue Monitoring report - 2018/19 budget changes approved by Cabinet (March 2018)	85
2017/18 Revenue Outturn Report - 2017/18 budget changes approved by Cabinet (June 2018)	346
Quarter 1 2018/19 Revenue Monitoring report - 2018/19 variances approved by Cabinet (July 2018)	30
Waste Collection Service in North Hertfordshire report – 2018/19 income implication from 3 month extension to payment period for green waste collection – approved by Council (November 2018)	85
Quarter 2 2018/19 Revenue Monitoring report – 2018/19 variances approved by Cabinet (December 2018)	(17)
Revenue monitoring included within 2019/20 budget report – 2018/19 variances approved by Cabinet (January 2019)	116
Quarter 3 2018/19 Revenue Monitoring report - 2018/19 variances approved by Cabinet (March 2019)	(211)
<b>Working budget at Financial Year End 2018/19</b>	<b>15,181</b>

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

**Table 2 – Service Directorate Budget Allocations**

Service Directorate	Net Direct Working Budget at Q3	Forecast Variances approved at Q3	Budget Transfers in Q3	Current Net Direct Working Budget
	£k	£k	£k	£k
Chief Executive	1,525	13	168	1,706
Commercialisation	(510)	7	83	(420)
Customers	3,610	(5)	(57)	3,548
Legal & Community	2,035	(4)	(59)	1,972
Place	4,521	(257)	150	4,414
Regulatory Services	1,713	35	(228)	1,520
Resources	2,498	0	(57)	2,441
<b>TOTAL</b>	<b>15,392</b>	<b>(211)</b>	<b>0</b>	<b>15,181</b>

**8. RELEVANT CONSIDERATIONS**

**REVENUE INCOME AND EXPENDITURE FORECASTS**

- 3.1 Cabinet are asked to approve the net expenditure on the General Fund in 2018/19 of £14.626million (recommendation 2.2). This is a net decrease of £555k on the working budget of £15.181million. Table 3 below highlights the most significant variances, which are generally more than £25k, and contains an explanation for each. The final columns detail if a carry forward into 2019/20 is requested and the estimated ongoing impact of any variances:

**Table 3 - Summary of significant variances**

Budget Area	Working Budget £k	Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2019/20 £k
Employee Costs - Apprenticeships	173	63	(110)	Unspent amount reflects the timing in year of appointments to apprenticeship posts. It is therefore requested to carry this budget forward to meet the remaining contract commitments. There is now a regular update to the Council's Senior Management Team and Apprentice recruitment is planned to coincide with Apprentice leavers, which should reduce variances going forward.	+110	0
Strategic Priorities Fund	52	0	(52)	A budget of £100k was approved for the Strategic Priorities Fund in 2018/19, of which a total of £48k was allocated to successful investment bids. It is requested that the remaining £52k goes towards a new allocation of £100k for 2019/20.	+52	0
Commercialisation Projects	94	9	(85)	It is expected that the recent appointment of a Commercial Projects manager will lead to the ongoing development of commercialisation opportunities. It is therefore requested that the remaining resource unspent in 2018/19 be carried forward into 2019/20	+85	0

Budget Area	Working Budget £k	Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2019/20 £k
				as this funding will be used for the up-front costs of exploiting these opportunities.		
Waste Minimisation Expenditure	76	+14	(62)	Unspent budget relates to projects earmarked for, but not completed, in 2018/19. £53k is requested to be carried forward to fund the purchase of food waste caddy liners that will now be distributed to residents as part of the new collection times being introduced in May. A further £6k is also required to install water fountains to encourage residents to avoid single use plastic bottles.	+59	0
Income from Activities at Hitchin Town Hall	(150)	(101)	+49	The under-achievement of income in 2018/19 is due to a combination of several factors. The Council has put in place various measures to address these factors over the course of the next financial year. The full opening of the museum should improve visibility and footfall. The capital investment allocated for improving the acoustics and the installation of a second bar should address some of the negative PR experienced. Similarly, recruitment to vacancies means that there is greater capacity to promote and facilitate a larger number of events.	0	0
<b>Housing Benefits</b>						
Benefit Payments	+32,604	+32,381	(223)	The reduction in the net cost of Housing Benefits is attributed to the impact of Universal Credit (UC), which has significantly reduced the number of claimants (those affected will now be assessed under the DWP administered UC instead). This fall in claimants has reduced the gross level of housing benefit payments, with a consequent impact on the level of overpayments identified. The reduction in the level of overpayments raised this year has however helped to reduce the contribution required to the corresponding bad debt provision.	0	(6,563)
Subsidy Grant	(32,159)	(32,010)	+59		0	+6,563
Overpayments Bad Debt Provision	+300	+233	(67)		0	0
Overpayments Income	(488)	(387)	+101		0	0
<b>Net Total</b>	<b>+257</b>	<b>+127</b>	<b>(130)</b>		<b>0</b>	<b>0</b>
Waste Services – Client Team Staffing	+43	0	-43	It was reported at Q2 that the staff restructure had delivered greater savings in 18/19 than estimated. At that point it was expected that this over-achievement would be absorbed by temporary staffing pressures associated with the new waste contract. In the event the anticipated cost pressure did not materialise. There are however additional pressures expected in 2019/20, which will require additional staff and support. This will include	+43	0

Budget Area	Working Budget £k	Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2019/20 £k
				consultancy work on a jointly provided commercial waste service; review of back office functions; and potential works required for the flats collection service. It is therefore requested that the unspent resource is carried forward to 2019/20.		
Waste Services – Contract Variation Orders	+164	+71	(93)	The anticipated volume of work outside of the core contract did not materialise through the first year of the contract. The budget will be reviewed in June to determine the required budget level.	0	0
Waste Services – Income from paper collected for recycling	(476)	(449)	+27	Shortfall in income achieved for 2018/19 is indicative of the continuing fall in paper tonnages collected. Tonnages in this year were 14% lower than the prior year. The ongoing impact is mitigated slightly by the full year effect of a small increase in the price per ton achieved following the retender of the contract.	0	+26
Planning Services – Planning Applications Income	-806	-521	+285	Reduction in planning application income recorded for 2018/19 is as a result of a change to the Council's accounting policy. This is a result of changes to the accounting standards that the Council is required to follow. In accordance with this, the Council will now only recognise income from those planning applications resolved in the year, with all other receipts received held as income in advance. The accounting adjustment required for 2018/19 reduced the level of income charged to the General Fund by £335k. This does not affect the actual cash that the Council will receive.	0	0
Parking Services – Car Park Season Ticket Income	(284)	(309)	(25)	Over-achievement of the income budget follows significantly higher than expected sales in the last two months of the financial year. While some increase in this period is expected, as some commuters seek to purchase tickets in advance of an anticipated April price increase, the number of season tickets sold in February and March 2019 was nearly 40% higher than the equivalent period in the prior year.	0	0

Budget Area	Working Budget £k	Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2019/20 £k
Council Property General Maintenance	179	128	(51)	This underspend is primarily due to delays to a number of planned projects and a carry forward of £51k in respect of these works is requested. This comprises £28k for the external redecoration of the main building at Hitchin Swimming Centre, which was delayed for better weather; £6k for the redecoration of Hitchin Museum, which was delayed due to identifying structural repairs; and £17k for the replacement of pump and controls at Hitchin Swim Centre, which it had not been possible to install to due manufacturing delays.	+51	0
Brexit Preparations	18	0	(18)	A carry forward is requested for the first instalment of the Central Government grant awarded for Brexit preparations. £500 has been spent to date on a Food Resilience work plan and the remainder of the grant will be used to fund specific costs relating to Brexit.	+18	0
Local Plan – Consultants Costs and Legal Fees	125	67	(58)	Expenditure is lower than anticipated as the Local Plan did not proceed to adoption during the financial year as originally anticipated. While the Inspector's proposed Main Modifications were published in November 2018 and the consultation began in January 2019, no further examination hearing days were held during 2018/19, which helped to limit the costs incurred. Council officers also completed some additional tasks associated with the examination in-house, which reduced the requirement for external consultant assistance. However, the costs associated with the anticipated completion of the examination and adoption of the Plan are expected to be incurred during 2019/20 and as such a carry forward is requested.	+58	0
<b>Total of explained variances</b>	<b>(535)</b>	<b>(901)</b>	<b>(366)</b>		<b>+475</b>	<b>+26</b>
Other minor balances	+15,716	+15,527	(162)		(1)	(33)
<b>Overall Total</b>	<b>+15,181</b>	<b>+14,626</b>	<b>(555)</b>		<b>+474</b>	<b>(7)</b>

3.2 Cabinet are asked to approve the estimated net impact on the 2019/20 budget, a **£467k increase** in budget (recommendation 2.3), which includes:

- **£474k** of budget carry-forwards from 2018/19 to 2019/20 for projects that were not completed by the end of the financial year. These are shown in the penultimate column of table 3 above. This will take the total carry-forward to £689k (i.e. including those reported and approved at quarter 2, month 8 and quarter 3).



- **£7k** decrease in budget to reflect the estimated ongoing net impact in 2019/20 of variances identified in Q4. These are shown in the final column of table 3 above.
- 3.3 Cabinet are asked to approve the transfer of £48k from the underspend in 2018/19 into the Strategic Priorities Fund in the following year (recommendation 2.4). Along with the Strategic Priorities Fund carry forward of £52k requested, this will bring the total amount in the fund next year to £100k. The fund provides the Council's Senior Management Team with authority to approve the allocation of the funds during the year for invest to save or continuous improvement projects as the opportunity arises.
- 3.4 The original approved budget for 2018/19 (and therefore working budget) included efficiencies totalling £2,706k, which were agreed by Council in February 2018. Progress in delivering the efficiencies identified has been monitored throughout the year and reported at each quarter. The efficiency total has been overachieved in the year by £166k, which is the same as the forecast overachievement reported at quarter 3. This total excludes the accounting adjustment for planning income detailed in table 3.
- 3.5 The working budget for 2018/19 included budgets totalling £515k that were carried forward from the previous year. These are generally carried forward so that they can be spent for a particular purpose that had been due to happen in 2017/18 but was delayed into 2018/19. At the end of the year a total of £307k of the budget carried forward has not been spent in 2018/19, as detailed in Table 4 below, of which £295k has been requested to be carried forward into 2019/20.

**Table 4 – Unspent Carry Forward Budget in 2018/19**

Monitoring Report	Carry Forward Budget in 18/19 (£k)	Project	Underspend reported (£k)
Q2	87	Potential implementation of a Community Infrastructure Levy	87
Month 8	60	Area Committee Grants	9
Q3	55	Parking Services Lines and Signs Maintenance	39
Q3	18	Economic Development Officer post	10
Q3	13	Herts Warmer Home Project	13
Q3	12	Review of Housing Strategy	12
<b>Outturn</b>	100	Strategic Priorities Fund (SPF); £48k of the £100k funding available was allocated to successful bids in 2018/19 with the remaining £52k requested to be carried forward into 2019/20 (as highlighted in table 3 above).	52
<b>Outturn</b>	95	Commercialisation project; £9k of this £94k carry forward budget has been spent in 2018/19, with the remainder requested to be carried forward into 2019/20 (as highlighted in table 3 above).	85
<b>Total Underspend 2018/19</b>			<b>307</b>

- 3.6 There are 4 key corporate 'financial health' indicators identified in relation to key sources of income for the Council. Table 5 below shows the performance for the year. A comparison is made to the original budget to give the complete picture for the year. Each indicator is given a status of red, amber or green. A green indicator means that income recorded matched or exceeded the budgeted level of income. A red indicator means that the outturn has not met the budgeted level of income. An amber indicator is only used during the year to highlight that there is a risk that the budgeted level of income may not be met.

- 3.7 At the end of the year, one indicator is green and three indicators are red.
- 3.8 Having been flagged as amber at quarter 1, the red indicator in relation to car parking fees was highlighted within the revenue monitoring report at quarter 2. This relates to measures to generate additional parking fee income anticipated from the Parking Strategy review, which have not been implemented.
- 3.9 The red indicator in relation to land charges income was also highlighted within the revenue monitoring report at quarter 2. The number of searches requested to be undertaken by the authority has reduced in comparison to the prior financial year.
- 3.10 The red indicator in relation to income from planning applications was highlighted within the revenue monitoring report at quarter 3, with a lower number of applications received in the second half of the year. The actual income figure for the year has also been affected by the change in accounting policy relating to the recognition of the planning income (as detailed in table 3 above), with the relevant accounting adjustments reducing the income total charged to the General Fund for 2018/19 by £335k.

**Table 5 - Corporate financial health indicators**

<b>Indicator</b>	<b>Status</b>	<b>Original Budget £k</b>	<b>Actual income for the year £k</b>	<b>Variance  £k</b>
Planning Application Fees (including fees for pre-application advice)	Red	(940)	(522)	419
Land Charges	Red	(174)	(145)	30
Car Parking Fees	Red	(1,906)	(1,867)	39
Parking Penalty Charge Notices	Green	(532)	(535)	(3)

## **FUNDING, RISK AND GENERAL FUND BALANCE**

- 3.11 The Council's revenue budget is funded from the following main sources; Council Tax, New Homes Bonus and Retained Business Rates income. The Council was notified by Central Government in February 2018 of the amount of New Homes Bonus it could expect to receive in 2018/19 and planned accordingly.
- 3.12 Council Tax and Business Rates are accounted for in the Collection Fund rather than directly in our accounts, as we also collect them on behalf of other bodies. Each organisation has a share of the balance on the Collection Fund account. At the end of 2018/19 there is a surplus on the NHDC share of the Council Tax Collection Fund of £279k and a deficit on the Business Rates Collection Fund of £604k.
- 3.13 The Central Government return submitted in January 2019 estimated a Business Rates Collection Fund deficit for 2018/19 of £58k. The contribution to the Collection Fund required in 2019/20 in respect of the deficit for 2018/19 is based on this January estimate. The £546k difference between the actual deficit of £604k and the January estimate of £58k will be included in the calculation of the estimated surplus/deficit for 2019/20 (submitted to Central Government in January 2020), and hence will affect the calculation of the Council's retained business rates income for 2020/21.

- 3.14 The Council also receives compensation in the form of a grant from Central Government for business rate reliefs introduced, which goes in to our funds rather than the Collection Fund. We are holding this amount in a reserve to fund the repayment of deficits recorded in future years. Some of the amount held in reserve will therefore be used in the next financial year to fund the repayment of the £58k deficit highlighted above.
- 3.15 The Council is also subject to a business rates levy from Central Government as NHDC collects more in business rates than the baseline need determined by Central Government. In 2018/19 the Council was a member of the Hertfordshire Business Rates Pool, with the expectation that this would reduce the levy amount required. This has proved to be the case, with the Council benefiting from a pooling gain of £368k in the form of a reduced levy contribution, with the calculated levy for 2018/19 reduced from a total of £528k to £160k. The pooling gain has been retained in the reserve. Current forecasts suggest that the pooling gain amount could be released to fund General Fund expenditure.
- 3.16 The Ministry for Housing, Communities and Local Government announced in the provisional Local Government Finance Settlement for 2019/20 in December 2018 that their Business Rates levy account, from which safety net payments are made to eligible authorities, was in a surplus position of £195million and that £185million of the surplus would be distributed to local authorities. The published schedule of provisional allocated amounts, which included £41k for NHDC, was headed as 'Levy account surplus allocations for 2019 to 2020'. When the final settlement was published on January 29 2019, however, the equivalent schedule was headed 'Levy account surplus final allocations for 2018 to 2019'. As such the additional £41k income, received in March 2019, has been charged to the General Fund in 2018/19 and explains the increase in the funding total in table 6 below.
- 3.17 Table 6 below summarises the impact on the general fund balance of the outturn position detailed in this report. It should however be noted at this point that the Statement of Accounts is yet to be audited and changes to the General Fund balance may arise as a result of the final accounts audit.

**Table 6 – General Fund impact**

	<b>Working Budget £k</b>	<b>Outturn £k</b>	<b>Difference £k</b>
<b>Brought Forward balance (1<sup>st</sup> April 2018)</b>	<b>(7,403)</b>	<b>(7,403)</b>	<b>-</b>
Net Expenditure	15,181	14,626	(555)
Funding (Council Tax, Business Rates, RSG)	(15,044)	(15,085)	(41)
Contribution to Collection Fund	656	656	0
Funding from Reserves (including Business Rate Relief Grant)	(656)	(656)	0
<b>Carried Forward balance (31<sup>st</sup> March 2019)</b>	<b>(7,266)</b>	<b>(7,862)</b>	<b>(596)</b>

- 3.18 The minimum level of General Fund balance is determined based on known and unknown risks. Known risks are those things that we think could happen and we can forecast both a potential cost if they happen, and percentage likelihood. The notional amount is based on multiplying the cost by the potential likelihood. The notional amount for unknown risks is based on 5% of net expenditure. There is not an actual budget set aside for either of these risk types, so when they occur they are reflected as budget variances (see table 3). We monitor the level of known risks that actually happen, as it highlights whether there might be further variances. This would be likely if a number of

risks come to fruition during the early part of the year. We also use this monitoring to inform the assessment of risks in future years. The notional amount calculated at the start of the year for known risks was £1,424k, and at the end of the year a total of £853k have come to fruition. The two identified risks realised in the final quarter relate to;

- Hitchin Town Hall income (as highlighted in table 3). £49k
- Increase in the net cost of recycling services (paper income variance highlighted in table 3 with other offsetting variances included in the 'other minor variances' total in table 3). £17k

**Table 7 – Known financial risks**

	£'000
<b>Original allowance for known financial risks</b>	<b>1,424</b>
Known financial risks realised in Quarter 1	(243)
Known financial risks realised in Quarter 2	(466)
Known financial risks realised in Quarter 3	(77)
Known financial risks realised in Quarter 4	(66)
<b>Remaining allowance for known financial risks</b>	<b>571</b>

## EARMARKED RESERVES

3.19 The Council has a number of earmarked reserves, which can be used to fund revenue expenditure. These are detailed in Table 8 below. A total of £2.892million has been contributed to the reserves in 2018/19 and a total of £1.388million has been used to fund expenditure.

3.20 Cabinet are asked to recommend to Council that the net contribution to reserves of £1.504million be approved (recommendation 2.5), which leaves a total balance in earmarked reserves at 31 March 2019 of £7.183million.

**Table 8 – Earmarked Reserves**

	Balance at 1 April 2018	Contributions to reserve	Transfers out to fund expenditure	Balance at 31 March 2019
	£'000	£'000	£'000	£'000
Cemetery Mausoleum Reserve	140	21	0	161
Childrens Services Reserve	8	0	(1)	7
Climate Change Grant Reserve	30	0	(2)	28
Community Development Reserve	1	0	(1)	0
Community Right to Challenge Reserve	45	0	0	45
MHCLG Grants Reserve	868	1,763	(817)	1,814
DWP Additional Grants Reserve	129	117	(56)	190
Environmental Warranty Reserve	209	0	0	209
Growth Area Fund Reserve	53	0	0	53
Homelessness Grants Reserve	203	204	(145)	262
Housing & Planning Delivery Reserve	768	387	(13)	1,142
Information Technology Reserve	82	0	0	82
Insurance Reserve	34	0	0	34
Land Charges Reserve	104	0	(10)	94
Leisure Management Maintenance Reserve	47	0	0	47
Museum Exhibits Reserve	12	0	0	12
Neighbourhood Plan Reserve	41	0	0	41

	Balance at 1 April 2018	Contributions to reserve	Transfers out to fund expenditure	Balance at 31 March 2019
	£'000	£'000	£'000	£'000
Office Move IT Works	7	0	0	7
Paintings Conservation Reserve	11	0	0	11
Property Maintenance Reserve	62	10	0	72
S106 Monitoring Reserve	53	0	(17)	36
Special Reserve	1,720	0	(325)	1,395
Street Furniture	17	4	0	21
Street Name Plates	16	0	0	16
Syrian Refugee Project	87	28	0	115
Taxi Licences Reserve	13	0	0	13
Town Centre Maintenance	38	8	(1)	45
Traffic Regulation Orders	296	51	0	347
Waste Reserve	585	46	0	631
Waste Vehicles Reserve	0	253	0	253
<b>Total Revenue Reserves</b>	<b>5,679</b>	<b>2,892</b>	<b>(1,388)</b>	<b>7,183</b>

## 9. LEGAL IMPLICATIONS

- 1.2 The Cabinet has a responsibility to keep under review the budget of the Council and any other matter having substantial implications for the financial resources of the Council. Specifically 5.6.8 of Cabinet's terms of reference state that it has remit "*to monitor quarterly revenue expenditure and agree adjustments within the overall budgetary framework*". By considering monitoring reports throughout the financial year Cabinet is able to make informed recommendations on the budget to Council. The Council is under a duty to maintain a balanced budget and to maintain a prudent balance.
- 1.3 The Accounts and Audit Regulations 2015 require that the Annual Statement of Accounts be approved and published by the deadline date of 31 July 2018. Members are reminded of the duty to set a balanced budget and to maintain a prudent level of reserves.

## 2. FINANCIAL IMPLICATIONS

- 2.1 Members have been advised of any variations from the budgets in the body of this report and of any action taken by officers.
- 2.2 The general fund balance of £7.862million (table 6) meets the recommended minimum balance of General Fund reserves agreed when the budget was set. The Statement of Accounts is however yet to be audited and changes to the General Fund balance may arise as a result of the final audit. As the Housing Benefit claim is also yet to be audited, the relevant values included in the reported outturn are based on un-audited figures.

## 3. RISK IMPLICATIONS

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

#### **4. EQUALITIES IMPLICATIONS**

- 4.1 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.
- 4.2 For any individual new revenue investment proposal of £50k or more, or affecting more than two wards, a brief equality analysis is required to be carried out to demonstrate that the authority has taken full account of any negative, or positive, equalities implications; this will take place following agreement of the investment.

#### **5. SOCIAL VALUE IMPLICATIONS**

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

#### **6. HUMAN RESOURCE IMPLICATIONS**

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

#### **7. APPENDICES**

- 7.1 None.

#### **8. CONTACT OFFICERS**

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**COUNCIL  
11 JUNE 2019**

**\*PART 1 – PUBLIC DOCUMENT**

**ITEM 6e**

**TITLE OF REPORT: ITEM REFERRED FROM CABINET: 11 JUNE 2019 – ANNUAL TREASURY MANAGEMENT REVIEW 2018/19.**

**Extract from Minutes of the Cabinet meeting held on 11 June 2019.**

**ANNUAL TREASURY MANAGEMENT REVIEW 2018/19**

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

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

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

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

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

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

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## REPORT CONSIDERED BY CABINET AT THE MEETING HELD ON 11 JUNE 2019

### TITLE OF REPORT: ANNUAL TREASURY MANAGEMENT REVIEW 2018/19

REPORT OF : SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER : FINANCE AND IT

COUNCIL PRIORITY : RESPONSIVE AND EFFICIENT

#### 1. EXECUTIVE SUMMARY

- 1.1 During the year the Council has generated **£0.353million** of interest from its investments. This is slightly below the budgeted total of £0.358million. The Council continued to invest in smaller Building Societies (subject to checks that compare the size of the Society with that of the investment) but did not invest outside of the UK.
- 1.2 The Council has repaid £0.015million of borrowing during the year as it has matured. The Council has £0.440million of remaining borrowing. This borrowing is at a fixed rate for a fixed period. The premium incurred from repaying this borrowing early means that it is not worthwhile to do so.
- 1.3 The Council complied with its legislative and regulatory requirements throughout the year.
- 1.4 The forecast for 2019/20 is that investment income will continue to reduce due to both market conditions and the use of cash balances to fund the capital programme.

#### 2. Recommendations

- 2.1 Cabinet is asked to note the position of Treasury Management activity as at the end of March 2019.
- 2.2 Cabinet is asked to recommend this report to Council and ask Council to:
  - 1) Approve the actual 2018/19 prudential and treasury indicators.
  - 2) Note the annual Treasury Report for 2018/19.

#### 3. REASONS FOR RECOMMENDATIONS

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

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

- 4.1 In general there is a relationship between the risk of an investment and the level of interest that is received (yield). Risk can be summarised under the headings of credit, liquidity and market. The risk appetite and approach of the Council determines what strategy it adopts. Whilst the focus is on managing risk, the interest received is an important income stream for the Council's General Fund.
- 4.2 Our Treasury advisors from Link Asset Services promote a different risk approach, particularly in relation to smaller Building Societies. This option has been dismissed on the basis of Members' different view of risk and the impact on the general fund.

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

- 5.1 There is ongoing dialogue with the Authority's Cash Manager, Tradition and regular meetings with Treasury advisors (Link). The Link service includes regular updates on economic and political changes that may impact on the Council's borrowing and investment strategies, advice on rescheduling, information and prudent parameters in respect of investment counterparty creditworthiness, document templates, access to technical updates and to the Technical Advisory Group. The Executive Member for Finance and IT is also regularly briefed.

#### **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 18th March 2019.

#### **7. BACKGROUND**

- 7.1 Members adopted the 2018/19 Treasury Strategy at the meeting of full Council on the 8th February 2018. There were minor changes from the 2017/18 Strategy relating to borrowing limits.
- 7.2 Members received updates on treasury activity at quarterly intervals during 2018/19, and this report represents the final quarterly update.

#### **8. RELEVANT CONSIDERATIONS**

- 8.1 In summary, the Council has operated both within the treasury and prudential indicators set out in the Treasury Management Strategy Statement and in compliance with the Treasury Management Practices.
- 8.2 The Council generated £0.354M of interest during 2018/19. The average interest rate agreed on new deals during the year was 0.96%. The average interest rate on all outstanding investments at the 31<sup>st</sup> March was 1.16%.
- 8.3 The Council's activities expose it to a variety of risks (credit, liquidity and market). The Treasury Strategy sets out the Authority's appetite for the level of exposure to these risks.
- 8.4 **Credit Risk** – The possibility that other parties fail to pay amounts due to the Authority.

- 8.5 The Council's counterparty list comprises mostly UK building societies and UK banks with a Fitch (a credit rating agency) credit rating greater than BBB but also includes other Local Authorities and Public Corporations. It also includes smaller Building Societies that do not have a credit rating.
- 8.6 **Liquidity Risk** – the possibility that the Authority may not have funds available to meet its commitments to make payments.
- 8.7 **Market Risk** - the possibility that financial loss might arise as a result of changes in interest rates.
- 8.8 Investing long term (greater than one year) currently achieves higher interest rates than short term deals. The risks of long term deals are:
- (i) The longer the time period the longer the investment is exposed to default.
  - (ii) If the investment has a fixed interest rate, interest rates could rise and the potential to invest at a higher rate will be lost until the investment matures.
- 8.9 Members have indicated that they are prepared to accept this risk within the limits expressed in the Treasury Strategy which allows no more than 40% of outstanding investments to be invested for longer than 365 days at any one time. At the end of the year the Council had £1.5M (4.6%) invested for longer than 365 days.
- 8.10 **Interest (Yield)** - This year has continued to prove challenging to find counterparties willing to pay a reasonable return on cash investments, either long or short term. The uncertainty around interest rate changes has continued in 18/19, with the latest predictions signalling the first increase to the base rate around March 2020.
- 8.11 The investments outstanding at the 31 March 2019 were £32.4million. This compares to a balance of £32.8million at 31 March 2018. Investment in capital projects will continue during 2019/20 and combined with declining returns for new investments means that the estimated investment interest for 2019/20 is expected to be in the region of £0.300M.

## 9. LEGAL IMPLICATIONS

- 9.1 The Cabinet has a responsibility to keep under review the budget of the Council and any other matter having substantial implications for the financial resources of the Council.
- 9.2 Section 151 of the Local Government Act 1972 states that:  
“every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs.”
- 9.3 The Prudential Indicators comply with the Local Government Act 2003.

## 10. FINANCIAL IMPLICATIONS

- 10.1 These are covered in section 8.

## **11. RISK IMPLICATIONS**

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

## **12. EQUALITIES IMPLICATIONS**

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 There are no direct equalities implications arising from this report.

## **13. SOCIAL VALUE IMPLICATIONS**

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

## **14. HUMAN RESOURCE IMPLICATIONS**

- 14.1 There are no direct human resource or equality implications.

## **15. CONTACT OFFICERS**

### Author

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- 15.4 Reuben Ayavoo, Policy and Community Engagement Manager, Tel 47212, email, [Reuben.ayavoo@north-herts.gov.uk](mailto:Reuben.ayavoo@north-herts.gov.uk)

## **16. BACKGROUND PAPERS**

Treasury Strategy 2018/19  
CIPFA Prudential Code for Capital Finance in Local Authorities

**COUNCIL  
11 JULY 2019**

**PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: CONSTITUTIONAL AMENDMENTS**

REPORT OF: SERVICE DIRECTOR: LEGAL AND COMMUNITY & MONITORING OFFICER  
EXECUTIVE MEMBER: LEADER OF THE COUNCIL  
COUNCIL PRIORITY: RESPONSIVE AND EFFICIENT

**1. EXECUTIVE SUMMARY**

1.1 This reports set out a number of requested amendments to the Constitution.

**2. RECOMMENDATIONS**

2.1 That Full Council approves the amendments to the Constitution set out in paragraphs 8.1-8.3 and notes Executive delegations as per 8.5-8.6.

**3. REASONS FOR RECOMMENDATIONS**

3.1 To meet the requests of the new administration.

**4. ALTERNATIVE OPTIONS CONSIDERED**

4.1 None.

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

5.1 There has been a request following the election from the new administration to bring forward a report to the July Council meeting to deal with a few amendments. One of these (8.1) was raised at Annual Council on 21 May. The proposed changes have been forwarded to the Leader, Deputy Leader and Conservative Leader (as Group Leaders) for consideration. No other consultation has taken place.

**6. FORWARD PLAN**

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

## 7. BACKGROUND

- 7.1. The Monitoring Officer has a duty to monitor and review the Constitution. The last detailed review took place in 2018 and was reported through to Full Council for approval in January 2019.
- 7.2. Following the cancellation of a Full Council meeting in April, the question was raised as to the ability to do this without consulting Group Leaders. At Full Council in May this issue was further raised by the Leader with the instruction to bring a report back to Council to ensure that such consultation takes place before a Full Council meeting is cancelled on any future occasion.
- 7.3. A further request was also made with regards to the number of questions that may be put to the Council meeting by Members. This issue had been considered by Full Council in January 2019 and Council resolved this to be two per political group. An amendment was put for this to be three and this was lost. It is proposed that the issue of 3 questions be put to the membership once again.
- 7.4. The report also confirms the Executive changes made by the Leader to section 14 of the Constitution, which is now reported, as per section 5.9.1(d).

## 8. RELEVANT CONSIDERATIONS

### **Ordinary meetings – cannot be cancelled without consultation (section 4.8.2)**

- 8.1. It is proposed that the following section is amended (as underlined) so that 4.8.2 reads as follows:

*“There will be six ordinary meetings each year. Ordinary meetings of the Council will take place in accordance with a programme decided at the Council’s annual meeting. Meetings will not be cancelled by the Chairman without consulting all Group Leaders in advance. The order of business at ordinary meetings will be as follows:...”*

### **Maximum number of questions to be asked by Members - proposed to increase (Section 4.8.11(d)):**

- 8.2. Currently, providing questions are received in time, two questions can be put to a meeting of Full Council, Cabinet, Committee and Sub-Committee. The proposed amendment is that this is now three, so that section 4.8.11(d) reads:

*“For any one meeting each Political Group may submit up to three ~~two~~ questions under 4.8.11(b) or 4.8.11(c) if either:...”*

### **Motions on Notice – proposed to widen scope (section 4.8.12 (c))**

- 8.3. It is proposed that the scope of Member motions on notice is amended so that section 4.8.12(c) reads:

*“Motions must be about matters for which the Council has a responsibility for or ~~and~~ which are relevant to ~~and~~ ~~or~~ specifically affect the District. The final decision to include any Motion on the agenda shall lie with the Chairman of Council in consultation with the Proper Officer.”*

8.4. This will marry up with the wording for Member questions.

#### **Section 14 Responsibility for Functions (Delegations to the Executive) confirmation**

8.5. The Leader of Council presented the names of the Executive Members to Full Council on 21 May 2019. Such information regarding names, addresses and wards is available on the Council's website<sup>1</sup>.

8.6. Execute delegations were finalised by the Leader on 3 June 2019 and are now confirmed as per the requirement under section 5.9.1(d). In the main, the changes related to the Executive Member titles, and those changes are set out in Section 14 of the Constitution, in the right hand column (available on the internet<sup>2</sup>).

### **9. LEGAL IMPLICATIONS**

9.1. Full Council's terms of reference include "approving of adopting the Policy Framework". The Policy Framework includes the Constitution.

9.2. Section 9P of the Local Government Act 2000 sets out the requirements of a local authority's Constitution, including the requirements to prepare it and keep it up to date and the requirement to make it available for public inspection.

9.3. The Proper officer is required to report the changes to Executive delegations as per section 5.9.1(d).

### **10. FINANCIAL IMPLICATIONS**

10.1 There are no specific financial implications to the report. However, some of the proposed changes alter the delegations in relation to financial matters.

### **11. RISK IMPLICATIONS**

11.1 Ensuring the Council has appropriate governance arrangements in place is an important risk mitigation measure. The Council's Constitution is a fundamental part of those governance arrangements.

### **12. EQUALITIES IMPLICATIONS**

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

12.2 The proposals made within this report for changes to the Constitution do not materially affect any groups with protected characteristics.

### **13. SOCIAL VALUE IMPLICATIONS**

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<sup>1</sup> <https://www.north-herts.gov.uk/home/council-and-democracy/councillors/your-councillors>

<sup>2</sup> <https://www.north-herts.gov.uk/sites/northherts-cms/files/S14%20-%20Constitution%20Final%2017.1.19.pdf>

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

#### **14. HUMAN RESOURCE IMPLICATIONS**

14.1 There may be an additional impact regarding the number of questions and the scope of motions for a meeting, in terms of officer time preparing a response for Members and it potentially being unclear as to which area this will fall under (if this is not something that the District Council has responsibility for), as well as length of the evening meetings.

#### **15. APPENDICES**

15.1 None.

#### **16. CONTACT OFFICERS**

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16.2. Ian Couper; Service Director: Resources (& Chief Finance Officer/ section 151) [ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk) ; ext. 4243

16.3. Gavin Ramtohal, Legal Commercial Team Manager (& Deputy Monitoring Officer) [gavin.ramtohal@north-herts.gov.uk](mailto:gavin.ramtohal@north-herts.gov.uk); ext. 4578

16.4. Reuben Ayavoo, Policy and Community Manager; [reuben.avayoo@north-herts.gov.uk](mailto:reuben.avayoo@north-herts.gov.uk); ext. 4212

16.5. Kerry Shorrocks, Corporate Human Resources Manager; [Kerry.shorrocks@north-herts.gov.uk](mailto:Kerry.shorrocks@north-herts.gov.uk); ext. 4224

#### **17. BACKGROUND PAPERS**

Current NHDC Constitution 2019: <https://www.north-herts.gov.uk/home/council-and-democracy/council-constitution>



**COUNCIL**  
**11 July 2019**

**\*PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: MEMBERS' ALLOWANCES SCHEME 2019/20 – IN YEAR AMENDMENT OF LEADER / EXECUTIVE MEMBERS SPECIAL RESPONSIBILITIES ALLOWANCES**

REPORT OF THE SERVICE DIRECTOR: LEGAL AND COMMUNITY  
EXECUTIVE MEMBER: LEADER OF THE COUNCIL

**1. EXECUTIVE SUMMARY**

- 1.1 To undertake an in-year review of Cabinet Special Responsibilities Allowances, within the Members' Allowances Scheme (the Scheme), so that these are reduced in line with Appendix B (showing tracked changes) and that this reduction is applied retrospectively from 22 May 2019 for the Leader and Executive Members.

**2. RECOMMENDATIONS**

- 2.1. That the Council agrees the amendments to the Scheme as set out in Appendix B;
- 2.2. That Council considers whether to apply the amendment to the Leader/ Executive Members retrospectively from 22 May 2019 until this amendment approval date.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1 To meet the request of the Leader and new administration, so that there is no additional cost from moving back to having 7 Executive Members.

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1. None, given the request was made at Annual Council on 21 May, for this matter to be brought back to Full Council for consideration.

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

- 5.1. The Leader and administration have been consulted in terms of requesting that this particular issue be addressed again by Council.
- 5.2. Since the 2019/20 Scheme was approved in November 2018, a new Panel has been appointed<sup>1</sup>. The Panel was provided with a copy of this report to consider whether they had any additional recommendations regarding the proposals. On 26 June the Panel confirmed that they had no fundamental objections to the SRAs being reduced as

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<sup>1</sup> [Delegated Decision 5 February 2019](#)

proposed in 8.3 for the current year i.e. 22 May 2019-31 March 2020. It was, however, pointed out that in undertaking the ongoing review, they:

*“.. will look at the SRA levels for 2020/21 and compare the levels paid by other similar councils for similar degrees of responsibility. Consideration will be given to setting the SRAs at a level that ensures they are neither excessive nor a disincentive to future candidates. We are also mindful that councillors have the right to reject part or all of their allowance.”*

5.3. No other consultation has taken place.

## 6. FORWARD PLAN

6.1 This report does not contain a recommendation on an Executive key decision and has therefore not been referred to in the Forward Plan, as this is a decision of full Council.

## 7. BACKGROUND

7.1. The Council is required under the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) to agree on an annual basis a Scheme of Allowances payable to Members' for the following financial year. Under the Regulations, when making or amending a Scheme, the Council is required to have regard to the recommendations of an Independent Remuneration Panel ('IRP') (Regulation 19). The Regulations state that before the beginning of each year the authority shall make a Scheme of basic and other prescribed Member's Allowances<sup>2</sup>. This Scheme was approved by the Membership at Full Council on 22 November 2018 for 2019/20<sup>3</sup>.

7.2. Amendments may, however, be made in-year under the legislation<sup>4</sup>, so long as Members have regard to the recommendations of the IRP. The last time the Panel considered and made recommendations was in 2016 for 2017/18. Therefore Members should consider the report at Appendix A when determining this matter [and any made by the current Panel].

## 8. RELEVANT CONSIDERATIONS

### Level of Leader/ Executive Special Responsibility Allowances ('SRAs')

8.1. In simple terms the Membership will note from the IRP report, that the following SRAs were recommended:

- **Leader: £15,000** (recommendation 7.6 page 3)
- **Deputy Leader: £1,500** (recommendation 8.3 page 3)
- **Cabinet – 7 Executive Members : £7,000 each** (recommendation 9.3 page 3)

8.2. This means that the budget allocation for Executive Member SRAs is £49,000. When this was reviewed for 2019/20, the Cabinet was reduced to the Leader and 6 Executive Members, but the allowance remained at £7,000 per Executive Member. This meant that the total cost of SRAs for Executive Members reduced to £42,000. The 'additional' £7,000 remained in the budget.

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<sup>2</sup> Regulation 10 The Local Authorities (Members' Allowances) (England) Regulations 2003

<sup>3</sup> [CLICK HERE for report 22.11.18](#); [CLICK HERE for Council page with resolution/ minutes 22.11.18](#)

<sup>4</sup> Regulation 10(3)

8.3. The request from the administration is that this is now set as follows for 22 May 2019-31 March 2020:

- **Leader: £14,000**
- **Deputy Leader: £1,500**
- **Cabinet – 7 Executive Members : £6000 each**

This means that the cost of SRAs for Executive Members continues to be £42,000, a saving of £7,000 against the budget for 2019/20.

8.4. In terms of the SRA reduction being retrospective, the legislation provides the ability to amend the scheme in-year, and that this ‘may’ be retrospective – albeit, it is normally to the ‘beginning of the year’ and ordinarily would be an increase based on an IRP recommendation. In this situation it would be unreasonable to back-date the reduction to 1 April – 21 May 2019. If approved, this would apply to the Leader and Executive Members from 22 May 2019 (effective first day post appointment) and the monies already paid, which were over and above the new allowances, will effectively be clawed back.

8.5. *It is not proposed that any other allowances are amended at this stage*, although the Membership will note:

- the changes to the Opposition group and Second largest Opposition have been updated to reflect the election results (this is just a factual update in line with the provision);
- the deletion of the paragraph under section 10 (re registration with the Information Commissioner’s Office, which is no longer relevant);
- that subsistence rates (section 12) are now those in line with *HMRC*, not *NJC*; and
- that the IRP Panel has commenced its review, with the intention that the IRP recommendations report for 2020/21 comes to January’s Full Council meeting. This will cover a number of factors, including the issue of indexation.

## 9. LEGAL IMPLICATIONS

9.1. The Local Government and Housing Act 1989, Local Government Act 2000 and the Local Authorities (Members’ Allowances) (England) Regulations 2003/1021 (as amended) make provisions (as described) regarding the setting of Members Allowances. Regulation 10(1)-(2) provides that before the beginning of each year, an authority shall make the Scheme required for payment of basic and other allowances. The Scheme may also be amended at any time (following the advice of a Panel), but may only be revoked (when new Executive arrangements/ alternative arrangements are adopted) with effect from the beginning of the year (Regulation 10(4)).

9.2. Regulation 10(6) provides:

*“(6) Where an amendment is to be made which affects an allowance payable for the year in which the amendment is made, the scheme may provide for the entitlement to such allowance as amended to apply with effect from the beginning of the year in which the amendment is made.”*

Taking an interpretative approach, given this is to reduce an allowance, and the use of the word 'may' it would be acceptable to agree to reduce such allowances from the first new administration/ Executive appointment date of 22 May 2019. It would be unreasonable to apply this before that date, given the legal options the individual Members have under 9.3 below.

- 9.3. The alternative to this applying retrospectively would be for the Leader and individual Executive Members to elect to forgo £1,000 (pro-rated for the relevant period) from their allowances from 22 May until any approved amendment, as per their right under Regulation 13.
- 9.4. The adopted amended Scheme would have to be published in one or more newspapers "circulating" in the District area under Regulation 16.
- 9.5. The function of making any Scheme authorised or required by regulations under section 18 (Schemes for basic, attendance and special responsibility allowances for local authority members) of the Local Government and Housing Act 1989, or of amending, revoking or replacing any such Scheme, is a Full Council responsibility, by virtue of The Local Authorities (Functions and Responsibilities) (England) Regulations 2000/2853. This is therefore detailed as a function and reserved to Full Council under section 4.4.1(i).

## **10. FINANCIAL IMPLICATIONS**

- 10.1 The current base budget includes provision of £339,600 for Members allowances. An additional amount is required to cover the payments to the Opposition Leader (to cover the fact that this is now based on 22 Members at a rate of £250) i.e. a base budget of £341,350. Whilst there has been a saving against the SRAs mentioned, it is not currently recommended that the Budget is reduced at this stage.
- 10.2 The Scheme will have to be advertised in one or more local papers at a cost in the region of £200-400.

## **11. RISK IMPLICATIONS**

- 11.1 None contained within this report.

## **12. EQUALITIES IMPLICATIONS**

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 There are no other relevant equalities implications to this report.

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1 As the recommendations made in this report do not constitute a public service contract, the measurement of 'social value' as required by the Public Services (Social Value) Act 2012 need not be applied.

## **14. HUMAN RESOURCE IMPLICATIONS**

- 14.1 Members allowances are paid by the payroll provider currently Serco and any changes need to be notified to the provider to ensure the correct rates are paid. The Committee, Member and Scrutiny Services process Councillors' allowances.

## **15. APPENDICES**

- 15.1. App A Report of IRP Panel for 2017/18 Allowances  
15.2. Appendix B – Amended Scheme with tracked changes.

## **16. CONTACT OFFICERS**

- 16.1. Jeanette Thompson, Service Director: Legal and Community (& Monitoring Officer) [jeanette.thompson@north-herts.gov.uk](mailto:jeanette.thompson@north-herts.gov.uk) ; ext. 4370  
16.2. Ian Couper; Service Director: Resources (& Chief Finance Officer/ section 151) [ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk) ; ext. 4243  
16.3. Gavin Ramtohal, Legal Commercial Team Manager (& Deputy Monitoring Officer) [gavin.ramtohal@north-herts.gov.uk](mailto:gavin.ramtohal@north-herts.gov.uk); ext. 4578  
16.4. Reuben Ayavoo, Policy and Community Manager; [reuben.avayoo@north-herts.gov.uk](mailto:reuben.avayoo@north-herts.gov.uk); ext. 4212  
16.5. Kerry Shorrocks, Corporate Human Resources Manager; [Kerry.shorrocks@north-herts.gov.uk](mailto:Kerry.shorrocks@north-herts.gov.uk) ; ext. 4224

## **17. BACKGROUND PAPERS**

- 17.1 Previous report to Full Council 22 November 2018: <https://democracy.north-herts.gov.uk/ieListDocuments.aspx?CId=136&MId=2010&Ver=4>

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# **NHDC MEMBERS' ALLOWANCES SCHEME 2017 / 2018**

## **REPORT OF THE INDEPENDENT REMUNERATION PANEL**

### **1. Introduction**

- 1.1 The Independent Remuneration Panel consists of five members all of whom have been appointed by the Council to provide advice on the Scheme of Members' Allowances'.
- 1.2 The Panel members all reside within the District and between them bring a broad range of experience from their working lives in both private and public sectors. The Panel members are: - Edward Franklin, Hilary Oughton, Andrew Tough and Michael Goddard. Ed Franklin was re-appointed chairman of the Panel.
- 1.3 In addition to meetings between September and November 2016, the Panel also conducted a survey of the views of Councillors. They were once again supported by David Miley, the Democratic Services Manager throughout their meetings, and are grateful to David for the invaluable support he provided throughout the review process.

### **2. Information requested**

- 2.1 Prior to the first meeting of the year the Panel requested details of the allowances paid by other authorities within both the Audit Commission's Family Group (AFG) and the other Hertfordshire authorities (HA's). The Panel also reviewed the previous year's report and the minutes of the Council meeting where the previous year's vote was conducted.
- 2.2 In addition, the Panel also requested information on the number of candidates standing for election during the most recent local elections and bi-election.

### **3. Input from Councillors**

- 3.1 Having met with various Councillors over the previous three years and attended the debate and vote on the recommendations in previous years, the Panel felt it was appropriate to gather the opinion from as many Councillors as possible.
- 3.2 In last year's report, the Panel had suggested that the logging of time spent by Councillors over a fixed period of time would aid recommendations on allowances, particularly Special Responsibility Allowances.
- 3.3 The Panel explored the possibility of such a study and discussed a previous exercise with David Miley. In addition, the Panel reviewed the responses to the 2007 survey of Councillors and concluded that an online survey on time spent and views on remuneration levels would be the most appropriate approach.

### **4. Survey of NHDC Councillors' view on Allowances**

- 4.1 All current Councillors were invited to complete a brief survey on their time spent on Council business and their views on Allowances.
- 4.2 The Panel is grateful to the 16 Councillors who completed at least part of the survey, However while recognising the time pressure limitation of Councillors, the Panel are disappointed that more members did not complete the survey.
- 4.3 The survey was designed to give all Councillors the opportunity to have their view on allowances, and to share anything that they felt to be relevant to the Panel's deliberations. The Panel felt that giving everyone an equal opportunity to have their voice heard was a better approach than interviewing some Councillors face to face as in previous years.

- 4.4 If the exercise were to be repeated, the Panel hope more Councillors will contribute would take the time to share their opinions on Allowances.
- 4.5 The Panel would particularly like to get the views of Councillors who don't receive a Special Responsibility Allowance, as only four of the responses were from Councillors who only get the Basic Allowance.
- 4.6 References to the results to the relevant questions in the survey are contained in the following recommendations on Basic Allowance and SRAs. The full anonymised results of the survey are contained with the Appendix to this report.

## **5. The Basic Allowance paid to all Members**

- 5.1 The Panel reviewed the level of Allowances paid to the members of authorities within the AFG as well as the other District and Borough Councils within the HAs.
- 5.2 The Panel noted that in central Government, the new Chancellor has moved away from the policy of austerity adopted by his predecessor. However, there was recognition that such changes centrally do not automatically filter down to public spending at a local authority level, and if they do there may be a delays before the impact is felt.
- 5.3 The Panel felt that while the Audit Family Groups (AFG) are no longer maintained, since the demise of the Audit Commission, that they still represent a valid group of authorities to compare allowance levels with and have more similarities with NHDC than some of the other Hertfordshire Authorities, particularly Stevenage and Watford Borough Council.
- 5.4 The Panel noted that the mean average Basic Allowance for the AFG Authorities and the HAs (excluding Watford and Stevenage) is £4,936 for the 2016-17 financial year (£4,817 for the AFG and £5,055 for the HAs). The median payment is slightly lower at £4,798 per annum.
- 5.5 The Panel felt that with only four Councillors not paid a SRA responding to the survey it was difficult to get a real sense of the correlation between Basic Allowance and time spent on Council business. However, while the sample size makes conclusions hard, the Panel noted that, of those four respondents, the time spent ranged from three to 40 hours per week.
- 5.6 Responses to the survey question "At what level should the Basic Allowance be for 2017-18" gave a mean average of £5,539 and a median of £5,500. The spread of responses was £4,500-£9,000, with a relatively high standard deviation of £1,043 per annum.
- 5.7 Having carefully considered the information available the Panel felt that there should be an increase in the Basic Allowance paid to all members for the year 2016/17 and recommend that it is set at £5,000 per annum.

## **6. Special Responsibility Allowances**

- 6.1 The panel was reminded that the Special Responsibility Allowance (SRA) was a payment made to reflect *significant* additional responsibilities and that not every additional responsibility need be so great as to warrant the payment of a SRA.
- 6.2 Bearing in mind this guidance issued by Government concerning SRAs, the Panel considered the positions for which a SRA was paid by authorities within both the AFG and the HAs, together with the value of that payment in both the current and previous financial years.

## **7. Leader**

- 7.1 The role of Leader of the Council remains the lowest in the audit family and has been a topic of great consideration in each year of the proceeding three years for the current Panel. The



Panel had in fact recommended an increase to the role of Leader in the report for 2013, however these recommendations were not adopted by the Council.

- 7.2 The Panel noted that the mean average Leader's Allowance for the AFG Authorities and the HAs (excluding Watford and Stevenage) is £16,095 for the 2016-17 financial year (£17,344 for the AFG and £14,847 for the HAs). The median payment across both is slightly lower at £15,064.
- 7.3 The panel also noted that of the 12 of the other 16 councils that make up the combined AFG and HA, have fewer cabinet members than NHDC, which in theory could mean greater support for the Leader and their workload.
- 7.4 The results of the survey suggested widespread agreement amongst Councillors that the Leader's Allowance was at too low a level. Over 50% of respondents said the current amount was much too low, and only 2 said the figure was "about right". The remainder answered that the figure was a little low.
- 7.5 Responses to the survey question "At what level should the Leader's Allowance be for 2017-18" gave a mean average of £16,353 and a median of £15,500. The spread of responses was £10,500-£24,850 with a standard deviation of £3,526.
- 7.6 Having carefully considered the information available, the Panel felt that there should be an increase in the SRA paid to the leader for the year 2016/17 and recommend that it is set at £15,000.

## **8 Deputy Leader**

- 8.1 It was noted that half of the AFG authorities make no such payment to the Deputy Leader and only four of the nine HA's make such a payment.
- 8.2 However, payment to a deputy leader has been long established in NHDC and the results of the survey suggest that Councillors do not feel the current allowance is not substantially too high or too low. The average response is very narrowly pointing at "a little too low".
- 8.3 Noting the survey response, and that the role of Deputy Leader is closely linked to the Council Leader's own role, the panel are recommending that SRA for the role is set at 10% of the Leader's Allowance, meaning it would be £1,500 for 2016-17.

## **9 Cabinet**

- 9.1 The Panel noted that the mean average Cabinet Allowance for the AFG Authorities and the HAs (excluding Watford and Stevenage) is £8,057 for the 2016-17 financial year (£7,989 for the AFG and £8,124 for the HAs). The median payment across both is £8,319.
- 9.2 However, with the other Authorities have an average of seven Cabinet Members, and the Panel felt that the lower Allowance per Cabinet Member in NHDC was a fair reflection of this.
- 9.3 Having carefully considered the information available, the Panel felt that there should be a slight increase in the SRA paid to Cabinet Members for the year 2016/17 and recommend that it is set at £7,000.
- 9.4 The Panel noted that, should the number of NHDC Cabinet Members be reduced, it would be appropriate to consider sharing the Allowance amongst the remaining roles.

## **10 Opposition Leader & Leader of the Third Party**

- 10.1 The Panel considered the possibility of an allowance for opposition leaders linked to both the Basic Allowance and the number of currently elected Councillors for their parties.
- 10.2 Several other Authorities in the AFG and HA have a figure per Councillor, ranging from £100 per member up to £376.
- 10.3 Having considered all the information, including the results of the survey, the Panel recommends that the Leader of the opposition and Leader of the third party receive a Special Responsibility Allowance of £250 per annum per elected Councillor. This is also 5% of the new recommended Basic Allowance.
- 10.4 The Panel proposes that this rate is calculated from the current Council makeup and remains in place for the upcoming financial year, meaning an allowance of £3,000 for the Leader of the Opposition and an allowance of £750 per annum for the Leader of the Liberal Democrats.

## **11 Chairman of Planning Control, Overview and Scrutiny, and Finance, Audit and Risk**

- 11.1 The Panel considered each of the other SRAs individually and reviewed the level of SRAs paid to members of authorities within the AFG as well as the other District and Borough Councils within the HAs.
- 11.2 The Panel also considered the responses to the survey, along with the recommendations for the other roles.
- 11.3 The recommendations for the Chairman roles are as follows:
  - a) Chairman of Planning Control: £6,000 per annum.
  - b) Chairman of Overview and Scrutiny: £3,500 per annum.
  - c) Chairman of Finance Audit and Risk: £3,000 per annum.

## **12 Area Committees**

- 12.1 North Hertfordshire is now the only Council within either of the AFG or HA's to pay a SRA to the chairmen of Area Committees.
- 12.2 The Panel was informed that funds for the awarding of grants, one of the key roles of Area Committees, had been substantially cut, however the Panel recognised that this cut did not necessarily mean a reduction in the number of applications or grants being considered.
- 12.3 The Panel did give consideration to whether these roles still met the Government recommendation on Special Responsibility Allowances, particularly as they no longer consider planning issues and the reduction in the number of meetings being held annually.
- 12.4 However, after consideration the Panel is recommending that there is still an SRA for Area Committee Chairs and for the year 2016/17 this should be set at £2,000 p.a.

## **13. Travelling Allowances**

- 13.1 The panel reviewed the recommendations made last year and the impact of their introduction.
- 13.2 The Panel was satisfied with the result of bringing Mileage Allowance Payments (MAP) in line with the HMRC approved amounts for cars, motorcycles and bicycles of 45 pence per mile for cars for the first 10,000 miles and 25 pence per mile thereafter.

13.3 The panel therefore recommends continuing the existing allowance of 45 pence per mile for cars for the first 10,000 miles and 25 pence per mile thereafter, along with a motorcycle allowance of 24 pence per mile and bike allowance of 20 pence per mile.

#### **14. Subsistence Allowances**

14.1 The Panel considered that the existing allowances, being the same as those used for the payment of staff claims for meals taken away from home, continue to be paid at the rate set and from time to time amended by the NJC.

#### **15. Childcare Allowance**

15.1 The Panel recommends no change to the current arrangements within the Scheme of Allowances, whereby a Member may claim an amount not exceeding the Living Wage as set and from time-to-time amended by the Government.

#### **16. Dependent Carers' Allowance**

16.1 The Panel was content with the existing arrangements with the Scheme where specialist care is required for a dependent relative to enable a member to perform authorised duties.

#### **17. Summary of Recommendations**

16.1 Basic Allowance: £5,000 per annum.

16.2 Special Responsibility Allowances (per annum):

- a) Leader: £15,000
- b) Deputy: £1,500
- c) Cabinet: £7,500
- d) Opposition & 3rd Party: £250 per Councillor
- e) Chairman of Planning Control: £6,000
- f) Chairman of Overview and Scrutiny: £3,500
- g) Chairman of Finance Audit and Risk: £3,000
- h) Chairmen of Area Committee: £2,000

16.3 **Mileage Allowances:** that all mileage continues to be paid at the HMRC approved mileage rate, currently 45p per mile for cars

16.4 **Subsistence Allowances:** that subsistence allowances continue to be paid at the rate set and from time to time amended by the National Joint Council.

16.5 **Childcare Allowance:** that claims for childcare be paid up to an amount but not exceeding the figure fixed by the Government for the Living Wage.

16.6 **Dependent Carers' Allowance:** that no change be made to the existing arrangements available to any Member who has the need to provide a carer for a dependent relative in order to be able to perform authorised duties.

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## MEMBERS' ALLOWANCES SCHEME 2019/20

### 1. Definitions

In this scheme:

"Council" means North Hertfordshire District Council;

"Councillor" means a Member of the Council who is a Councillor;

"year" means the 12 months ended 31 March;

### 2. Commencement and Duration

This scheme shall have effect for the year commencing 1 April 2019 and for subsequent years, save that the Council may amend the scheme at any time subject to **\*\* and** the provisions of paragraph 8 hereunder.

### 3. Basic Allowance

Subject to paragraph 8, a basic allowance of £5,000 shall be paid to each Councillor (x49) for each year.

### 4. Special Responsibility Allowance

For each year a special responsibility allowance in the amounts indicated below shall be paid to those Councillors who hold the following special responsibilities:-

Leader of the Council	£ <del>15,000</del> 14,000**
Deputy Leader of the Council	£1,500
Cabinet Executive Members (x <del>6</del> 7)	£ <del>7,000</del> 6,000**
Chairmen - Area Committees (x 5)	£2,000
Chairman of Finance, Audit and Risk Cttee	£3,000
Chairman – Overview and Scrutiny Cttee	£3,500
Chairman - Planning Control Cttee	£6,000
Leader of largest Opposition Group	£5,500** (variable)*
<del>Leader of 2<sup>nd</sup> largest Opposition Group</del>	<del>£1,750** (variable)*</del>
<u>N/A</u>	

\* Dependant upon number in Group at £250 per Group Member

Such allowances shall be subject to the requirements of Paragraph 8 hereunder.

**\*\* From 22 May 2019**

### 5. Travelling and Subsistence Allowances

Travelling and subsistence allowances are payable at the recommended HMRC approved amounts of 45 pence per mile for cars for the first 10,000 miles and 25 pence per mile thereafter, replacing the following National Joint Council recommended rates for local government staff.

**Cyclists**                      20.0p (20.0p)

#### **Car Sharing**

An additional allowance of 5p (HMRC approved amount) per passenger per mile be paid when a Member takes other Members whilst carrying out approved duties and in the following circumstances



- (a) the Chairman and Vice-Chairman of the Council when engaged on official Council business;
- (b) the Chairman and Vice-Chairman of any Committee or Sub-Committee for attending pre-agenda and briefing meetings and opening tenders;
- (c) Cabinet Portfolio Members for attending meetings with officers in connection with their official duties as Spokesman;
- (d) attendance by Councillors at a meeting of the Council or any Committee or Sub Committee appointed thereby in accordance with the provisions of Section 102(1)(a) and (c) of the Local Government Act 1972 (including informal meetings of such bodies which have been arranged at the behest of the appropriate Chairman and to which all Members therefore have been invited to attend), of which he/she is a Member, or has been specifically requested to attend by the Chairman and such is recorded in the minutes of the meeting;
- (e) attendance by Councillors at a meeting of any Working Party or Panel to which he/she has been appointed by any of the bodies referred to in (d) above and comprising representatives of more than one political group;
- (f) attendance by Councillors at Seminars and other similar meetings arranged formally for the purpose of informing and/or training to which representatives of more than one political group have been invited;
- (g) attendance at meetings of external bodies to which the Councillor claiming is the Council's appointed representative;
- (h) attendance by Councillors at conferences, courses, seminars, etc;

(No such allowance shall be payable in respect of attendance at any conference or meeting in relation to which the Councillor is entitled to a payment in the nature of an allowance under Section 175 of the Local Government Act 1972.

No such allowance shall be payable if such a payment would be contrary to a provision made by or under any enactment.)

**6. Renunciation**

A Councillor may by notice in writing given to the Democratic Services Manager elect to forego any part of his/her entitlement to an allowance under this scheme.

**7. Childcare and dependent Carers' Allowance**

A care allowance will be paid to any Member who incurs expenditure on the care of young children and or dependent relatives in order to perform their duties as a Councillor, subject to:

- (a) the duty being one for which Travelling and Subsistence Allowance is payable under this Scheme of Members' Allowances; and
- (b) that each individual claim shall not exceed the actual sum paid or £6.70 (£6.70) per hour, which ever is the lesser.



- (c) Consideration being given to an additional allowance for specialist care for a dependent, where this is known to be more expensive.

**8. Part-Year Entitlements**

If during the course of the year the Council amends the amounts payable in respect of basic or special responsibility allowance, then the entitlement to such allowance shall be adjusted pro-rata to the proportion of the year that such allowance is payable.

Where a Councillor (a) is not a Councillor for the whole of the year; or (b) during the course of the year takes up or relinquishes a position in respect of which a special responsibility allowance is payable, then the entitlement to basic or special responsibility allowance shall be adjusted pro-rata to the proportion of the year during which he/she was a Councillor or held such position.

**9. Claims**

A claim for travelling and/or subsistence allowance under this Scheme shall:

- a) be made in writing within three months of the end of the month in which the meeting/activity in respect of which the entitlement to the allowances arises;
- b) include or be accompanied by, a statement by the Councillor claiming the allowance that he or she is not entitled to receive remuneration in respect of the matter to which the claim relates otherwise than under the Scheme;
- c) be accompanied by receipts itemising VAT as appropriate.

A claim in respect of annual registration as Data Controller will be paid when accompanied by a receipt for payment of the fee.

Claims submitted later than three months after the relevant date, and/ or one month after 31 March shall be paid only in such exceptional circumstances following approval by the Service Director: Resources in accordance with the Financial Regulations.

~~Members are advised of the personal responsibility of every Councillor accessing the personal data of others, to register with the Data Commissioner as a data controller and payment of any registration fee.~~

**10. Payments**

Subject to the provisions of paragraph 8 payments of basic and special responsibility allowances shall be made in monthly instalments.

Payments in respect of travelling and subsistence allowance shall be made as soon as is practicable after submission of a claim.

**11. External Conferences, Seminars, etc.**

Travelling and subsistence Allowance at the same rate as that applying under the Members' Allowances Scheme are payable to those Members attending conferences, seminars, courses, etc., falling within the criteria specified in Section 175 of the Local Government Act, 1972 where such attendance has been previously approved by the Council.



12. **Subsistence Allowances**

The same as those used for the payment of staff claims for meals taken away from home, to be paid at the rate set and from time to time amended by the [HMRCNJG](#).