



NORTH HERTFORDSHIRE DISTRICT COUNCIL

15 January 2021

Our Ref Cabinet – 26.01.2021
Contact. Committee Services
Direct Dial. 01462 474655
Email. committee.services@north-herts.gov.uk

To: Members of the Cabinet:

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

Deputy Executive Members: Councillors Ruth Brown, Ian Mantle, Sam North, Helen Oliver, Sean Prendergast, Adem Ruggiero-Cakir

NOTICE IS HEREBY GIVEN OF A
MEETING OF THE CABINET

to be held as a
VIRTUAL MEETING

on

TUESDAY, 26TH JANUARY, 2021 AT 7.30 PM

Yours sincerely,

Jeanette Thompson
Service Director – Legal and Community

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

Agenda Part I

Item		Page
1.	WELCOME AND REMOTE/PARTLY REMOTE MEETINGS PROTOCOL SUMMARY Members are requested to ensure that they are familiar with the attached summary of the Remote/Partly Remote Meetings Protocol. The full Remote/Partly Remote Meetings Protocol has been published and is available here: https://www.north-herts.gov.uk/home/council-and-democracy/council-and-committee-meetings .	(Pages 5 - 6)
2.	APOLOGIES FOR ABSENCE	
3.	MINUTES - 15 DECEMBER 2020 To take as read and approve as a true record the minutes of the meeting of the Committee held on the 15 December 2020.	(Pages 7 - 20)
4.	NOTIFICATION OF OTHER BUSINESS Members should notify the Chair of other business which they wish to be discussed at the end of either Part I or Part II business set out in the agenda. They must state the circumstances which they consider justify the business being considered as a matter of urgency. The Chair will decide whether any item(s) raised will be considered.	
5.	CHAIR'S ANNOUNCEMENTS <u>Climate Emergency</u> Members are reminded that this Council has declared a Climate Emergency. This is a serious decision and means that, as this is an emergency, all of us, officers and Members have that in mind as we carry out our various roles and tasks for the benefit of our District. <u>Declarations of Interest</u> 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 Chair of the nature of any interest declared at the commencement of the relevant item on the agenda. Members declaring a Disclosable Pecuniary Interest must withdraw from the meeting for the duration of the item. Members declaring a Declarable Interest, wishing to exercise a 'Councillor Speaking Right', must declare this at the same time as the interest, move to the public area before speaking to the item and then must leave the room before the debate and vote.	
6.	PUBLIC PARTICIPATION To receive petitions, comments and questions from the public.	

- 7. ITEMS REFERRED FROM OTHER COMMITTEES**
Any Items referred from other committees will be circulated as soon as they are available.
- 8. STRATEGIC PLANNING MATTERS** (Pages 21 - 26)
REPORT OF THE SERVICE DIRECTOR – REGULATORY

The report identifies the latest position on key planning issues affecting the District.
- 9. BALDOCK, BYGRAVE AND CLOTHALL NEIGHBOURHOOD PLAN** (Pages 27 - 64)
REPORT OF THE SERVICE DIRECTOR – REGULATORY

The report sets out the steps that have been taken since receipt of the examiner's report into the Baldock, Bygrave and Clothall Neighbourhood Plan, including consideration of the responses received in respect of the public consultation on proposed additional modifications and the way forward for the neighbourhood plan.
- 10. CONSERVATION AREA SUMMARY REPORT AND NEXT STEPS** (Pages 65 - 166)
REPORT OF THE SERVICE DIRECTOR – REGULATORY

This report sets out a draft programme of work, for conservation areas and other heritage assets, based on current priorities and on budget and resource availability.
- 11. REVENUE BUDGET 2021/22** (Pages 167 - 198)
REPORT OF THE SERVICE DIRECTOR - RESOURCES

To consider the draft budget for 2021/22 and the appropriate level of Council Tax that will be recommended to the meeting of the Council on the 11 February 2021.
- 12. INVESTMENT STRATEGY (INTEGRATED CAPITAL AND TREASURY)** (Pages 199 - 258)
REPORT OF THE SERVICE DIRECTOR – RESOURCES

To consider the Investment Strategy and recommend to Council the adoption of the Investment Strategy.
- 13. PROPOSED AMENDMENTS TO PERFORMANCE MANAGEMENT MEASURES FOR 20/21** (Pages 259 - 264)
REPORT OF THE SERVICE DIRECTOR – RESOURCES

Report of proposed changes to Performance Indicators due to impact of Covid19.
- 14. HITCHIN MARKET NEW CONTRACT** (Pages 265 - 270)
REPORT OF THE COMMERCIAL MANAGER AND SERVICE DIRECTOR – COMMERCIAL

To seek approval for the new management contract regarding Hitchin Market.

15. THE COUNCIL'S PROCUREMENT STRATEGY
REPORT OF THE SERVICE DIRECTOR – LEGAL AND COMMUNITY

(Pages
271 -
288)

To present an updated Procurement Strategy for adoption.

REMOTE/PARTLY REMOTE MEETINGS PROTOCOL SUMMARY

A protocol regarding remote meetings has been devised as a result of The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020 No.392 ('the Regulations') to provide guidance for the conduct of any remote meeting of the Council, and its various Committees and Sub-Committees, held under the provisions of the Regulations and subsequent changes to the Constitution.

The full Remote / Partly Remote Meetings Protocol has been published and is available to view on the Council's website via the following link: <https://www.north-herts.gov.uk/home/council-and-democracy/council-and-committee-meetings>

The Council's adopted Constitution will continue to apply to meetings of the Council and its various Committees and Sub-Committees. Where there is a conflict between the protocol and Constitution the Constitution takes precedence.

The protocol applies to this meeting. It outlines processes for conducting remote meetings. Some key points are highlighted here for guidance:

- Prior to the start of a meeting the Committee, Member and Scrutiny Officer/Manager ('The Officer') will confirm the meeting is being streamed live. They will confirm that they can see and hear all participating Members, Officers and/or members of the public at the start or upon reconvening a meeting.
- Any person attending the meeting remotely should join no later than 15 minutes prior to allow for technical checks. They should ensure that their name on screen appears in the agreed format, as indicated in the Protocol. They should mute their microphone when not speaking. Their background should be nondescript or virtual/blurred if possible. Headsets are recommended to reduce audio feedback.
- Remember to stay in view of the camera. While on camera everything you do is visible; please observe as far as possible the etiquette you would as if attending a meeting in person.
- Be careful to prevent exempt or confidential papers being seen within the video-feed. When a meeting is in private session there should be only those entitled to be present in the room. The live stream will continue with a holding card displayed.
- If a Member wishes to speak, they should use the raise hand function. Please wait to be invited by the Chair to address the meeting. The normal procedure rules with respect to debate and speaking times will apply as per the Constitution.
- If a Member has declared a Disclosable Pecuniary Interest and is required to leave the meeting during the consideration of an item, they will be placed in the waiting room. It is the responsibility of the Member in question to remind the Chair at the start of such item. The Officer will remind the Chair to return the Member as appropriate.
- Members will need to use the tools in the "Participants" function to vote: using a green tick to indicate 'for', a red cross to indicate 'against', or the "raise hand" tool to indicate an abstention. Where a Member has had to dial into the meeting by telephone, the Chair will ask for verbal confirmation as to how they wish to vote. Leave the vote in situ until told otherwise by either the Chair or Officer.
- The Officer will clearly state the result of the vote and the Chair will then move on.
- Details of how Members voted will not be kept or minuted unless a Recorded Vote is requested or an individual requests that their vote be recorded, although voting may be seen and/or heard on the video recording.
- If there are Part 2 (confidential) items Members will be invited to join a breakout room for these items. You must accept this invitation.
- Once Part 2 (confidential) discussions have concluded Members will need to leave the breakout room. Please do not leave the meeting.

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Public Document Pack Agenda Item 3

NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

**MEETING HELD AS A VIRTUAL MEETING
ON TUESDAY, 15TH DECEMBER, 2020 AT 7.30 PM**

MINUTES

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

Deputy Executive Members: Councillors: Ruth Brown, Ian Mantle and Carol Stanier

In Attendance: *Anthony Roche (Managing Director), Ian Fullstone (Service Director - Regulatory), Jeanette Thompson (Service Director - Legal and Community), Ian Couper (Service Director - Resources), Vaughan Watson (Service Director - Place), Steve Crowley (Service Director - Commercial), Jo Dufficy (Service Director - Customers), Vic Godfrey (IT Manager), Peter Lapham (Interim Property Consultant), Louise Randall (Leisure Contracts Manager), Chloe Gray (Commercial Manager) and Hilary Dineen (Committee, Member and Scrutiny Manager)*

Also Present: *At the commencement of the meeting Councillor Claire Strong and one registered speaker.*

62 WELCOME AND REMOTE/PARTLY REMOTE MEETINGS PROTOCOL SUMMARY

Audio recording - 23 seconds

The Chair welcomed everyone to this virtual meeting of Cabinet that was being conducted with Members and Officers at various locations, communicating via audio/video and online and advised that there was the opportunity for the public and press to listen and view proceedings.

The Committee, Member and Scrutiny Manager undertook a roll call and drew attention to the Remote/Partly Remote Meetings Protocol Summary which gave advice regarding the following:

- Attendance;
- Live Streaming;
- Noise interference;
- Rules of Debate;
- Voting; and
- Part 2 Items.

The Chair, Councillor Martin Stears-Handscomb, started the meeting proper.

63 APOLOGIES FOR ABSENCE

Audio recording – 3 minutes 51 seconds

Apologies for absence were received from Councillor Gary Grindal and Deputy Executive Members, Councillors: Helen Oliver and Sean Prendergast.

64 MINUTES - 28 JANUARY 2020 TO 22 OCTOBER 2020

Audio Recording – 4 minutes 9 seconds

Councillor Martin Stears- Handscomb advised that since the beginning of March, when NHDC started to hold meetings remotely, it had not been possible to approve Minutes of meetings. Minutes could now be approved with the electronic signature of the Chair being applied following approval.

There were 5 sets of Minutes to agree:

- 28 January 2020
There was a small amendment required in that Howard Crompton was present at the meeting, although had not been recorded as such.
- 23 June 2020:
- 21 July 2020:
- 15 September 2020:
The titles of Howard Crompton and Jo Dufficy were incorrect. At this meeting Howard was Service Director – Customers and Jo was Customer Services Manager.
- 22 October 2020.

Councillor Martin Stears-Handscomb proposed, Councillor Paul Clark seconded and it was:

RESOLVED:

- (1) That, subject to the amendments below, the Minutes of the meetings of Cabinet held on 28 January 2020, 23 June 2020, 21 July 2020, 15 September 2020 and 22 October 2020 be approved as a true record of the proceedings;
 - That the Minutes of 28 January 2020 record the attendance of Howard Crompton, Service Director-Customers.
 - That the Minutes of 15 September 2020 be record that Howard Crompton was in attendance as the Service Director – Customers and Jo Dufficy was in attendance as the Customer Services Manager;
- (2) That, with the authorisation of the Chair, his electronic signature and initials be attached to the Minutes approved in (1) above.

65 NOTIFICATION OF OTHER BUSINESS

Audio recording – 6 minutes 31 seconds

There was no other business notified.

66 CHAIR'S ANNOUNCEMENTS

Audio recording – 6 minutes 36 seconds

- (1) The Chair announced that, in accordance with Council policy, this meeting was being audio recorded as well as filmed. The audio recordings would be available to view on Mod.gov and the film recording via the NHDC Youtube channel.

- (2) Members were reminded that this Council had declared a Climate Emergency. This was a serious decision and means that, as this was an emergency, all of us, officers and Members had that in mind as we carried out our various roles and tasks for the benefit of our District. More details were included on the agenda front sheet.
- (3) Members were reminded to make declarations of interest before an item, the detailed reminder about this and speaking rights was set out under Chair's Announcements on the agenda.
- (4) The Chair advised that he would take the agenda in the order published up to and including item 12. The Part 2 Items would then be considered, following which the meeting would return to Part 1 to take Items 13, 14 and 15.

67 PUBLIC PARTICIPATION

Audio recording – 7 minutes 55 seconds

Mr Bernard Eddleston, Chairman of Charnwood House Community Management Association thanked the Chair for the opportunity to address Cabinet regarding the report entitled Charnwood House, Hitchin as follows:

- Charnwood House Community Management Association was the community group mentioned in the report.
- They had worked with Officers over the past year and made a major input to the report.
- They were determined to help return Charnwood to public use as a Community Hub for the benefit of Hitchin residents.
- Any information contained in the Part 2 report could not be confirmed as to its accuracy.
- Charnwood was gifted by the Moss family to Hitchin Urban District Council in 1937.
- Due to the preamble to and the wording contained in the conveyance, the building could not be sold or leased for private use as offices or flats.
- The building had been registered by CCMA as an Asset of Community Value.
- CCMA was established as a Charitable Incorporated Organisation (CIO) several years ago.
- CCMA were successful in obtaining a small grant from Social Investment Business to carry out a feasibility study and had undertaken a survey of the building, engaged an architect to draw up plans for the internal modifications, had a surveyor draw up a detailed cost plan and produced an initial business plan. These had been submitted to Officers and the Executive member for Enterprise and Co-operative Development in confidence for the sole purpose of evaluating our proposals.
- The cost plan indicated that there would be significant expenditure required by the Council to return the building to a good state of repair.
- The remaining museum items was minimal and could be moved in a few weeks.
- The building was unheated and therefore unsuitable for long term storage of items.
- The building could therefore be declared surplus to requirements in a matter of months so that renovation could start.
- The CCMA business plan showed that the building could be run successfully for use by Community groups on a full repairing basis thus relieving the Council of future expenditure once the building was repaired and modified.
- Should the Council give agreement in principle to the transfer of Charnwood to a community group, the plan would need to be refined and they would work with the Council to obtain grants to carry out the necessary internal modifications.
- CCMA had demonstrated that they had the expertise to make successful grant applications.

- The current trustee body had a wide range of expertise although would seek to expand it and also engage in a publicity campaign with local residents and community groups.
- They hoped that Cabinet would make a decision to proceed in principle with the lease of Charnwood to a Community Group and looked forward to working co-operatively with the Council to make this a reality.

The following Members asked questions:

- Councillor Judi Billing;
- Councillor Ian Albert;

In response to questions the Chair advised:

- That information contained in the Part 2 report had been deemed as commercially sensitive.

Mr Eddleston informed Members that:

- That it was envisaged that a range of groups would use the building including U3A, educational trusts, and social investment companies such as the Language Centre.
- Income could be supplemented by using the building as a venue for small weddings.
- It would be challenging to raise grant funding, but if the Council was seen to put in some money it would be easier to raise funds.
- They were aware that a lot of funding had been diverted to the Pandemic, so would have to see what funding streams were available.
- In general it was best that the building be run by the local community.

The Chair thanked Mr Eddleston for his presentation.

68 ITEMS REFERRED FROM OTHER COMMITTEES

Audio recording – 23 minutes 6 seconds

6a Referral from Finance, Audit and Risk Committee: 3 December 2020 - Risk Management Update

Councillor Kate Aspinwall, Chair of Finance, Audit and Risk Committee, presented the referral from the meeting of that Committee held on 3 December 2020 in respect of Risk Management Update.

She advised that attendance at the meeting had been disappointing, with the meeting only just being quorate with only 3 members in attendance.

The Committee recommended to Cabinet:

- (1) That the risk score for the Covid-19 Leisure Management Contract risk be increased from 8 to 9;
- (2) That the amendments to the Risk Management Framework as part of the Management response to the SIAS Audit be noted and approved.

Councillor Martin Stears-Handscorn proposed, Councillor Ian Albert seconded and it was:

RESOLVED:

- (1) That the risk score for the Covid-19 Leisure Management Contract risk be increased from 8 to 9;
- (2) That the amendments to the Risk Management Framework as part of the Management response to the SIAS Audit be noted and approved.

REASONS FOR DECISIONS:

- (1) The responsibility for ensuring the management of risks is that of Cabinet;
- (2) This Committee has responsibility to monitor the effective development and operation of Risk Management.

6b Referral from Finance, Audit and Risk Committee: 3 December 2020 - Second Quarter Revenue Monitoring 2020/21

RESOLVED: That the referral from the Finance, Audit and Risk Committee meeting held on 3 December 2020 entitled Second Quarter Revenue Monitoring 2020/21 be taken with Item 11.

6c Referral from Finance, Audit and Risk Committee: 3 December 2020 - Investment Strategy (Capital and Treasury) Mid-Year Review 2020/21

RESOLVED: That the referral from the Finance, Audit and Risk Committee meeting held on 3 December 2020 entitled Investment Strategy (Capital and Treasury) Mid-Year Review 2020/21 be taken with Item 12.

6d Referral from Finance, Audit and Risk Committee: 3 December 2020 - Draft Budget Report 2021/22

RESOLVED: That the referral from the Finance, Audit and Risk Committee meeting held on 3 December 2020 entitled Draft Budget Report 2021/22 be taken with Item 10.

69 STRATEGIC PLANNING MATTERS

Audio recording – 27 minutes 11 seconds

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

- Appendix A - Ashwell Neighbourhood Plan Consultation Response;
- Appendix B - Barkway and Nuthampstead Neighbourhood Plan Consultation Response;
- Appendix C – Copy of NHDC Response to the Planning for the Future White Paper;
- Appendix D – Copy of Hertfordshire Growth Board Response to the Planning for the Future White Paper;
- Appendix E – Copy of NHDC Response to EEH Draft Transport Strategy;
- Appendix F - Copy of NHDC Response to Luton BC Draft Transport Strategy.

He drew attention to:

- Paragraph 8.8 regarding the Council's wish to withdraw site BK3;
- The Inspector had been requested to consider Master planning in respect of green issues;
- The Plan was now in the control of the Inspector;
- The Transport Forum would take place on 12 January 2021.

The Service Director – Regulatory advised that the Inspector had undertaken to advise the Council by the end of January if he had any concerns.

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

- Councillor Steve Jarvis;
- Councillor Martin Stears-Handscomb;
- Councillor Ian Albert.

In response to questions the Service Director - Regulatory advised:

- There were currently several consultations regarding Luton Airport, which had either been responded to or responses were being worked on.

Councillor Paul Clark proposed, Councillor Martin Stears-Handscomb seconded and it was:

RESOLVED:

- (1) That the report on strategic planning matters be noted;
- (2) That the responses to the Ashwell and Barkway Neighbourhood Plans and the Government's Planning White Paper consultation at Appendices A to F be noted and endorsed;
- (3) That Cabinet's thanks to Nigel Smith and his colleagues for the work undertaken regarding the Local Plan Inspections be placed on record.

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

70 NORTH HERTFORDSHIRE COMMUNITY LOTTERY

Audio recording – 44 minutes 13 seconds

The Executive Member for Enterprise and Co-operative Development presented the report entitled North Hertfordshire Community Lottery.

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

- Councillor Ruth Brown;
- Councillor Ian Mantle;
- Councillor Judi Billing;
- Councillor Elizabeth Dennis-Harburg;
- Councillor Steve Jarvis.

In response to questions the Executive Member for Enterprise and Cooperative Development advised:

- This is a way to help community groups with funding;
- The cost of running the lottery were less than when last considered in 2017;
- The lottery could operate for a trial period and, if not successful, could then be ceased.

Councillor Keith Hoskins proposed, Councillor Judi Billing seconded and it was:

RESOLVED: That Cabinet approves the establishment of a Community Lottery, to be managed by an External Lottery Manager (ELM).

REASONS FOR DECISIONS:

- (1) To set up a Community Lottery that will enable the local Voluntary and Community Sector groups to have access to additional funding at no cost;
- (2) The Community Lottery will provide an income stream for the Council, with the Council benefiting financially from each ticket sale, however at a lower monetary proportion than the VCS groups.

71 IT CAPITAL - PURCHASING OF LAPTOPS

Audio recording – 53 minutes 49 seconds

The Executive Member for Finance and IT presented the report entitled IT Capital – Purchasing of Laptops.

He advised that recommendation 2.1 in the report should be amended to read:

“That the capital programme for IT spend is amended as detailed in 7.4 Table 2 to enable IT to progress the procurement of laptops for staff to facilitate more effective home working arrangements. The net impact is an increase in spend in 2021/22 of £55k as detailed in 7.5 and shown in Table 3.”

The Executive Member for Finance and IT advised Members that:

- The content of this report would be included in the budget papers due to be considered by Council in February 2021;
- The reasons for bringing this paper ahead of the budget is:
 - That if approval is granted, the IT team can progress the purchase, build and distribution of laptops to staff in this financial year;
 - The issue of laptops would meet the requirements of staff, as identified in the staff survey, to enable them to undertake remote working and participation in remote meetings more effectively;
 - The move to laptops would enable staff to have one core device for use remotely and in the office which would have the added benefit of savings on licence fees.

The following Member took part in the debate:

- Councillor Judi Billing.

Councillor Ian Albert proposed, Councillor Martin Stears-Handscorn seconded and it was:

RECOMMENDED TO COUNCIL:

- (1) That the capital programme for IT spend is amended as detailed in 7.4 Table 2 to enable IT to progress the procurement of laptops for staff to facilitate more effective home working arrangements. The net impact is an increase in spend in 2021/22 of £55k as detailed in 7.5 and shown in Table 3;
- (2) That £50k of the capital is bought forward into this year's budget so that the IT Manager can progress the procurement of the first batch of laptops so that delivery to staff can happen at the earliest opportunity.

REASONS FOR DECISIONS:

- (1) To enable a continued agile way of working which has been brought about by the Coronavirus pandemic, increasing flexibility and business continuity resilience and ensuring a future proofed approach;
- (2) To avoid additional capital costs associated with a requirement to increase Microsoft licences where users have a personal computer in the office and an NHDC provided device at home;
- (3) To respond to feedback from the staff survey regarding the need for staff to be provided with equipment that have cameras and microphones to enable council wide participation in meetings and similar activities;
- (4) To enable the procurement, build and distribution of laptops to take place ahead of the new financial year, considering supplier lead in times and scheduling of resources in the IT team.

72 DRAFT BUDGET REPORT 2021/22

Audio recording – 1 hour 0 minutes 8 seconds

The Chair referred Members to the referral from the Finance, Audit and Risk Committee, which supported the recommendations contained in the report.

The Executive Member for Finance and IT presented the report entitled Draft Budget Report 2021/22 together with the following appendices:

- Appendix A - Full list of Revenue Savings and Investments;
- Appendix B - Full Proposed Capital Programme.

He informed Members:

- There were uncertainties that had affected budget forecasting such as the one year settlement and delays in the new funding formula;
- That savings regarding public toilets, litter bins and Christmas trees had been rejected;
- Higher claims of the Council Tax Reduction Scheme will result in lower Council Tax income base.
- Council Tax likely to be increased by the maximum allowed without a referendum.

Councillor Ian Albert proposed, Councillor Martin Stears-Handscorn seconded and it was:

RESOLVED:

- (1) That the funding forecasts for 2021/22 and the significant uncertainty around Central Government funding levels in 2021/22 and beyond, and that these estimates provided could be subject to significant change be noted;
- (2) That the comments made at the budget workshops and the inclusion of the revenue savings and investments in the draft budget be noted;
- (3) That the comments made at the budget workshops and the inclusion of the capital investments in the draft budget be noted;
- (4) That it be confirmed that Council Tax increases for 2021/22 will be in line with the Medium Term Financial Strategy (i.e. the maximum amount allowed without the need for a local referendum).

REASON FOR DECISIONS: To ensure that all relevant factors are considered in arriving at a proposed budget and Council Tax level for 2021/22, to be considered by Full Council on 11 February 2021.

73 SECOND QUARTER REVENUE MONITORING 2020/21

Audio recording – 1 hour 7 minutes 46 seconds

The Chair referred Members to the referral from the Finance, Audit and Risk Committee, which supported the recommendations contained in the report.

The Executive Member for Finance and IT presented the report entitled Second Quarter Revenue Monitoring 2020/21.

Councillor Ian Albert propose, Councillor Martin Stears-Handscorn seconded and it was:

RESOLVED:

- (1) That the report entitled Second Quarter Revenue Monitoring 2020/21 be noted;
- (2) That the changes to the 2020/21 General Fund budget, as identified in table 3 and paragraph 8.2, a £2.036million increase in net expenditure be approved;
- (3) That the changes to the 2021/22 General Fund budget, as identified in table 3 and paragraph 8.2, a total £53k decrease in net expenditure be noted. These will be incorporated in the draft revenue budget for 2021/22.

REASON FOR DECISIONS: 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.

74 INVESTMENT STRATEGY (CAPITAL AND TREASURY) MID-YEAR REVIEW 2020/21

Audio recording – 1 hour 12 minutes 3 seconds

The Chair referred Members to the referral from the Finance, Audit and Risk Committee, which supported the recommendations contained in the report.

The Executive Member for Finance and IT presented the report entitled Investment Strategy (Capital and Treasury) Mid-Year Review 2020/21 together with the following appendices:

- Appendix A - Capital Programme Detail including Funding 2020/21 Onwards;
- Appendix B - Treasury Management Update.

He informed Members that:

- Paragraph 8.4, Table 2 listed the schemes in the 2020/21 Capital Programme that would start or continue in 2021/22;
- As part of the spending review, there had been an announcement relating to borrowing from the Public Works Loan Board which was the 'go-to' place for borrowing for Local Authorities;
- Rates had decreased on that borrowing although conditions had been imposed that stated that the Council were not able to borrow from the Public Works Loan Board if spending was primarily to generate income;
- Interest rates on investments had declined;
- A review was being undertaken to consider how to maximise return on investments.

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

RESOLVED:

- (1) That the forecast expenditure of £3.937million in 2020/21 on the capital programme, paragraph 8.3 refers be noted;
- (2) That the adjustments to the capital programme for 2020/21 onwards as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend in 2021/22 by £7.022million be approved;
- (3) That the position of the availability of capital resources, as detailed in table 3 paragraph 8.6 and the requirement to keep the capital programme under review for affordability be noted.

RECOMMENDED TO COUNCIL:

- (1) That the position of Treasury Management activity as at the end of September 2020 be noted.

REASONS FOR DECISIONS:

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

75 LAND AT THE SNIPE. WESTON, HERTS

Audio recording – 2 hours 33 minutes 1 second

NB The Committee, Member and Scrutiny Manager undertook a roll call to ensure that all were present and could hear and be heard.

NB This item was discussed following the Part 2 Item of the same name (Minute 80 refers)

The Executive Member for Enterprise and Cooperative Development presented the report entitled Land at the Snipe, Weston, Herts together with the following appendices:

- Appendix A - Location Plan of Land to be Declared Surplus;
- Appendix B – S.123 Local Press Advertisement.

Councillor Keith Hoskins proposed, Councillor Martin Stears-Handscomb seconded and it was:

RESOLVED:

- (1) That the land at The Snipe, Weston be declared surplus to the District Council's requirements and the decision to place upon the open market or pursue alternative development options be delegated to the Service Director for Resources, in consultation with the Executive Member for Finance and IT;
- (2) If the property is placed on the open market for sale, then following receipt of offers for the land identified in Appendix A, the decision to accept an offer is delegated to the Service Director for Resources, in consultation with the Executive Member for Finance and IT.

REASONS FOR DECISIONS:

- (1) To provide a financial receipt to help fund the District Council's capital programme;
- (2) To facilitate the provision of new private and affordable housing through the use of Council owned land that might otherwise remain of limited benefit to the community;
- (3) Marketing the land on the open market will maximise interest from developers and satisfy the requirements to obtain the best price reasonably obtainable.

76 COVID-19 LEISURE CONTRACTS RECOVERY

Audio recording – 2 hours 35 minutes 39 seconds

NB This item was discussed following the Part 2 Item of the same name (Minute 79 refers)

The Executive Member for Leisure and Environment presented the report entitled Covid-19 Leisure Contracts Recovery

Councillor Steve Jarvis proposed, Councillor Martin Stears-Handscomb seconded and it was:

RECOMMENDED TO COUNCIL: That the recommendations contained in Part 2 report be agreed.

REASON FOR DECISION: As detailed in the Part 2 report.

77 CHARNWOOD HOUSE, HITCHIN

Audio recording – 2 hours 38 minutes 6 seconds

NB This item was discussed following the Part 2 Item of the same name (Minute 81 refers)

The Executive Member for Enterprise and Co-operative Development presented the report entitled Charnwood House, Hitchin.

Councillor Martin Stears-Handscomb summarised that Cabinet were keen that consideration of community use of the building be moved forward, however it was clear that current circumstances made it uncertain as to the exact way in which the building could be used by the community. Cabinet were keen to discuss and work with CCMA and the wider community to explore the best ways to bring the building into community use although there was no rush to make a final decision.

Councillor Keith Hoskins proposed, Councillor Judi Billing seconded and it was:

RESOLVED: That the principle of the option presented be progressed further with the widest possible community engagement on the proposals and use.

REASON FOR DECISIONS: As detailed in the Part 2 report.

78 EXCLUSION OF PRESS AND PUBLIC

Audio recording – 1 hour 17 minutes 44 seconds

Councillor Martin Stears-Handscomb proposed, Councillor Paul Clark seconded and it was:

RESOLVED: That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the said Act (as amended).

The Chair announced that Members were to move to the Part 2 meeting at which point a 5 minute break would be taken.

79 COVID-19 LEISURE CONTRACTS RECOVERY

NB The Committee, Member and Scrutiny Manager undertook a roll call to ensure all were present and could hear and be heard.

NB: No audio recording was made for this Part 2 Item

NB This item was discussed prior to the Part 1 Item of the same name (Minute 76 refers)

The Executive Member for Leisure and Environment presented the report entitled Covid-19 Leisure Contracts Recovery.

Councillor Ian Albert commented on the report and recommendations.

Queries raised were responded to by:

- The Service Director – Legal and Community;
- The Service Director – Resources;
- The Managing Director.

Councillor Steve Jarvis proposed, Councillor Ian Albert seconded and it was:

RECOMMENDED TO COUNCIL: That the recommendations contained in the Part 2 report be agreed.

REASON FOR DECISION: As detailed in the Part 2 report.

80 LAND AT THE SNIPE, WESTON, HERTS

NB: No audio recording was made of this Part 2 Item.

NB This item was discussed prior to the Part 1 Item of the same name (Minute 75 refers)

The Executive Member for Enterprise and Co-operative Development presented the report entitled Land at the Snipe, Weston, Herts together with the following appendices:

- Appendix A – Site Plan;
- Appendix B – Memorandum of Agreement.

Councillor Steve Jarvis commented on the report.

Councillor Keith Hoskins proposed, Councillor Martin Stears-Handscomb seconded and it was:

RESOLVED: That the recommendations contained in the Part 2 report be agreed.

REASON FOR DECISION: As detailed in the Part 2 report.

81 CHARNWOOD HOUSE, HITCHIN

NB: No audio recording was made of this Part 2 Item

NB This item was discussed prior to the Part 1 Item of the same name (Minute 77 refers).

The Executive Member for Enterprise and Co-operative Development presented the report entitled Charnwood House, Hitchin together with the following appendices:

- Appendix A - Legal Advice for Options on Charnwood House 2014;
- Appendix B - Report Charnwood House;
- Appendix C - CCMA Preliminary Business Plan Proposal;
- Appendix D - CCMA Plans and Pojected Project Costs;
- Appendix E.1 - CCMA Cashflow Forecasts - Basic Plan;
- Appendix E.2 - CCMA Cashflow Forecasts - Worst Case;
- Appendix E.3 - CCMA Cashflow Forecasts - Basic with Two Managers;
- Appendix E.4 - CCMA Cashflow Forecasts - Basic with Extra Rooms Rented;
- Appendix F - CCMA Trustee CVs;
- Appendix G - Annual Premises Costs.

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

- Councillor Judi Billing;
- Councillor Ian Albert;
- Councillor Ian Mantle;
- Councillor Paul Clark;
- Councillor Martin Stears-Handscomb;

Questions were responded to by:

- The Interim Property Consultant;
- The Service Director – Commercial;
- The Service Director – Resources;
- The Managing Director

Councillor Keith Hoskins proposed, Councillor Judi Billing seconded and it was:

RESOLVED: That the principle of the option presented be progressed further with the widest possible community engagement on the proposals and use.

REASONS FOR DECISION:

- (1) To bring a town centre asset into beneficial use for the wider community;
- (2) To reduce ongoing maintenance costs for this property.

The meeting closed at 10.11 pm

Chair

CABINET 26 JANUARY 2021
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*PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: STRATEGIC PLANNING MATTERS

REPORT OF THE SERVICE DIRECTOR - REGULATORY

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR PLANNING & TRANSPORT

COUNCIL PRIORITY: RESPOND TO CHALLENGES TO THE ENVIRONMENT / ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY / SUPPORT THE DELIVERY OF GOOD QUALITY AND AFFORDABLE HOMES

<p>1. EXECUTIVE SUMMARY</p> <p>1.1 This report identifies the latest position on key planning issues affecting the District.</p> <p>2. RECOMMENDATIONS</p> <p>2.1. That the report on strategic planning matters be noted.</p>
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3. REASONS FOR RECOMMENDATIONS

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

4. ALTERNATIVE OPTIONS CONSIDERED

4.1. None

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1. The Executive Member for Planning and Transport and Deputy have been briefed on the matters set out above. The Local Plan Project Board is regularly consulted and updated upon matters affecting the ongoing Local Plan Examination.

6. FORWARD PLAN

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

7. BACKGROUND

7.1. Members will be aware of, and familiar with, many of the issues surrounding the strategic planning matters referred to in paragraph 1.1 above. This report is intended to provide Members with the current positions on these matters. As with previous reports, only those matters where there has been substantive new information or change are reported upon.

8. RELEVANT CONSIDERATIONS

Other Plans and Examinations

- 8.1. **Welwyn Hatfield** – The Inspector is conducting a focussed consultation on the Council's revised objectively assessed need of 13,800 homes. He has identified that this will require further hearing sessions that have been scheduled to begin on 23 February 2021.
- 8.2. **St Albans** – The Council has formally withdrawn its draft Local Plan from examination. Work will now begin on a replacement. An initial 'Duty to Co-operate' meeting between the Executive Member for Planning and Transport, his St Albans counterpart and officers has been scheduled for 1 February 2021.
- 8.3. **Central Bedfordshire** – Resumed hearings into the Plan were held between 7 and 18 December 2020. At the time of writing, no further information or next steps have been provided. Any update will be verbally reported at the Cabinet meeting.

North Hertfordshire Local Plan

- 8.4. Further hearing sessions into the North Hertfordshire Local Plan were held between Monday 23 November and Thursday 10 December 2020 exploring a range of issues. At the conclusion of the hearings, the Council held a 'wash up' session with the Inspector to discuss next steps. Recordings of all the sessions are available on [the Council's YouTube channel](#).
- 8.5. The Council committed to providing all outstanding information arising from the latest hearings prior to Christmas. These actions were completed and submitted under the delegated authority granted by Full Council in April 2017 including [further information relating to the unmet housing need arising from Luton](#).
- 8.6. At the 'wash up' session, the Inspector undertook to advise the Council of any substantive issues or concerns arising from the matters considered at the hearings by the end of January 2021 at the latest. Any correspondence received in advance of the meeting will be tabled as an addendum and / or reported verbally to Cabinet as appropriate.
- 8.7. Two further hearings are scheduled to take place in the first week of February 2021 relating to proposed allocation 'BK3' in Barkway and the Council's proposed approach to the masterplanning of larger developments. The latter session links to the outcomes and actions of the Corporate Peer Challenge and Housing Delivery Test Action Plans approved by Cabinet in June 2020. The Inspector's Matters, Issues and Questions for these sessions along with associated guidance have been [published on the website](#). Statements for these sessions are to be submitted by 20 January 2021.
- 8.8. Following these sessions, the Inspector has outlined his intention to hold a final, focussed consultation which will then inform his final report. A special Cabinet meeting to allow any consultation to proceed in a timely fashion has been provisionally scheduled for 9 February 2021.

Neighbourhood Plans

- 8.9. The Baldock, Bygrave and Clothall Neighbourhood Plan is subject to a separate report to this meeting.

- 8.10. The Knebworth Neighbourhood Plan is expected to be submitted to the Council in early 2021 with Regulation 16 consultation to follow. In July 2018, Cabinet delegated authority to approve this period of public consultation to the Director of Regulatory Services, in consultation with the Executive Member for Planning, Enterprise and Transport to avoid unnecessary delay in the process where all necessary documentation is received. Any delegated decision will be published and notified to Members once taken.

Government announcements

- 8.11. The Government has stated that the next steps in response to its [Planning for the Future White Paper \(August 2020\)](#) will be announced in the Spring.

London Luton Airport

- 8.12. Officer meetings regarding the proposed expansion for Luton Airport and the Luton Airport Regional Forum have recommenced after being placed on hold during the Covid-19 pandemic. As previously advised, LLAL continue to [state on their website](#) that they are expecting to submit their Development Consent Order (DCO) application to the Planning Inspectorate in 2021. In addition, officers are working with HCC in preparing a response to the proposed changes to LLA arrivals airspace consultation which concludes on 5 February 2021. The response will be subjected to Exec Member sign off and a copy will be reported to a future meeting of Cabinet.

Details of the consultation can be viewed on the following link:

https://consultations.airspacechange.co.uk/london-luton-airport/ad6_luton_arrivals/

Other transport, planning and infrastructure matters

- 8.13. The **Transport User Forum** resumed this month holding its first meeting on 12th January since March 2020. The topic covered was Community Transport with presentations provided by representatives from Letchworth Garden City Heritage Foundation, North Herts. CVS and Royston & District Community Transport. The topic clearly proved popular with the highest attendance so far for a meeting of the Forum, with a good mixture of NHDC Councillors, HCC Members, Parish Councils and organisations represented. The date for the next Transport Users Forum is still to be decided.
- 8.14. **Sustainable Travel Towns** – both submissions for Letchworth Garden City and Royston submitted by the Letchworth Garden City Heritage Foundation and Royston Town Council respectively, with support from NHDC, were successful in being initially shortlisted along with the submission for Stevenage by HCC's Growth, Infrastructure, Planning and the Economy Panel. The next stage will be to work up the proposed submissions in more extensive detail for submission to the Panel in July 2021 for final sign-off. Working Groups for both submissions have been established, having held their first meetings initially between Officers with Councillor involvement is expected in due course. In addition, it is hoped that a slot for the Sustainable Travel Town schemes will be included at the next Highways Liaison meeting on the 15th February.

9. LEGAL IMPLICATIONS

- 9.1. Under the Terms of Reference for Cabinet, the Constitution states that it may exercise the Council's functions as Local Planning Authority and receive reports on strategic planning matters, applications for, approval/designation, consultation/referendums revocations (or recommend revocation) of neighbourhood plans and orders, (except to the extent that those functions are by law the responsibility of the Council or delegated to the Service Director: Regulatory).
- 9.2. The preparation of statutory plans is guided by a range of acts and associated regulations including the Planning and Compulsory Purchase Act 2004 (as amended) and the Localism Act 2011. All local planning authorities are bound by a statutory Duty to Co-operate on cross-border planner matters.

10. FINANCIAL IMPLICATIONS

- 10.1. There are no new financial implications arising from this report. The costs of preparing the Local Plan and running the examination are reviewed on a regular basis and are reported through the quarterly revenue monitoring reports to Cabinet.
- 10.2. The general costs of preparing Supplementary Planning Documents, responding to consultations on neighbouring authorities' Plans, neighbourhood plans and Government consultations and the other activities identified in this report are met through existing revenue budgets or benefit from external funding or other arrangements to recover costs.
- 10.3. In previous financial years, funding has been available for local planning authorities (LPAs) in respect of neighbourhood planning. LPAs could claim £20,000 once a date has been set for a referendum following a successful examination. The [Government has announced](#) it will allow local planning authorities to submit claims for new burdens grants at an earlier point in the neighbourhood planning process in 2020/21. Claims will be able to be made when the Council announces its decision to send the plan to referendum.
- 10.4. The financial risks associated with planning were reviewed and updated as part of the budget-setting cycle for 2020/21. Risks are identified in relation to potential additional costs associated with progressing the Plan or any future challenge to it.

11. RISK IMPLICATIONS

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

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. There are not considered to be any direct equality issues arising from this report. Future individual schemes or considerations may well be subject to appropriate review to ensure they comply with latest equality legislative need. Any risks and opportunities identified will also be subject to assessment for impact on those that share a protected characteristic.

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to this report.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1. There are no new human resource implications arising from the contents of this report. Workload and vacancies are monitored on an on-going basis.

16. APPENDICES

- 16.1. None

17. CONTACT OFFICERS

- 17.1 Ian Fullstone, Service Director of Regulatory
01462 474480 ian.fullstone@north-herts.gov.uk

Contributors

- 17.2 Nigel Smith, Strategic Planning Manager
01462 474847 nigel.smith@north-herts.gov.uk
- 17.3 Louise Symes, Strategic Projects & Infrastructure Manager
01462 474359 louise.symes@north-herts.gov.uk
- 17.4 Clare Skeels, Senior Planning Officer
01462 474424 clare.skeels@north-herts.gov.uk
- 17.5 Daniel Washington, Transport Policy Officer
01462 474368 daniel.washington@north-herts.gov.uk
- 17.6 Nurainatta Katevu, Property & Planning Lawyer
01462 474364 nurainatta.katevu@north-herts.gov.uk
- 17.7 Ian Couper, Service Director of Resources
01462 474243 ian.couper@north-herts.gov.uk
- 17.8 Jo Keshishian, Acting Human Resources Services Manager
01462 474314 Jo.keshishian@north-herts.gov.uk
- 17.9 Reuben Ayavoo, Policy and Community Engagement Manager
01462 474212 reuben.ayavoo@north-herts.gov.uk

18. BACKGROUND PAPERS

- 18.1 None

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CABINET
26 JANUARY 2021

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: BALDOCK, BYGRAVE AND CLOTHALL NEIGHBOURHOOD PLAN

REPORT OF THE SERVICE DIRECTOR - REGULATORY

EXECUTIVE MEMBER: PLANNING AND TRANSPORT

COUNCIL PRIORITY: BUILD THRIVING AND RESILIENT COMMUNITIES

1. EXECUTIVE SUMMARY

- 1.1. The report sets out the steps that have been taken since receipt of the examiners report into the Baldock, Bygrave and Clothall Neighbourhood Plan, including consideration of the responses received in respect of the public consultation on proposed additional modifications and the way forward for the neighbourhood plan.

2. RECOMMENDATIONS

- 2.1. That the responses received to the Council's proposed modifications to the Examiner's recommendations on the Baldock, Bygrave and Clothall Neighbourhood Plan are noted.
- 2.2. That following the inclusion of the proposed modifications to the Baldock, Bygrave and Clothall Neighbourhood Plan as set out in Appendix A and subject to the Council's additional modifications in Appendix B, it is approved to proceed to a referendum.
- 2.3. That the Counting Officer be instructed to make arrangements and conduct a referendum on the Baldock, Bygrave and Clothall Neighbourhood Plan.

3. REASONS FOR RECOMMENDATIONS

- 3.1. To progress the Baldock, Bygrave and Clothall Neighbourhood Plan, enable a referendum to take place and, if more than 50% of those voting in favour of the Baldock, Bygrave and Clothall Neighbourhood Plan take steps towards "making" the neighbourhood plan.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. To accept all of the independent examiners recommendations and proceed to a referendum: in this instance, this was not considered to be the appropriate course of action as set out in the report to Cabinet in September 2020 (Minute 46).

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. The Baldock, Bygrave and Clothall Neighbourhood Plan has been subject to several rounds of public consultation during its preparation. Members have been kept informed of the progress of the neighbourhood plan through the Strategic Planning reports to Cabinet.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 7 December 2020.

7. BACKGROUND

- 7.1. Bygrave Parish Council submitted an application to designate the parishes of Bygrave and Clothall and the unparished area of Baldock as a single neighbourhood planning area in February 2017. Following public consultation, the Baldock, Bygrave and Clothall neighbourhood planning area was designated by Cabinet on 25 July 2017 (Minute 23). In that report it was recognised that Bygrave Parish Council would act as the Qualifying Body for the neighbourhood plan and that the Baldock, Bygrave and Clothall Planning Group would ensure that there was representative governance in place for the preparation of the neighbourhood plan.
- 7.2. In July 2018, Cabinet granted delegated powers to approve public consultation on neighbourhood plans. This recognised the benefit of making timely decisions where there are no alternative options. However, Neighbourhood Plans covering more than one electoral ward must still be referred to Cabinet as a Key Decision. This is the case with Baldock, Bygrave and Clothall.
- 7.3. In preparing the neighbourhood plan, a significant amount of work and public consultation has been undertaken. Consultation on an early draft neighbourhood plan took place between May and September 2019. The neighbourhood plan was submitted to the District Council in December 2019 with consultation taking place between February and March 2020. A total of 56 representations were received, 14 objections, 32 supporting representations and 10 comments. The plan was then submitted for examination.
- 7.4. An independent examiner, John Parmiter was appointed by the Council in consultation with Bygrave Parish Council and the Baldock, Bygrave and Clothall Neighbourhood Planning Group.
- 7.5. The role of the examiner is to assess whether a neighbourhood plan meets the basic conditions and other matters set out in paragraph 8 of Schedule 4B of the Town and Country Planning Act 1990 (as amended). Details about the basic conditions are set out in Section 6 of the examiner's report, as attached at Appendix A.

- 7.6. Following the examination, the examiner must make one of the following recommendations:
- The neighbourhood plan can proceed to a referendum on the basis it meets all the necessary legal requirements;
 - The neighbourhood plan can proceed to a referendum subject to modifications; or
 - The neighbourhood plan should not proceed to a referendum on the basis it does not meet the necessary legal requirements.

8. RELEVANT CONSIDERATIONS

- 8.1. The examination of the neighbourhood plan took place during July and August 2020 and was conducted by written representations, rather than a public hearing. During the examination, the examiner asked for some additional information from both the Baldock, Bygrave and Clothall Neighbourhood Planning Group and the District Council.
- 8.2. The main issues raised by the examiner centred on the green belt boundary around Baldock and an up to date position for progress on the Local Plan. The examiner's clarification note and the responses provided by the Parish Council and the District Council are available to view on the website: <https://www.north-herts.gov.uk/home/planning/planning-policy/neighbourhood-planning/baldock-bygrave-and-clothall-neighbourhood-plan>
- 8.3. The examiner's report (Appendix A) was issued on 21 August 2020 and recommended that subject to the recommended modifications that the neighbourhood plan should proceed to referendum (paras. 10.1 – 10.2).
- 8.4. However, as reported to Cabinet in September 2020 (Minute 46), it was considered that there were reasonable grounds to depart from the examiner's recommended modifications following consideration of a number of specific issues raised by the Baldock, Bygrave and Clothall Neighbourhood Plan Steering Group. It was agreed that further public consultation should be undertaken for the additional modifications. A schedule of the proposed additional modifications is attached as Appendix B. This public consultation took place between 6 November and 18 December 2020.
- 8.5. A total of 9 representations were received in response to the consultation on the additional proposed modifications. Of these representations, only two responses, from Hertfordshire County Council Environment and Hertfordshire County Council Property Services made any comments on the proposed additional modifications. A schedule of all representations is attached as Appendix C.
- 8.6. The responses have been made in respect of Policies G3: Creating well designed places; G6: Local heritage assets; E2: Green infrastructure and outdoor recreation and E5: Development north of the railway. It is considered that the representations do not raise any significant issues and that no further modifications should be made to the policies and that the additional modifications consulted on should be made to the neighbourhood plan which will be subject to a referendum.
- 8.7. As part of the examination process, the examiner must also consider whether the referendum area should be extended beyond the neighbourhood planning area to which it relates. In this case, the examiner considers that there is no reason to alter or extend the area for the referendum.

- 8.8. Normally, once the local planning authority decides that a referendum should be held, this must take place within 56 working days from the publication of its decision statement to take the plan forward. The duties of the Counting Officer are to be exercised by the appointed Returning Officer for local government elections in the area. All neighbourhood plan referenda have been suspended due to the pandemic and cannot take place until May 2021 at the earliest. Further updates will be provided at a future meeting of Cabinet.
- 8.9. If there is a favourable response to the referendum, where more than 50% of those voting vote in favour of the plan, then the local planning authority will “make” the neighbourhood plan. The plan will need to be “made” within 8 weeks of the referendum. Once the neighbourhood plan is “made”, it will form part of the statutory development plan. Policies in the neighbourhood plan will be used in determining planning applications within the designated neighbourhood planning area for Baldock, Bygrave and Clothall.

9. LEGAL IMPLICATIONS

- 9.1. Under the Terms of Reference for Cabinet Paragraph 5.6.18 of the Constitution states that the Cabinet should exercise the Council's functions as Local Planning Authority except where functions are reserved by law to the responsibility of the Council or delegated to the Service Director: Regulatory.
- 9.2. The Localism Act 2011 provided a new statutory regime for neighbourhood planning. The Neighbourhood Planning (General) Regulations 2012 (as amended) make provisions in relation to that new regime. It does amongst other things set out the Council's responsibility (as the Local Planning Authority) in assisting communities in the preparation of neighbourhood development areas, plans and order and to take plans through a process of examination and referendum. This includes powers for the Council to consider the report of a Neighbourhood Plan examiner and determine the most appropriate course of action.
- 9.3. At the point where the local planning authority makes the decision on whether the neighbourhood plan should proceed to referendum, it needs to be satisfied that the neighbourhood plan proposal has regard to national policy and guidance, contributes to sustainable development, is in general conformity with the strategic policy of the development plan for the area and doesn't breach or is otherwise compatible with EU obligations. Officers agree with the examiner's conclusions that the neighbourhood plan does have regard to national policy, contributes to sustainable development, is in general conformity with the strategic policies for the neighbourhood planning area and that there is no breach and it is compatible with EU obligations as incorporated into UK law.
- 9.4. Regulations 2A and 18A of the Neighbourhood Planning (Referendums) Regulations 2012 prescribe the relevant time limits referred to in paragraphs 8.10 and 8.11 above respectively.
- 9.5. As a consequence of receiving the examiner's report for the Baldock, Bygrave and Clothall Neighbourhood Plan, Section 70(2) of the Town and Country Planning Act 1990 (as amended) provides that the local planning authority must have regard to a post examination draft neighbourhood plan, as a material consideration in the determination of planning applications within the Baldock, Bygrave and Clothall designated neighbourhood planning area.

10. FINANCIAL IMPLICATIONS

- 10.1. The cost of the Baldock, Bygrave and Clothall Neighbourhood Plan examination has been met from the existing Neighbourhood Plan consultants budget. Costs associated with the referendum will be funded from the Neighbourhood plan earmarked reserve. The balance of the reserve is £78k, this balance has come from previous Ministry of Housing, Communities and Local Government (MHCLG) funding following designation of neighbourhood planning areas and neighbourhood plan referenda.
- 10.2. Until March 2021 the local planning authority can claim £20,000 from the MHCLG once a neighbourhood plan has gone through a successful examination process and a decision statement has been published detailing the intention to hold a referendum. This is a change to previous neighbourhood plans when a date for the referendum had to be set and has been made in response to the COVID-19 pandemic. At the time of writing, it is not known whether this financial support for neighbourhood plans will continue in future years.

11. RISK IMPLICATIONS

- 11.1. There are no direct risk implications from this report but Sustainable Development of the District and the Local Plan are both Cabinet top risks.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. There are not considered to be any direct equality issues arising from this report. Future individual schemes or considerations may well be subject to appropriate review to ensure they comply with latest equality legislative need. Any risks and opportunities identified will also be subject to assessment for impact on those that share a protected characteristic.

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to this report.
- 14.2. The District Council, as “responsible authority”, determines if the plan is likely to have significant environmental effects. It was determined, in a Screening Determination of April 2019, that the neighbourhood plan would not require a Strategic Environmental Assessment.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1. Holding a referendum for the neighbourhood plan will involve the Electoral Services team in additional work in setting up and running the referendum.

16. APPENDICES

- 16.1. Appendix A: Examiners report for the Baldock, Bygrave and Clothall Neighbourhood Plan August 2020
- 16.2. Appendix B: Schedule of proposed additional modifications for consultation – November 2020
- 16.3. Appendix C: Schedule of representations received – January 2021

17. CONTACT OFFICERS

- 17.1. Ian Fullstone, Service Director – Regulatory
01462 – 474480 ian.fullstone@north-herts.gov.uk
- 17.2. Clare Skeels, Senior Planning Officer
01462 – 474424 clare.skeels@north-herts.gov.uk
- 17.3. Nigel Smith, Strategic Planning Manager
01462 – 474847 nigel.smith@north-herts.gov.uk
- 17.4. Nurainatta Katevu, Legal Regulatory Team Manager
01462 – 474364 nurainatta.katevu@north-herts.gov.uk
- 17.5. Melanie Stimpson, Democratic Services Manager
01462 – 474208 melanie.stimpson@north-herts.gov.uk
- 17.6. Reuben Ayavoo, Policy and Community Engagement Manager
01462 – 474212 reuben.ayavoo@north-herts.gov.uk
- 17.7. Jodie Penfold, Group Accountant
01462 – 474332 jodie.penfold@north-herts.gov.uk

18. BACKGROUND PAPERS

- 18.1. Cabinet reports:

[Baldock, Bygrave and Clothall Neighbourhood Plan – Proposed Modifications Consultation – September 2020](#)

[Baldock, Bygrave and Clothall Neighbourhood Plan – Proposed Submission Version \(Regulation 16\) Consultation – January 2020](#)

[Designation of a Neighbourhood Planning Area for Baldock, Bygrave and Clothall – July 2017](#)

- 18.2. Other information:

[MHCLG letter to Chief Planning Officers – 22 June 2020](#)

- 18.3. The following background papers are all available on the following webpage:
<https://www.north-herts.gov.uk/home/planning/planning-policy/neighbourhood-planning/baldock-bygrave-and-clothall-neighbourhood-plan>

Baldock, Bygrave and Clothall Neighbourhood Plan – Proposed Submission Version – December 2019

Baldock, Bygrave and Clothall Neighbourhood Plan – Examiners Questions – July 2020

Baldock, Bygrave and Clothall Neighbourhood Plan – Examiners Report – August 2020

Schedule of proposed additional modifications – November 2020

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Baldock, Bygrave and Clothall Neighbourhood Plan

Report of Examination

Report to North Hertfordshire District Council

by the Independent Examiner:

John Parmiter FRICS MRTPI



21 August 2020

Contents	page
Summary	3
1. Introduction	4
2. The Neighbourhood Plan - preparation and public consultation	7
3. The Neighbourhood Plan in its planning context	9
4. Overview	14
5. General policies	15
6. Policies for specific sites	16
7. Policies for the villages	20
8. Other matters	20
9. Referendum Area	21
10. Conclusions and recommendations	21

Summary

1. From my examination of the submitted Baldock, Bygrave and Clothall Neighbourhood Plan, the supporting documents, and taking into account all the representations made, I have concluded that, subject to the modifications I **recommend**, the Neighbourhood Plan should proceed to a referendum.
2. I have concluded that the plan does meet the Basic Conditions. In summary, the Basic Conditions are:
 - a. having regard to national policies and advice contained in guidance issued by the Secretary of State it is appropriate to make the neighbourhood plan.
 - b. having special regard to the desirability of preserving any listed building or its setting or any features of special architectural or historic interest that it possesses, it is appropriate to make the order. This applies only to Orders.
 - c. having special regard to the desirability of preserving or enhancing the character or appearance of any conservation area, it is appropriate to make the order. This applies only to Orders.
 - d. the making of the neighbourhood plan contributes to the achievement of sustainable development.
 - e. the making of the neighbourhood plan is in general conformity with the strategic policies contained in the development plan for the area of the authority (or any part of that area.
 - f. the making of the neighbourhood plan does not breach, and is otherwise compatible with, EU obligations.
 - g. prescribed conditions are met in relation to the plan and prescribed matters have been complied with in connection with the proposal for the neighbourhood plan.
3. I have concluded that the neighbourhood plan would meet the legal requirements in that:
 - It has been prepared and submitted for examination by a qualifying body;
 - It has been prepared for an area properly designated;
 - It does not cover more than one neighbourhood plan area;
 - It does not relate to “excluded development”;
 - It specifies the period to which it has effect – to 2031; and
 - The policies relate to the development and use of land for a designated neighbourhood area.
4. I conclude the Referendum Area should be the same as the designated area.

1. Introduction

- 1.1 I am appointed by North Hertfordshire District Council, with the support of Bygrave Parish Council (the Qualifying Body), to undertake an independent examination of the Baldock, Bygrave and Clothall Neighbourhood Plan, as submitted for examination.
- 1.2 I am an independent planning and development professional of 40 years standing and a member of NPIERS' Panel of Independent Examiners. I am independent of any local connections and have no conflicts of interests.

The Scope of the Examination

- 1.3 It is the role of the Independent Examiner to consider whether making the plan meets the Basic Conditions. These are:
 - a. having regard to national policies and advice contained in guidance issued by the Secretary of State it is appropriate to make the neighbourhood plan.
 - b. having special regard to the desirability of preserving any listed building or its setting or any features of special architectural or historic interest that it possesses, it is appropriate to make the order. This applies only to Orders.
 - c. having special regard to the desirability of preserving or enhancing the character or appearance of any conservation area, it is appropriate to make the order. This applies only to Orders.
 - d. the making of the neighbourhood plan contributes to the achievement of sustainable development.
 - e. the making of the neighbourhood plan is in general conformity with the strategic policies contained in the development plan for the area of the authority (or any part of that area).
 - f. the making of the neighbourhood plan does not breach, and is otherwise compatible with, EU obligations.
 - g. prescribed conditions are met in relation to plan and prescribed matters have been complied with in connection with the proposal for the neighbourhood plan.
- 1.4 Regulations also require that the Neighbourhood Plan should not be likely to have a significant effect on a European Site or a European Offshore Marine Site either alone or in combination with other plans or projects.
- 1.5 In examining the Plan I am also required to establish if the plan complies with certain legal requirements; in summary they are whether it:
 - Has been prepared and submitted for examination by a qualifying body;

- Has been prepared for an area that has been properly designated;
 - Meets the requirements that they must not include excluded development;
 - Relates to one Neighbourhood Area; and
 - Relates to the development and use of land.
- 1.6 Finally, as independent Examiner, I must make one of the following recommendations in relation to the Plan proceeding to a Referendum:
- a) that it should proceed to Referendum on the basis that it meets all legal requirements; or
 - b) that, once modified to meet all relevant legal requirements, it should proceed to Referendum; or
 - c) that it should not proceed to Referendum on the basis that it does not meet the relevant legal requirements.
- 1.7 Second, if recommending that the Plan should go forward to Referendum, I am also then required to consider whether or not the Referendum Area should extend beyond the Neighbourhood Designated Area to which the Plan relates.

The Examination process

- 1.8 I was formally appointed to examine the Neighbourhood Plan in August 2020, following a prolonged procurement period, the principle of my appointment having been first confirmed at the end of May. Having tentatively begun the examination in this lead-in period I raised some initial questions of the LPA and QB in early July; the LPA/QB response of 10 July was placed on the District Council's website. I had no further queries.
- 1.9 The default position is that neighbourhood plan examinations are conducted by written representations. I have completed the examination from the submitted material. I conducted an unaccompanied site visit.

The Examination documents

- 1.10 In addition to the legal and national policy framework and guidance (principally The Town and Country Planning Acts, Localism Act, Planning and Compulsory Purchase Act, Neighbourhood Planning Act and Regulations, the National Planning Policy Framework, Written Ministerial Statements and the Planning Practice Guidance) together with the development plan, the relevant documents that were furnished to me - and were identified on the Council's website as the neighbourhood plan and its supporting documentation for examination - were:
- Submission Version Neighbourhood Plan; this included four annexes, together with a separate document: Design Guidelines
 - Evidence Report document which incorporated:
 - Basic Conditions Statement; and

- Consultation Statement.
- SEA Screening Determination Statement
- Landscape and Visual Appraisal regarding land north of the Railway, Baldock (Nov 2019) by AECOM
- Eight responses received under Regulation 16 (referred to later).

The Qualifying Body and the Designated Area

- 1.11 Bygrave Parish Council is the Qualifying Body for the designated area that is the neighbourhood plan area. The Plan Area comprises a mix of parished (Bygrave and Clothall, respectively) and non-parished areas (Baldock). A single parish council (as a relevant body) can apply for such an area to be designated – see para 026 PPG ref ID: 41-026-20190509 – which was duly considered and confirmed by Cabinet on 25th July 2017. I was also furnished with the Area Designation supporting material.
- 1.12 The practical outworking of this has been the formation of a Neighbourhood Planning Group, made up of representatives from each of the three constituent areas, working within a formal constitution, tasked with the production of a Neighbourhood Plan for the whole designated area.

The Neighbourhood Plan Area

- 1.13 The plan area is comprised of three constituents parts – the parishes of Bygrave and Clothall together with the market town of Baldock. Baldock is tightly enclosed by the A1(M) and the bypass (A505), with the parish of Bygrave extending to the north-east of the town and Clothall to the south-east.
- 1.14 Baldock is described as a compact, historic and attractive market town set within the rolling chalk hills of north Hertfordshire. With ancient origins, located at the convergence of two strategic routes, the modern town dates from its foundation by the Knights Templar in the 12th century. The town centre attracts visitors from beyond the town, has a growing range of independent retailers, food & beverage operators and hosts a number of events. The town has a strong community spirit and enjoys a range of good public services, well-regarded schools, churches, a railway service, together with supporting social and health services, some at or approaching capacity.
- 1.15 The village of Bygrave is in two parts: Upper Bygrave was a medieval village, with Lower Bygrave made up of two streets from a mid-1930's social experiment. There is a church, but no shops, and an infrequent bus service.
- 1.16 Clothall is a small village clustered round an ancient church; it has a village hall. At the southern end of the parish lies the hamlet of Luffenhall, comprised of houses and farms dispersed along a country lane.
- 1.17 The 2011 Census population of Baldock was 10,280 and there were 4,491 homes in the town. Bygrave parish comprised 304 people living in 108 homes; Clothall parish had 150 people accommodated in 67 homes.

2. Neighbourhood Plan preparation and public consultation

The Neighbourhood Development Plan

- 2.1 The document is very well presented and easy to follow, comprising seven sections (not numbered; nor are any paragraphs – my section 8 picks this up). There is a short introduction to the plan – between the cover and contents page, otherwise it is section 1 that forms the Introduction; section 2 explains how to use the plan.
- 2.2 Section 3 sets the scene, both in terms of the plan area today and, crucially, how it could change: This is because the neighbourhood plan is being prepared in parallel to the emerging Local Plan (see later), which proposes 3,298 homes to be built in and around Baldock by 2031, together with new employment land. The emerging Local Plan proposes to allocate a number of major sites (one a strategic allocation) – envisaged as extensions to the town of Baldock - and which will be substantially located in the adjacent parishes. The neighbourhood plan therefore does not allocate any sites itself but anticipates the Local Plan and its policies, proposals and allocations coming into force, focusing on providing additional safeguards and local requirements.
- 2.3 Section 4 sets out the neighbourhood plan's vision and its four key objectives. Sections 5-7 comprise the policy sections: Section 5 is the set of general policies, those that apply across the whole of the neighbourhood plan area; there are 6. Section 6 deals with specific sites, essentially those proposed in the emerging Local Plan. Section 7 sets out policies for the three villages. I deal with each of the three policy groups later in my report.
- 2.4 The neighbourhood plan has no policies map as such, possibly because of the nature of the plan, in that it has no spatial policies apart from those in the emerging Local Plan. Thus, Fig 2 – the equivalent of a policies map - shows the Proposals in the emerging Local Plan.
- 2.5 There are four annexes: A. How the plan was put together; B. List of policies; C. Buildings of Local Importance; and D. Maps of the villages. The plan's Design Guidelines are a separate document.

Strategic Environmental Assessment and Appropriate Assessment

- 2.6 Under Article 3(3) and 3(4) of the Strategic Environmental Assessment (SEA) Directive 2001/42/EC an SEA is required of plans and programmes which “determine the use of small areas at a local level”. The District Council, as “responsible authority”, determines if the plan is likely to have significant environmental effects. They determined, in a Screening Determination of April 2019, that the plan would not require a Strategic Environmental Assessment.
- 2.7 The neighbourhood plan does not require an Appropriate Assessment, as there are no relevant sites within the plan area, or outside, which are likely to be affected by the proposals in the plan, bearing in mind that the plan does not have any allocations. The emerging Local Plan has been screened.

Human Rights and European Obligations

- 2.8 I have no reason to believe that making the plan would breach or is incompatible with the European Convention on Human Rights or other EU obligations.

Plan period

- 2.9 The neighbourhood plan clearly states, in the Introduction and elsewhere, that it covers the period to 2031, which is co-terminus with the emerging Local Plan.

Excluded development

- 2.10 A neighbourhood plan cannot include policies for excluded development, such as minerals and waste. I have concluded that the plan does not do so.

Non-Land Use Policies

- 2.11 A neighbourhood plan cannot include policies that are not concerned with the use or development of land. The plan does not include any; however, at the end of section 2 (Using the neighbourhood plan) the text explains that: *"...the process of producing the plan has inevitably identified some wider issues that the community would like to see considered. These are recorded in the evidence report that accompanies the plan, which has been brought to the attention of the District and County Councils."*

Public consultation and responses to the submitted plan (Regulation 16)

- 2.12 The process of consultation involved a wide range of media and activities, supervised by the Planning Group. These included a website, newsletters and email contacts, advertising, community events, a Community Survey, design workshops and public meetings. Consultation began in earnest in May 2017 at the Baldock Street Fair with a stall inviting comments about aspects of the town's potential growth.
- 2.13 The Consultation Statement sets out clearly and fully the steps taken, including the way feedback and comments were processed, how the issues were selected and how the initial plan was drafted leading up to the Regulation 14 formal consultation – which took place between 2 May and 18 June 2019. The statement explains very clearly – in a set of tables - how the representations and comments were gathered, analysed and responded to in terms of drafting changes.
- 2.14 Consultation on the revised version of the plan took place between Wed 12th February and Wed 25th March 2020. A total of eight parties made representations to the submitted plan: three local residents (in support, one with a number of detailed comments or observations), the British Horse Society (about a bridleway), the County Council as landowner (HCC Property, who own virtually all the land allocated for development in the emerging local

plan), the County Council (as planning, highway and waste authority), District Council and Natural England (no comments). The statutory undertakers, including Natural England, such as the Environment Agency and Historic England, contributed to the SEA process.

3. The Neighbourhood Plan in its planning context

i. National policies and advice

- 3.1 The neighbourhood plan must have regard to national policies and advice, contained in Ministerial Statements and guidance issued by the Secretary of State, and contribute to the achievement of sustainable development. Paragraph 16 of the National Planning Policy Framework (the Framework) sets the scene:

“Plans should:

- a) be prepared with the objective of contributing to the achievement of sustainable development;*
- b) be prepared positively, in a way that is aspirational but deliverable;*
- c) be shaped by early, proportionate and effective engagement between plan-makers and communities, local organisations, businesses, infrastructure providers and operators and statutory consultees;*
- d) contain policies that are clearly written and unambiguous, so it is evident how a decision maker should react to development proposals;*
- e) be accessible through the use of digital tools to assist public involvement and policy presentation; and*
- f) serve a clear purpose, avoiding unnecessary duplication of policies that apply to a particular area (including policies in this Framework, where relevant).”*

- 3.2 The Framework then explains, at para 29, in relation to neighbourhood planning that:

“Neighbourhood planning gives communities the power to develop a shared vision for their area. Neighbourhood plans can shape, direct and help to deliver sustainable development, by influencing local planning decisions as part of the statutory development plan. Neighbourhood plans should not promote less development than set out in strategic policies for the area, or undermine those strategic policies.”

- 3.3 In relation to achieving appropriate densities, the Framework includes the following, at para 122:

“Planning policies and decisions should support development that makes efficient use of land, taking into account:

- c) the availability and capacity of infrastructure and services—both existing and proposed – as well as their potential for further improvement and the scope to promote sustainable travel modes that limit future car use;”*

- 3.4 Planning Policy Guidance includes a range of guidance relevant to this plan; for example:

“Plans should be prepared positively, in a way that is aspirational but deliverable. Strategic policies in the local plan or spatial development strategy should set out the contributions expected from development. This should include the levels and types of affordable housing required, along with other infrastructure. Neighbourhood plans may also contain policies on the contributions expected from development, but these and any other requirements placed on development should accord with relevant strategic policies and not undermine the deliverability of the neighbourhood plan, local plan or spatial development strategy. Further guidance on viability is available.” (Paragraph: 005 Reference ID: 41-005-20190509. Revision date: 09 05 2019)

- 3.5 The plan must give sufficient clarity to enable a policy to do the development management job it is intended to do; or to have due regard to Guidance. For example, the Guidance explains that:

“A policy in a neighbourhood plan should be clear and unambiguous. It should be drafted with sufficient clarity that a decision maker can apply it consistently and with confidence when determining planning applications. It should be concise, precise and supported by appropriate evidence. It should be distinct to reflect and respond to the unique characteristics and planning context of the specific neighbourhood area for which it has been prepared.” (ref 41-041-20140306).

- 3.6 There has to be appropriate evidence to support particular policies, notwithstanding it may express a strong and well-intentioned aspiration or concern of the local community. The Guidance at ref 41-040-20160211 states:

“While there are prescribed documents that must be submitted with a neighbourhood plan or Order there is no ‘tick box’ list of evidence required for neighbourhood planning. Proportionate, robust evidence should support the choices made and the approach taken. The evidence should be drawn upon to explain succinctly the intention and rationale of the policies in the draft neighbourhood plan or the proposals in an Order.

A local planning authority should share relevant evidence, including that gathered to support its own plan making, with a qualifying body

Neighbourhood plans are not obliged to contain policies addressing all types of development. However, where they do contain policies relevant to housing supply, these policies should take account of latest and up-to-date evidence of housing need.

In particular, where a qualifying body is attempting to identify and meet housing need, a local planning authority should share relevant evidence on housing need gathered to support its own plan-making”.

- 3.7 The Guidance further explains what a neighbourhood plan should address:

“A neighbourhood plan should support the delivery of strategic policies set out in the local plan or spatial development strategy and should shape and direct development that is outside of those strategic policies (as outlined in paragraph 13 of the revised National Planning Policy Framework). Within this broad context, the specific planning topics that a neighbourhood plan covers is for the local community to determine.

A neighbourhood plan should, however, contain policies for the development and use of land. This is because, if successful at examination and referendum (or where the neighbourhood plan is updated by way of making a material modification to the plan and completes the relevant process), the neighbourhood plan becomes part of the statutory development plan. Applications for planning permission must be determined in accordance with the development plan, unless material considerations indicate otherwise (see section 38(6) of the Planning and Compulsory Purchase Act 2004).

Wider community aspirations than those relating to the development and use of land, if set out as part of the plan, would need to be clearly identifiable (for example, set out in a companion document or annex), and it should be made clear in the document that they will not form part of the statutory development plan. (Paragraph: 004 Reference ID: 41-004-20190509. Revision date: 09 05 2019).

3.8 Also, in relation to Infrastructure considerations:

“A qualifying body may wish to consider what infrastructure needs to be provided in their neighbourhood area from the earliest stages of plan-making (as set out in paragraph 102 of the National Planning Policy Framework) alongside development such as homes, shops or offices. Infrastructure is needed to support development and ensure that a neighbourhood can grow in a sustainable way.

The following may be important considerations for a qualifying body to consider when addressing infrastructure in a neighbourhood plan:

- what additional infrastructure may be needed to enable development proposed in a neighbourhood plan to be delivered in a sustainable way*
- how any additional infrastructure requirements might be delivered*
- what impact the infrastructure requirements may have on the viability of a proposal in a draft neighbourhood plan and therefore its delivery*
- what are the likely impacts of proposed site allocation options or policies on physical infrastructure and on the capacity of existing services, which could help shape decisions on the best site choices*

Qualifying bodies should engage infrastructure providers (eg utility companies, transport infrastructure providers and local health commissioners) in this process, advised by the local planning authority. (Paragraph: 045 Reference ID: 41-045-2019050. Revision date: 09 05 2019)

And: *“What should a qualifying body do if it identifies a need for new or enhanced infrastructure?”*

A qualifying body should set out and explain in their draft neighbourhood plan the prioritised infrastructure required to address the demands of the development identified in the plan”. (Paragraph: 046 Reference ID: 41-046-20140306)

- 3.9 The Basic Conditions Statement (BCS) sets out most satisfactorily how the policies in the Neighbourhood Plan comply with the Basic Conditions and legal requirements. It explains, mostly in tabular form, how the plan has regard to national policies and how it contributes to sustainable development, and contributes to economic and social sustainability and how the plan contributes to the environment.

ii. Development Plan context

- 3.10 The neighbourhood plan must be in general conformity with the strategic policies of the development plan for the area. The development plan is the District Local Plan No 2 with Alterations. This plan dates from 1996; the Saved policies from 2007. It is so out of date and contains so little of any relevance to current national policy, or the strategic direction of planning policy for the District, other than the Green Belt, that I give it very little weight. The section on Baldock (5.2) is very out of date with no strategic policies.
- 3.11 The key relevant strategic policy in the development plan is the designation of a Green Belt, which is drawn tightly around Baldock and extends into much of the surrounding parishes. Virtually all the currently planned development – as proposed in the emerging local plan – is located in areas that are currently Green Belt. The emerging local plan proposes to redraw the boundaries around the new development sites it proposes to allocate. The neighbourhood plan – which is now progressing ahead of the emerging local plan - does not (nor cannot) seek to redraw these boundaries. Instead, the neighbourhood plan *anticipates* the emerging local plan and those sites will remain in the Green Belt until the new local plan is adopted. Hence, the neighbourhood plan applies additional policies that, effectively, will only come into force once the local plan has been adopted.

iii. Emerging Local Plan

- 3.12 The Local Plan 2011-2031 was submitted for examination in June 2017. Hearing sessions duly took place in late 2017 and early 2018; consultation on Main Modifications took place in the spring of 2019. Some additional hearings were being arranged for March 2020 but have been postponed due to the Covid-19 situation. It is understood that there is one Hearing Session set aside to discuss sites BA2, BA3 and BA4 (Matter 25) – see para 3.14. Main Modifications 386 and 387 proposed that some additional land was incorporated into the allocations for these sites. These are not reflected in the neighbourhood plan.
- 3.13 The District Council considered what weight to give the emerging plan at a

Cabinet meeting in December 2018, before the Main Mods consultation, and concluded that it was capable of attracting greater weight than the version submitted for examination. I give it enhanced weight now it is at examination.

3.14 The emerging plan contains a section on Baldock (paras 13.13 ff), in which land for 3,386 homes¹ (3,290 during the plan period) is allocated across eight sites in the neighbourhood plan area; each site is covered by a separate policy (designated as BA1,2 etc):

- BA1 North of Baldock Road, for 2,800 homes
- BA2 S/W of Clothall Road, for 200 homes
- BA3 S/E of Clothall Common, for 245 homes
- BA4 E of Clothall Common, for 50 homes
- BA5 Yeomanry Drive, for 25 homes
- BA6 Icknield Way, for 26 homes
- BA7 R/o Clare Crescent, for 20 homes
- BA11 Deans Yard/South Road, for 20 homes
- BA10 Royston Road, for 19.6 ha of employment

3.15 There are a number of key relevant strategic policies, such as:

- SP2, which defines the Settlement Hierarchy, classing Baldock as a town. A new settlement boundary is shown on the Proposals Map, with land beyond this classed as Green Belt.
- SP3, which allocates 19.6 ha of employment on land east of Baldock – site BA10.
- SP 14, which allocates site BA1, the largest housing site, as a strategic housing site. The plan anticipates that 2,500 homes being completed within the plan period.

3.16 The non-strategic housing sites are designated as Local Housing Allocations with site-specific criteria. The emerging local plan also identifies two Designated employment areas in the neighbourhood plan area:

- BE1 Bondor Business Centre, of 2.5 ha; and
- BE2 Royston Rd, of 3.3 ha.

3.17 All these allocations are carried into the neighbourhood plan. The emerging plan also identifies (para 13.24 ff) local issues around infrastructure provision and mitigation, matters that are close to the core issues of the neighbourhood plan. It assumes that sites will be developed sequentially with those sites to the south of the town anticipated to be commenced first and used to support some of the upfront costs associated with the implementation of the strategic site to the north.

3.18 The emerging plan recognises local traffic pinch-points within Baldock and proposes a new road as part of BA1, to enable traffic to avoid them, and one junction in particular. Also that the development of BA3 &4 will contain a new

¹ Table on pages 138-140

² See Table 4 Basic Conditions Statement

link road, providing the ability to bypass this junction.

- 3.19 Other relevant issues noted include Urban Open Land, heritage and archaeology, sensitive design and surface water flooding.

4. Overview

- 4.1 The neighbourhood plan has been prepared in parallel with the emerging local plan, though now finds itself proceeding in advance of it. This does not affect its approach, which is not to allocate any sites itself but to be based on the policies, proposals and allocations in the emerging plan; thus much of the plan is conditional on the eventual adoption of the new local plan - insofar as it relates to the neighbourhood plan area. Any changes in the emerging local plan would be dealt with by reviewing the neighbourhood plan.
- 4.2 The Basic Conditions Statement (BCS) explains that the neighbourhood plan seeks to provide additional safeguards to those in the emerging plan, rather than provide an alternative strategy. The BCS goes on to explain that: *“A key consideration in preparing the neighbourhood plan was the extent to which it could usefully add to the policies in the [emerging] local plan, and in doing so help address issues that were of a concern o the local community. To assess this in a structured way a “gap analysis”² of the policies in the emerging local plan was carried out, and forms part of the evidence base of the neighbourhood plan”* (BCS page 69).
- 4.3 The “Setting the scene” section of the neighbourhood plan (page 5) notes that the planned developments [in the emerging plan] are much larger than those required to meet local needs and so will bring additional people to the town to live and for work. It explains that one of the key concerns is the impact of this growth on the capacity of local services and infrastructure, particularly additional traffic on air quality and the road network. It goes on to specify that a number of improvements which would be required in the new local plan to address these concerns, including new schools, shops and health facilities; as well as new link roads to help limit the impacts of traffic growth on the centre of this historic town.
- 4.4 The neighbourhood plan seeks to avoid a town of two halves, separated as it is by the railway line, with the development of the strategic housing site on the north side; and to avoid too close a physical connection of that housing development to Lower Bygrave. The mitigation of the impact of climate change is also a plan priority.
- 4.4 Overall, the plan takes a very commendable approach to positive planning, supporting and promoting sustainable development and to achieving close alignment with an emerging local plan, which promotes significant growth in new homes and employment.

² See Table 4 Basic Conditions Statement

5. General policies

- 5.1 There are six general policies, which apply across the whole of the neighbourhood plan area, all prefixed by the letter G.

Policy G1 Improving access and parking

- 5.2 The policy seeks to support access and parking improvements in the town, identified in parts a) to d) of the policy. A particular focus is the provision of additional parking at Baldock railway station; another – albeit in the supporting text - is the suggestion of using small parts of the BA1 and BE2 allocations for extra parking, although the latter is part of an employment allocation. The plan's approach draws on both local consultation responses as well as consultants' reports, (see footnotes 3,5 and 6 to the supporting text).
- 5.3 The policy was the focus from three objectors - District, County Council (as planning authority) and HCC Property - but also two local residents, in support. The objections recognised local support for more parking at the station and have argued for a more balanced approach, to recognise the benefits of more sustainable modes of transport, including bus services; and to consider further parking restrictions. The District Council notes that changes were made since Reg 14. The District Council is cautious about the plan's suggestion for parking on employment land; but that is not part of the policy as such.
- 5.4 I have reviewed the evidence and am persuaded that local circumstances justify the plan's approach. Overall, I have concluded that the policy meets the Basic Conditions.

Policy G2 – Strategic green space

- 5.5 The focus of the policy is the Scheduled Ancient Monument within Baldock, known as Walls Field (the site of a Romano-British small town and Late Iron Age settlement) and the adjoining open land to the south-west - the latter proposed to be designated as Urban Open Land in the emerging plan. Together, these make up a large area within Baldock.
- 5.6 The approach the policy takes is to first protect the predominantly open character of these areas; and second, to support only those development proposals in the vicinity that would improve their visual or recreational value. The supporting text notes that: "*There is considerable scope for taking a comprehensive approach to improving the condition and value of [these areas].*"
- 5.7 There were no objectors to the policy; local residents supported it. I conclude the policy meets the Basic Conditions.

Policy G3 – Creating well-designed spaces

- 5.8 The policy seeks to secure high standards of design and a strong sense of

place at the new developments. It promotes an independent review process with community input, paid for by the applicants, an approach objected to by HCC Property, who argued for the normal process of consultation, as there was no special justification for the policy's approach. I agree.

- 5.9 I **recommend** that all the words after “design review process” be deleted, to meet the Basic Conditions.

Policy G4 – Sustainable design

- 5.10 Applications that adopt a sustainable approach in design and materials will be supported. There were no objectors, with local residents in support.

Policy G5 – Baldock conservation area

- 5.11 To conserve or enhance its appearance a range of principles need to be met (a-f). These draw on the Character Statement of the Conservation Area and the district-wide Urban Design Assessment. HCC Property felt it did not comply with the Framework in that it was insufficiently accepting of modern styles or materials in design; indeed it was not consistent with the plan's Design Guidelines, which accepted the merits of “contemporary interpretation.” It's a point well made so, to meet the Basic Conditions, I **recommend** that after the first line in (d) the words, “including their contemporary interpretation” be added before the dash.

Policy G6 – Local heritage assets

- 5.12 This policy seeks to safeguard the character or setting of those heritage assets identified as of local importance. The plan includes a plan (Fig 5) and a list at Annex C (for only Baldock). The County Council point out that there is no direct mention of undesignated or designated assets of archaeological interest in either G5 or G6, while the evidence suggests widespread archaeological remains. They suggested that, to meet the Framework's requirements, that G6 be modified to provide for known and as yet unknown below ground archeological remains. I agree, this addition would meet the Basic Conditions.
- 5.13 I **recommend** that the title of the policy be modified to read: “Archeological remains and local heritage assets”; and the text of the policy be modified, by the words “assets of archeological interest or” being inserted after the expression “that would affect...”.

6. Policies for specific sites

- 6.1 There are seven policies in this section, which apply topical policies to certain allocated sites [as in the emerging plan] that each policy identifies:

Policy E1 – Transport and air quality

- 6.2 The policy seeks to mitigate the impact of traffic from the planned

developments (citing five main allocations – BA1-4 and BA10) and on air quality. To minimise the risks of increased congestion and/or air quality deterioration within Baldock a range of measures are identified (a-f), which involve provision, mitigation or contributions. Critically, this policy means that major allocated sites BA1-4 and BA10 in the emerging local plan should not be permitted if a particular town centre junction is operating at or above capacity, which might constitute as being severe.

- 6.3 This policy was supported by local consultation responses, as well as the evidence from a wide range of official reports – cited in footnotes 17-22 and referred to in the supporting text. The underlying aim is to avoid the adverse impacts of traffic from the new developments on air quality, on the town centre roads, which are already congested and are within a heritage context.
- 6.4 The policy attracted objections from the County (as planning authority) as well as HCC Property, while, in a substantive representation, it was strongly supported by a local GP. HCC Property felt it was too vague (with the word “severe” capable of a wide meaning) and questioned why it does not apply to the whole neighbourhood plan area. While not objecting to points a) to f), they recommend the opening paragraph be deleted and parts of a) to f) applied to the whole plan area, referencing BA1-4 and BA10 where appropriate.
- 6.5 The County Council argued for a more balanced approach, saying that one junction on its own is unlikely to result in a severe impact. They recommend greater alignment with the Framework through Travel Plans. I found this last point rather weak, as it’s only one aspect of the Framework. However, I agree with the point that one junction operating above its design capacity is not, on its own, a definition of severe.
- 6.6 Overall, I consider the focus of the policy on the identified allocated sites as well supported by the evidence and is appropriate. I **recommend**, for the reasons stated above, that the words “operating significantly above its design capacity” be deleted.

Policy E2 – Green infrastructure and outdoor recreation

- 6.7 The policy seeks to secure suitable located and designed green spaces and recreational facilities in site allocations BA1-4 and BA10. A range of points need to be satisfied, listed as a) to h), all of which have to met, as drafted.
- 6.8 The policy was supported by local residents, while the British Horse Society argued for the plan to include a proposal to be included to upgrade Baldock Footpath 1 to a bridleway to improve wider access to Bygrave Bridleway 1. While no doubt having merit, its omission is not something that fails the Basic Conditions.
- 6.9 HCC Property, while agreeing with most of the policy’s text and objectives, nevertheless had a few drafting reservations. For example, the phrase “net benefits is not defined and hard to measure; the term “reflecting the wider landscape” may not always be the desirable or practical outcome. In part b)

they point out that there is no need for clear management arrangements to be agreed prior to permission being granted. Nor should all planning applications have to comply with every detail of a) to h) but should demonstrate that there will be satisfactory measures in place. I agree with these points, bar the reference to the wider landscape, which I regard as appropriate in the context; otherwise the policy needs minor modifications to meet the Framework.

6.10 I **recommend** that the following modifications be made:

- The last word of the introduction paragraph – “should” – be replaced with “the following”; and
- In a), second line, the word “net” be deleted; and
- In b), third line, add “where appropriate” before the expression “have clear management arrangements...”.

Policy E3 – Managing construction impacts

6.11 The policy seeks to minimise the impact of construction, which will take place across a number of major sites and over many years. It is well argued and locally relevant; it has been widely supported.

Policy E4 – Building strong communities

6.12 The policy seeks to secure active local engagement in the development of allocated sites BA1-4 and BA10, to achieve a strong and inclusive community of both existing and new residents.

6.13 HCC Property supports this policy, as do the local residents who made representations.

Policy E5 – Development north of the railway

6.14 Site BA1 in the emerging local plan is proposed as a strategic allocation; it is the largest and most significant development in the neighbourhood plan area. This policy seeks to secure locally relevant measures, through a series of requirements, listed as a) to h), all of which have to be met, as drafted. One of the most contentious is the requirement for a gap between the new housing and Bygrave; in the footnote to point a) it is defined as “at least 170m”. The District Council acknowledges that this approach has been addressed by locally commissioned evidence. The local residents support it; in one case it is strongly supported in a well-argued representation.

6.15 HCC Property, as landowners, strongly object to part a) of the policy, with the reference to the specified gap, arguing for a more sympathetic transition to Lower Bygrave and that the question of integration should be considered more holistically. They, inter alia, reference back to a study commissioned as part of their Regulation 14 representation, which I have read. I am however, persuaded by the locally commissioned Landscape and Visual Appraisal from

AECOM in late 2019 and my own site visit. Having balanced the material before me, I do consider that the gap requirement has been robustly and proportionately evidenced and would not prejudice this strategic site's ability to deliver 2,800 homes.

6.16 HCC Property make some further points: that there is no justification in e) for retaining the existing houses; and should contain the provision "where possible" to be consistent with how f) is drafted. Nor is the requirement for a new community hall – to meet the need for parish council meetings – necessary to make the site acceptable in planning terms. I agree with all these points, to meet the Basic Conditions.

6.17 I **recommend** that the policy be modified in the following respects:

- In e) add the words "where possible" after "retain and incorporate"
- In e) delete the words "the existing houses on Bygrave Road"; and
- In h) delete the text in brackets

Policy E6 – Royston Road

6.18 The policy requires a coordinated approach to development of sites BA3, BA4 and BA10 to allow opportunities to enhance the appearance and accessibility of this corridor. The policy lists four requirements (a-d) and adds its application to site BE2 (also in this corridor) and that a landscape strategy be agreed prior to reserved matters applications on the listed sites. The local residents supported the policy.

6.19 HCC suggested that in d) the policy should identify the need for the introduction of measures making the corridor focus on sustainable travel modes and discourage private vehicles. This would be consistent with the Framework and I **recommend** that d) be modified by adding the words "make the corridor a focus for sustainable travel and to" at the start of the sentence.

Policy E7 – Cambrai Farm and south of Clothall Common

6.20 The policy seeks to deal with the impact of development bordering the bypass, which could be particularly intrusive; three requirements (listed as a-c) need to be met. The policy is well evidenced and well supported locally, through the consultation process.

6.21 HCC Property argue that the approach in b) should be in the policy and not hidden away in a footnote. I agree, so as to meet the need for clarity in a development plan document and so meet the Basic Conditions. I **recommend** that the words in footnote 40 be inserted into part b) of the policy – between a new set of dashes - in place of the footnote marker.

7 Policies for the villages

- 7.1 There are two policies in this section - one covering Bygrave and the other both Clothall and Luffenhall.

Policy V1 – Bygrave village

- 7.2 This policy requires developments within or immediately adjoining the village (defined as both Lower and Upper Bygrave) to meet four requirements (listed as a-d). These include development appropriate to the Green Belt – as the settlement remains in the Green Belt – preserving the physical separation between the two parts of the village, maintaining their distinctive character and not introducing lighting that might hamper the rural character. It is locally supported.
- 7.3 The District Council argued for the addition of the phrase “except in very special circumstances” in a) to be consistent with the Framework (para 143); I agree; this to meet the Basic Conditions. I therefore **recommend** that the phrase be added to the beginning of the sentence.

Policy V2 - Clothall and Luffenhall

- 7.4 This policy is similar but reflects the smaller size and distinctive characters of the settlements (albeit, Luffenhall is not recognised as such in the emerging local plan).
- 7.5 Again, the District Council argued for the addition of the phrase “except in very special circumstances” in a) to be consistent with the Framework (para 143); I agree. I therefore **recommend** that the phrase be added to the beginning of the sentence, to meet the Basic Conditions.

8 Other matters

Chapter and paragraph numbering

- 8.1 The plan needs to function as an easily referenceable development plan document, to meet the Basic Conditions. As such I **recommend** that each chapter is numbered and that the paragraphs within each chapter follow a clear and consistent order (such as 1. Introduction; 1.1 first paragraph etc). Sub-headings don't normally need numbering unless it's appropriate to do so. I also **recommend** that the text on the inside cover be subsumed into the Introduction and suitably numbered.

Design Guidelines

- 8.2 The plan explains, at page 3, and in specifically citing them in policy G3, for example, that the Design Guidelines are an intrinsic part of the neighbourhood plan. HCC Property is supportive “provided they aren't too rigidly applied to stifle originality and innovation”. They were concerned that a statement such as building heights “should not normally exceed three storeys” might prove to

be overly restrictive. Having read the document as a whole, this statement should not be taken out of context; nevertheless the guidelines are well researched and derived from the local context. I have concluded that their inclusion meets the Basic Conditions.

9 Referendum Area

9.1 The Planning Practice Guidance on the Independent Examination explains:

“It may be appropriate to extend the referendum area beyond the neighbourhood area, for example where the scale or nature of the proposals in the draft neighbourhood plan or Order are such that they will have a substantial, direct and demonstrable impact beyond the neighbourhood area.”
Reference: 41-059-20140306

9.2 There are no formal development site allocations in this plan and in my view the nature and scale of what it proposes would not *have a substantial, direct and demonstrable impact beyond the neighbourhood area*. I therefore **recommend** that the Referendum Area be the same as the designated neighbourhood area, if the plan goes forward to referendum.

10. Conclusions and recommendations

10.1 Overall, from my examination of the submitted Neighbourhood Plan, together with the supporting documents, including having regard to all the representations made, I have **concluded** that, subject to the modifications that I am recommending, the plan will meet the Basic Conditions and the legal requirements. I have set out my findings, in the Summary, on page 3.

10.2 In conclusion, I **recommend** that the Baldock, Bygrave and Clothall Neighbourhood Plan should proceed to referendum. I further **recommend** that if the plan does proceed to referendum then the Referendum Area should be the same as the designated neighbourhood area.

10.3 Finally, my thanks to both the District Council and the Planning Group for their support in undertaking the examination.

John Parmiter FRICS MRTPI

21 August 2020

Independent Examiner

www.johnparmiter.com

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Baldock, Bygrave and Clothall Neighbourhood Plan: schedule of decisions which the local planning authority propose to make which differ from the recommendations of the independent examiner

The report of the independent examiner into the Baldock, Bygrave and Clothall Neighbourhood Plan was submitted to North Hertfordshire District Council on 21 August 2020. The District Council proposes to accept the findings of the examiner, other than the following recommendations for the reasons set out below.

Neighbourhood plan policy	Paragraph in examiner's report	Examiner's recommendation and reason	Different decision proposed by the District Council	Reason for the different decision
G3 Creating well-designed places	5.9	Delete all words after "design review process", to meet the Basic Conditions.	Retain the words "with community input" following "design review process" (but delete final sentence as recommended by the examiner).	Deleting these words would be contrary to national planning guidance (paragraph 017 of <i>Design: process and tools</i>), which states that "An effective design review... includes mechanisms to represent the views of local communities and other stakeholders".
G6 Local heritage assets	5.13	Change the policy title to "Archaeological remains and local heritage assets", and amend the policy text by adding "assets of archaeological interest or" after "that would affect..." in the first line of the policy. Recommended to meet the requirements of the National Planning Policy Framework and so satisfy the basic conditions.	No change to the title or policy text.	The change is not necessary to meet the basic conditions. The National Planning Policy Framework does not require neighbourhood plans to set out policies on archaeology. The change would also make the policy unclear, by implying that it applies to <u>all</u> archaeological assets (including those of national importance), when the policy only deals with assets of local value. The change would also require additions to the supporting text to explain it, but the examiner has not made any such recommendations.

E2 Green infrastructure and outdoor recreation	6.10 (first bullet)	Replace the last word of the first paragraph – “should” – with “the following”, to comply with the National Planning Policy Framework.	Replace “should” with “address the following principles”.	The examiner’s recommendation would make the policy unclear, due to the lack of a verb at the end of the sentence. As such the recommended change would not address the basic conditions, as the National Planning Policy Framework states that policies should be “clearly written and unambiguous”.
E5 Development north of the railway	6.17 (first bullet)	Add “where possible” after “retain and incorporate” in paragraph (e) of the policy, to be consistent with paragraph (f) and satisfy the basic conditions.	No change to the policy text.	The change is not necessary to meet the basic conditions, as the National Planning Policy Framework states that policies should be “clearly written and unambiguous”. Nor would it make paragraph (e) consistent with (f), as the latter is using the word ‘possible’ in a different way. If, in practice, the policy needs to be departed from (e.g. because it is not possible to retain an existing landscape feature), then reliance can be placed on other material considerations at the point of decision.

Record count: 9

Supporting Documents, Baldock, Bygrave and Clothall Neighbourhood Plan – Consultation on proposed changes to the examiners’ report

8478

Comment

Respondent: Anglian Water Services Ltd

Summary:

We note that amendments are proposed by the Council to the wording of Policy G3, G6 and E2 as set out in the Examiner's report and no change to the text of Policy E5. The changes do not appear to raise any issues of relevance to Anglian Water as a sewerage undertaker. Therefore we have no comments to make relating to the Neighbourhood Plan as amended.

Attachments: None

8479

Comment

Respondent: Transport for London (TfL)

Summary:

I can confirm that we have no comments to make on the proposed changes

Attachments: None

8480

Comment

Respondent: Hertfordshire Gardens Trust

Summary:

We have studied these proposed changes and the examiner's report and are satisfied that they be accepted by NHDC.

Attachments: None

8481

Comment

Respondent: Natural England - East of England Region

Summary:

See Attached

Attachments: None

8482

Comment

Respondent: The Chilterns Conservation Board

Summary:

See attached

Attachments: None

8484

Comment

Respondent: Historic England**Summary:**

See Attached

Attachments: Representation - https://documentportal.north-herts.gov.uk/GetDocList/Default.aspx?doc_class_code=JD&case_number=16514&doctype=PUBbbcp

8485

Comment

Respondent: Hertfordshire County Council - Environment & Infrastructure Department**Summary:**

HCC have the following comments to make in regard to the Policy G6 recommendations for changes within the document titled Baldock, Bygrave and Clothall Neighbourhood Plan: schedule of decisions which the local planning authority propose to make which differ from the recommendations of the independent examiner;

Local and Neighbourhood plans should be and are an opportunity for, more tailored policies for local heritage assets and environments rather than having an Asterix which says "as per NPPF".

Our previous advice does not appear to have been taken and the text/policy only refers to buildings, hence NHDC comments. Heritage assets include archaeological remains and landscapes as well as historic buildings. Heritage assets can have local significance which used to be different from historic buildings that have been identified as locally significant by the local planning authority. This is often referred to as a Local List and gives some material consideration to otherwise undesignated buildings in planning, primarily to facades/exterior. Interestingly, recent government guidance now expands this Local List to include all types of heritage asset as per their definition in the NPPF. So this is an opportunity for the plan to be clear about this and extend protection to all heritage assets that have been identified as "locally important". Perhaps for example those that may relate to one another such as the part of the Baldock bowl that lies within the Neighbourhood Area to the north of the town and coordinate responses to new development accordingly. Previously, if something had local significance then that has been justification for archaeological planning conditions and investigation and recording in mitigation of development and in most cases I would assume this to still be the case. This is/was an opportunity for the community to do a little more for all types of heritage assets in the same way that they are proposing for buildings.

Given the development pressure on the historic settlement of Baldock and its surrounding historic landscape this is regrettable.

Attachments: None

8486

Comment

Respondent: Hertfordshire County Council - Property**Agent:** WYG**Summary:**

See Attached

Attachments: Representation - https://documentportal.north-herts.gov.uk/GetDocList/Default.aspx?doc_class_code=JD&case_number=16812&doctype=PUBbbcp

8487

Comment

Respondent: Buckinghamshire Council

Summary:

Thank you for the consultation on this neighbourhood plan examiners changes.

I confirm this council has no comments to make.

Attachments: None



Historic England

By e-mail to: Strategic Planning and Projects Group

Our ref: PL00108563

Your ref:

Date: 11/12/2020

Direct Dial: 01223 582746

Mobile: 07833 718273

Dear Clare Skeels,

**Ref: Post-Examination Modifications Baldock, Bygrave and Clothall
Neighbourhood Plan Consultation**

Thank you for inviting Historic England to comment on the above consultation.

We welcome the production of this neighbourhood plan, but do not currently have capacity to provide detailed comments. We would refer you to our detailed guidance on successfully incorporating historic environment considerations into your plan, which can be found here: <https://historicengland.org.uk/advice/planning/plan-making/improve-your-neighbourhood/>.

For further advice regarding the historic environment and how to integrate it into your neighbourhood plan, we recommend that you consult your local planning authority conservation officer, and if appropriate [your local Historic Environment Record](#).

There is also helpful guidance on a number of topics related to the production of neighbourhood plans and their evidence base available on Locality's website: <https://neighbourhoodplanning.org/>, which you may find helpful.

To avoid any doubt, this letter does not reflect our obligation to provide further advice on or, potentially, object to specific proposals which may subsequently arise as a result of the proposed plan, where we consider these would have an adverse effect on the historic environment.

Please do contact me, either via email or the number above, if you have any queries.

Yours sincerely,

Edward James

Historic Places Advisor, East of England

Edward.James@HistoricEngland.org.uk



Historic England, Brooklands, 24 Brooklands Avenue, Cambridge CB2 8BU

Telephone 01223 58 2749 HistoricEngland.org.uk

Please note that Historic England operates an access to information policy.

Correspondence or information which you may wish to see may therefore become publicly available.



Our Ref: A090070-171-2 – NP Reps

Strategic Planning and Projects Group
North Hertfordshire District Council
PO Box 10613, Nottingham
NG6 6DW

BY EMAIL ONLY

8th December 2020

Dear Sirs,

BALDOCK, BYGRAVE AND CLOTHALL NEIGHBOURHOOD PLAN: SCHEDULE OF ADDITIONAL MODIFICATIONS – NOVEMBER 2020

REPRESENTATIONS BY HERTFORDSHIRE COUNTY COUNCIL PROPERTY RESOURCES

Hertfordshire County Council Property previously submitted comments on the Submission version of the Neighbourhood Plan and wish to provide further comments on the schedule of additional modifications that the Council has issued in response to Inspector's Report of Examination (21 August 2020).

Policy G.3 (5.9)

We note that the Inspector has agreed with our comments on the Submission Version and we maintain the position that there is no justification for special arrangements for the sites in Baldock. The Council has a Design Review Process in place and accordingly the protocol for this process should be followed for all relevant schemes, across the Borough, and should not be modified for specific schemes. Deleting the words as recommended by the Inspector is not contrary to National Planning Practice Guidance (Paragraph: 017 Reference ID: 26-017-20191001). Indeed, the criteria for an effective Design Review Panel set out in the PPG includes "*ensuring they work for the benefit of the public and reflect relevant local and national design objectives*" and requires them to have "*set clear, meaningful terms of reference to ensure a transparent, objective, robust and defensible process that demonstrates benefit to the public*". In addition, public consultation events are an important part of the application process and allow for community involvement at an early stage and feedback on all development proposals.

In accordance with the Inspector's recommendation, we recommend that all words after "design review process" are deleted.

Policy E2 (6.10)

We note that the Inspector has agreed with our comments on the Submission Version and we maintain the position that there should be more emphasis on a demonstration that satisfactory measures will be in place to secure implementation at the appropriate time. The bullet points are highly prescriptive and planning applications should not have to include every detail in order to comply with each one.

We recommend the following final sentence: "*In making this provision the applications should consider existing needs for green infrastructure within Baldock, Bygrave and Clothall, and where appropriate, the following principles:*".

11th Floor, 1 Angel Court, London, EC2R 7HJ
Tel: +44 796 673 1221
Email: julie.mclaughlin@tetratech.com Website: www.wyg.com

WYG Environment Planning Transport Limited. Registered in England & Wales Number: 03050297
Registered Office: 3 Sovereign Square, Sovereign Street, Leeds LS1 4ER. VAT No: 431-0326-08

Policy E5 (6.17)

We note that the Inspector agrees with our recommendation in relation to bullet point e) and the addition of "where possible" after "retain and incorporate". In its reason for a different decision, the Council states that *"If, in practice, the policy needs to be departed from (e.g. because it is not possible to retain an existing landscape feature), then reliance can be placed on other material considerations at the point of decision"*. The addition of "where possible" would justify a discussion on other material considerations during the application process in accord with the statutory provisions of the Planning Act.

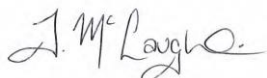
We recommend that bullet point e) reads as follows: *"retain and incorporate, where possible, existing landscape and built features that contribute to the site's history and character, including Bygrave Road/Ashwell Road, trees and hedgerows (while safeguarding the habitat value of the Bygrave Road local wildlife site)"*.

We respectfully ask that you fully consider the points raised within this letter.

Conclusion

HCC Property thanks you for the opportunity to comment on the additional changes and looks forward to continued engagement with the Baldock, Bygrave and Clothall Planning Group.

Yours faithfully,



Julie Mc Laughlin

Associate

WYG Environment Planning Transport Limited

CABINET 26 JANUARY 2021
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*PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: CONSERVATION AREA SUMMARY REPORT AND NEXT STEPS

REPORT OF THE SERVICE DIRECTOR - REGULATORY

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR PLANNING & TRANSPORT

COUNCIL PRIORITY: BUILD THRIVING AND RESILIENT COMMUNITIES / RESPOND TO CHALLENGES TO THE ENVIRONMENT / SUPPORT THE DELIVERY OF GOOD QUALITY AND AFFORDABLE HOMES

1. EXECUTIVE SUMMARY

- 1.1 In 2019 consultants prepared character statements for those conservation areas in North Hertfordshire without supporting evidence. These were endorsed at Cabinet meetings during the 2019/2020 cycle as part of the Strategic Planning Matters reports. The consultants were also asked to prepare a Summary Report recommending any further work for the conservation areas such as boundary changes or more detailed appraisal work. This is part of our statutory requirement to review conservation areas from time to time. This report deals with the findings and recommendations of the Summary Report.
- 1.2 This report sets out a draft programme of work, for conservation areas and other heritage assets, based on current priorities and on budget and resource availability.

2. RECOMMENDATIONS

- 2.1 That Cabinet endorse the findings of the North Hertfordshire Conservation Area Summary Report, attached as Appendix A to this report, as part of our statutory requirement to review conservation areas from time to time.
- 2.2 That Cabinet agree the way forward as set out in the draft programme of work identified within this report at Table 1.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To ensure conservation areas, historic assets and buildings of local importance within North Hertfordshire are appropriately assessed and designated to inform decision making for planning applications and the preparation of Local and Neighbourhood Plans.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The Council could refrain from undertaking any further work on conservation areas or local assets, but this would not reflect national policy and legislation which requires local authorities to review and monitor our conservation areas from time to time and conserve our local and designated assets.

- 4.2 The Council could delay work on the recommended projects set out in this report until in-house resources become more available, or it could proceed more slowly by undertaking less work each year spreading the projects over a longer time period. However, this would mean that the work would not be able to be used by officers in carrying out their responsibilities and will not be available for others to use. Also, there is no guarantee that in-house resources would be available in the future given the specialist nature of the officer roles and the time commitment required to undertake this work.
- 4.3 The Council could undertake more of the project work each year, completing it in a shorter timescale, allowing the completed projects to be used by officers in the assessment of applications and be available for use by others earlier. However, this would require more in-house resources in order to manage the greater amount of consultants' work and also to undertake the work identified to be done in-house. This would have implications on other workloads and priorities within planning services.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 The Executive Member and Deputy for Planning and Transport have been briefed on the findings of the Summary Report.
- 5.2 Relevant officers within Development & Conservation Management have been involved in the formulation of the programme of work resulting from the findings of the Summary Report.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on 12th October 2020.

7. BACKGROUND

- 7.1 Conservation areas are normally designated by the Council in its role as the local planning authority. They exist to manage and protect the special architectural and historic interest of a place. Local planning authorities have a duty to review past designations from time to time to determine if any further parts of their area should be conservation areas or no longer merit that designation.
- 7.2 Many of North Hertfordshire's 44 conservation areas were designated in the 1960s and 1970s. Conservation Areas within the towns and some other areas have been reviewed in the past few years and are available on the North Hertfordshire District Council website. Consultants were commissioned to create character statements for the 33 conservation areas in North Hertfordshire that were without information to support the designation. This work was undertaken in 2019/2020 and the final character statements have been endorsed by Cabinet. These character statements are also available to view on the Council's website. <https://www.north-herts.gov.uk/home/planning/conservation-and-heritage/conservation-areas/conservation-areas-villages>
- 7.3 As part of the consultants' conservation area project, they were asked to prepare a Summary Report to identify any boundary reviews or detailed appraisal work that may be required. Of the 33 conservation areas assessed by the consultants only two were not recommended for any boundary changes or any further assessment work. The two are Ayot St Lawrence and Gustard Wood which are cross-boundary conservation areas with only a small part lying within North Hertfordshire. The majority of Ayot St Lawrence lies within St Albans City and District and Gustard Wood lies mainly within Welwyn Hatfield Borough.

Therefore, a Technical Note was prepared for these areas rather than a character statement.

- 7.4 The findings of the Summary Report have resulted in a programme of future work which is set out in the following section. The full Summary Report is attached as Appendix A to this report.

8. RELEVANT CONSIDERATIONS

- 8.1 The Conservation Area Summary Report recommended five further areas of work covering projects dealing with detailed appraisal work, potential boundary changes, potential national designations and a register of buildings of local importance. The process for amending conservation area boundaries is the same for minor or major changes. Appendix C in the Summary Report sets out the process set out in the Planning (Listed Buildings and Conservation Areas) Act 1990 which requires advertisements and consultation to be undertaken on the amendments. The first stage is appraising the potential amendments to the conservation areas, the second stage comprises the consultation process on those amendments followed by endorsement by Cabinet on any agreed changes.

Detailed Conservation Area Appraisals

- 8.2 Five conservation areas, Ashwell, Barkway, Kimpton Village, Pirton and Whitwell, are recommended for a more detailed appraisal than the existing character statement, due to their size and complexity. This is in order to fully describe their special architectural and historic interest. These conservation areas are in some of our larger villages and a more detailed appraisal would be beneficial in managing change in response to any development proposals.

Substantial Boundary Changes

- 8.3 Six conservation areas, Codicote, Great Offley, Hinxworth, Sandon, Weston and Willian, were recommended for boundary changes, either a reduction or extension in size for the following reasons:
- where an area immediately adjacent to an existing boundary is of sufficient special architectural or historic interest for designation and has a character considered desirable to preserve or enhance; or
 - where a defined area within an existing conservation area can be shown to have changed its character so that it is no longer considered to be of special architectural or historic interest, or no longer worthy of preservation or enhancement.

Codicote is considered to require a reduction in size, where the housing estate at Old School Close appears to date to the 1980s or early 1990s and is of a different character to the remainder of the conservation area.

Great Offley is recommended for an extension in size to include The Vicarage, a building making a positive contribution to the character of the conservation area. It is also recommended that the boundary is extended to include the Offley Stores property which is currently divided by the conservation area boundary.

Hinxworth is recommended for an extension that would bring into the conservation area a moat and parcel of land that is potentially of Saxon origin and likely to be the original settlement core.

Sandon is recommended for an extension that would bring into the conservation area a 1920s housing estate at the west side of the settlement that would preserve a group of well-spaced and characterful cottages as well as aspects of the pre-estate landscape.

Weston is recommended for an extension at the west end of the settlement that would bring into the conservation area a series of historic property boundaries behind Fore Street, some workers housing and Addison houses on Hitchin Road, and the older part of the 1920s estate at Friars Road.

Willian is recommended for an extension that would bring into the conservation area the Willian Arboretum.

- 8.4 These more substantial suggested amendments to the boundaries of conservation areas should be fully appraised to confirm their suitability for changes to their respective conservation areas.

Minor boundary changes

- 8.5 Twenty conservation areas are recommended as requiring minor boundary changes to conform to existing property or ownership boundaries for clarity and ease of administration. These are Barley, Bendish, Charlton, Croft Lane (Letchworth), Gosmore, Graveley, Great Wymondley, Hexton, Ickleford, Kimpton Bottom, Lilley, Norton (Letchworth), Preston, Reed, Roe Green, Rushden, St Ippolyts, Southern Green, Therfield and Wallington.

Potential National Designations

- 8.6 The Summary Report identified two buildings / structures as being potentially suitable for national designation as Listed Buildings. In each case, further appraisal work would need to be undertaken with a view to presenting the information to Historic England with a request for listing.

The two identified structures are:

- Great Wymondley Village Hall, Arch Road, Great Wymondley
Great Wymondley Village Hall appears to date from the first half of the 20th century, constructed in timber and corrugated tin with a slate roof and is an attractive addition to Great Wymondley village
- Barkway Wagon Wash, Church Lane, Barkway
The Wagon Wash is a distinctive structure related to Barkway's history as a stopping point on a coaching route. It comprises a short, straight stretch of open water, lined on both sides by brick walling and coaches would be driven through the water to clean their wheels and name plates.

- 8.7 Designation of Listed Buildings is undertaken by Historic England. However, compilation of background supporting information, including report, maps and photographs could be done in-house prior to submission to Historic England for assessment. Guidance on the process of designating heritage assets can be found in Appendix C of the Summary Report.

Register of Buildings of Local Importance

- 8.8 Each conservation area character statement contains a list, in section 3.2, of non-designated buildings that make a positive contribution to the character or appearance of the respective conservation area. In total, 315 non-designated buildings were noted for their positive contribution to the character of their respective conservation areas. These should be considered for entry onto a Council's Register of Buildings of Local Importance. A list of all 315 non-designated buildings can be found in Appendix B of the Summary Report. Guidance on local listing is in Appendix C.

- 8.9 The Council currently has Registers of Buildings of Local Interest for Baldock, Hitchin, Letchworth, Newnham, Knebworth and Royston. These are available to view on the Councils website.

8.10 The buildings on the Council's existing Register of Buildings of Local Interest were selected according to the following criteria:

- Good quality work of a well-known local architect or craftsman;
- Buildings of particular local architectural interest, which are important locally for their special architectural design, decoration, craftsmanship or construction including technical innovation and particular important local building types;
- Buildings of particular local historic interest which clearly illustrate important aspects of local social, industrial, cultural or military history or the historic development of the town;
- Buildings which act as an important architectural feature or landmark within an historic street scene or setting;
- Buildings which are well documented to have a close historical association with important and significant local historic events or people.

These criteria could be used to assess the suitability of the buildings identified in conservation area character statements.

Capacity for undertaking the projects

8.11 The Council currently has a single Senior Conservation Office whose workload primarily deals with advice on planning applications on Listed Buildings and development within conservation areas. There is limited capacity within their role and limited capacity and specialist expertise within the wider planning teams to take forward all the recommended programme of works in-house. However, there may be opportunity to undertake certain projects such as identifying Buildings of Local Interest and providing supporting evidence for some projects such as national designations. This work may also be able to be undertaken jointly with town and parish councils when preparing Neighbourhood Plans. Therefore, due to lack of dedicated in-house resources it is proposed to procure most of the project work through consultants. These could be done as discrete projects over a number of years or a larger, combined project depending on the task, economies of scale and budget.

8.12 Programme of potential work

It is anticipated that some projects will be able to be carried out in-house due to their scale and nature. Work on other projects will require consultants to be procured as they require greater resources to undertake the work. Estimates for the various projects are set out in Table 1 below. Funding for consultancy work is addressed in Section 10 Financial Implications.

Table 1 Proposed projects

Project	Undertaken by	Estimated cost	Priority Timescale
Gathering supporting evidence for two Listed Building National Designations: Great Wymondley Village Hall, Arch Road, Great Wymondley	In-house (subject to resources)	Within existing resources	Medium priority 2022/2023

Barkway Wagon Wash , Church Lane, Barkway			
Gathering supporting evidence for compilation of Register of Buildings of Local Interest	In-house (subject to resources) jointly with Parish or Town Councils	Within existing resources and possible input from Parish or Town Councils	On-going
Full Conservation Area Appraisals , due to their complexity and size, for: Pirton Ashwell Barkway Kimpton Village Whitwell	Consultants	£20K + VAT per appraisal	High priority Two per year starting 2021/2022
Boundary changes due to changes in special architectural or historic interest, either within or adjoining, the Conservation area for: Codicote (omission) Great Offley (addition) Hinxworth (addition) Sandon (addition) Weston (addition) Willian (addition) Consideration will be given to undertaking a full appraisal at the same time in order to maximise resources.	Consultants	£20k + VAT per appraisal	Medium priority Two per year following on from completion of full Conservation Area Appraisals above starting 2023/2024
Minor boundary changes to Conservation Areas for: Barley Bendish Charlton Croft Lane (Letchworth) Gosmore Graveley Great Wymondley Hexton Ickleford Kimpton Bottom Lilley Norton (Letchworth)	Consultants	Cost to be estimated nearer time of project date.	Low priority

Preston Reed Roe Green Rushden St Ippolyts Southern Green Therfield Wallington			
Other recommendations within the Summary Report for future consideration are set out in paragraph 8.13 below. Costs, timescales and resources to be investigated at the appropriate time.			
Related conservation matter regarding potential new conservation area is set out in paragraph 8.14 below. Investigations to be undertaken now to ascertain costs, timescales and resources.			

Other recommendations within the Summary Report

8.13 As well as the detailed recommendations, set out in Table 1 above, the Summary Report identified other recommendations for future consideration that could be undertaken as part of or following other project work.

i) Undertake a review of North Hertfordshire town conservation areas to ensure they reflect national policy and guidance and emerging local policy. This could be considered following Town Centre Strategy review work.

ii) Publish an over-arching conservation area policy document for North Hertfordshire to reflect national policy and guidance and emerging local policy. This could be undertaken as part of the Local Plan review.

iii) Publish a Register of Buildings of Local Importance, covering buildings both within and outside of conservation areas to be in line with current Historic England Guidance (Historic England Advice Note 7, 2016). There is potential for partnership working with Parish and Town Councils and in the preparation of Neighbourhood Plans.

Related conservation area matter

- 8.14 Although not part of the work recommended within the Summary Report there is a related Conservation Area matter which would be beneficial to address at this time. In June 2016, Amec Foster Wheeler, now Wood (who undertook the Conservation Area Summary Report), prepared a Heritage Assessment of North Stevenage (NS1), a strategic housing allocation site in the emerging Local Plan. This Heritage Assessment looked at the potential impact of any development on the surrounding heritage assets and identified a number of recommendations including:
- North Hertfordshire District Council should consider designating a conservation area based upon Chesfield Park and Chesfield Church to adjoin the St Nicholas/Rectory Lane Conservation Area in Stevenage and preserve the significance of Chesfield Park.*
- Work to assess whether Chesfield could be designated as a Conservation Area is outside the scope of the Summary Report however it is considered pertinent that preliminary investigations are carried out to ascertain an estimated timescale and cost to undertake the assessment work required.

9. LEGAL IMPLICATIONS

- 9.1 Under the Terms of Reference for Cabinet, the Constitution states that it may exercise the Council's functions as Local Planning Authority and receive reports on strategic planning matters, applications for, approval/designation, consultation/referendums revocations (or recommend revocation) of neighbourhood plans and orders, (except to the extent that those functions are by law the responsibility of the Council or delegated to the Service Director: Regulatory).
- 9.2 Section 69 of the Planning (Listed Buildings and Conservation Areas) Act 1990 sets out the local planning authority's duty to review conservation areas and their boundaries from time to time and designate new conservation areas where appropriate.
- 9.3 Section 69 (4) provides that designation of any area as a conservation area shall be a local land charge.

10. FINANCIAL IMPLICATIONS

- 10.1 Estimated costs for the projects are set out in Table 1 in section 8. £40k has been earmarked for conservation work for each year from 2020/21 to 2022/23, so a total of £120k over the next three years. This money is coming from the planning fee earmarked reserve. As the money is in an earmarked reserve, if planned work means that more than £40k needs to be drawn down in one year, this can be accommodated as long as the total amount of works do not exceed £120k.
- 10.2 There are no specific revenue implications arising from this report. The costs for using in-house resources within planning services for aspects of the work identified in Table 1 will be met within existing staffing budgets.
- 10.3 However, it is acknowledged that costs may increase and that in-house resources may not be available so that additional consultancy costs are incurred. As such, work will be prioritised and spend will be monitored by the relevant manager. Should additional funding be required then a growth bid will be identified for specific workstreams that can then be considered as part of the budget setting process.

11. RISK IMPLICATIONS

- 11.1 There are no new risk implications arising from this report. This report is not considered to present a corporate risk in itself.
- 11.2 Nonetheless, the risks associated with not preparing the recommended detailed conservation area appraisals, not amending further conservation area boundaries, not submitting two local heritage assets to Historic England for designation, and not preparing a Register of Buildings of Local Importance include:
- lack of clarity and uncertainty to case officers and applicants when preparing, negotiating and determining planning applications;
 - lack of consistency with the emerging Local Plan as well as national planning policy and guidance; and
 - a risk of not securing high quality development that contributes to the character of North Hertfordshire.

12. EQUALITIES IMPLICATIONS

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 There are not considered to be any direct equality issues arising from this report.

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

- 14.1 There are no known Environmental impacts or requirements that apply to the actions in this report.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are no new human resource implications arising from the contents of this report. Any work carried out in-house will be undertaken within existing staff resources.

16. APPENDICES

- 16.1 Appendix A - North Hertfordshire Conservation Areas - Summary Report

17. CONTACT OFFICERS

- 17.1 Ian Fullstone, Service Director - Regulatory,
01462 474480 ian.fullstone@north-herts.gov.uk

Contributors

17.2 Helen Leitch, Principal Landscape and Urban Design Officer - report author

01462 474513 helen.leitch@north-herts.gov.uk

17.3 Nigel Smith, Strategic Planning Manager,

01462 474847 nigel.smith@north-herts.gov.uk

17.4 Louise Symes, Strategic Infrastructure & Projects Manager,

01462 474359 louise.symes@north-herts.gov.uk

17.5 Simon Ellis, Development & Conservation Manager,

01462 474264 simon.ellis@north-herts.gov.uk

17.6 Clare Skeels, Senior Planning Officer,

01462 474424 clare.skeels@north-herts.gov.uk

17.7 Ian Couper, Service Director - Resources,

01462 474243 ian.couper@north-herts.gov.uk

17.8 Jodie Penfold, Group Accountant,

01462 474332 jodie.penfold@north-herts.gov.uk

17.9 Tim Everitt, Performance and Risk Officer,

01462 474646 tim.everitt@north-herts.gov.uk

17.10 Nurainatta Katevu, Legal Regulatory Team Manager,

01462 474364 nurainatta.katevu@north-herts.gov.uk

17.11 Jo Keshishian, Acting Corporate Human Resources Manager,

01462 474314 jo.keshishian@north-herts.gov.uk

18. BACKGROUND PAPERS

18.1 Conservation Area Appraisal, Designation and Management: Historic England Advice Note 1, 2019. <https://historicengland.org.uk/images-books/publications/conservation-area-appraisal-designation-management-advice-note-1>

18.2 Local Heritage Listing: Historic England Advice Note 7, 2016. <https://historicengland.org.uk/images-books/publications/local-heritage-listing-advice-note-7>

18.3 Heritage Assessment of North Stevenage (NS1), June 2016 <https://www.north-herts.gov.uk/files/nhe7-heritage-assessment-north-stevenagepdf>

North Hertfordshire District Council

North Hertfordshire Conservation Areas

Summary Report



Report for

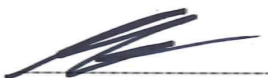
Helen Leitch
Landscape and Urban Design
North Hertfordshire District Council
Gernon Road
Letchworth Garden City
Hertfordshire
SG6 3JF

Main contributors

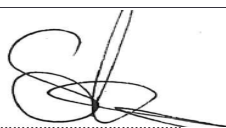
James Dixon
Alex Kerr
Chris Constable
Ashley Bryant
Jacqui Parkin
Simon Atkinson

Issued by

Mike Glyde



Simon Atkinson



Wood

Canon Court
Abbey Lawn
Abbey Foregate
Shrewsbury SY2 5DE
United Kingdom
Tel +44 (0) 1743 342 000

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Contents

1.	Background	5
1.1	Introduction	5
1.2	Contents of Summary Report	5
2.	Recommended Actions	7
2.1	Boundary Changes	7
2.2	Procedural matters	8
2.3	National Designation	8
2.4	Opportunities for Enhancement	8
2.5	Detailed Conservation Area Appraisal	9
2.6	Other recommendations	9
3.	Conservation Area Summaries	10
3.1	Ashwell	10
3.2	Ayot St Lawrence	10
3.3	Barkway	10
3.4	Barley	11
3.5	Bendish (St Pauls Walden)	12
3.6	Charlton	13
3.7	Codicote	14
3.8	Croft Lane (Letchworth)	15
3.9	Gosmore	15
3.10	Graveley	16
3.11	Great Offley	17
3.12	Great Wymondley	18
3.13	Gustard Wood	19
3.14	Hexton	19
3.15	Hinxworth	19
3.16	Ickleford	20
3.17	Kimpton Village	21
3.18	Kimpton Bottom	22
3.19	Lilley	22
3.20	Norton	23
3.21	Pirton	24
3.22	Preston	24

3.23	Reed	25
3.24	Roe Green	26
3.25	Rushden	27
3.26	Sandon	28
3.27	Southern Green	29
3.28	St Ippolyts	30
3.29	Therfield	31
3.30	Wallington	31
3.31	Weston	32
3.32	Whitwell (St Pauls Walden)	33
3.33	Willian	33

	Bibliography	35
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Appendix A	Conservation Area Maps
Appendix B	Undesignated Buildings and Structures Making a Positive Contribution to the Conservation Areas
Appendix C	Formal Designation Procedures

1. Background

1.1 Introduction

- 1.1.1 This Summary Report presents conclusions to the appraisal of 33 conservation areas in North Hertfordshire by Wood Environment & Infrastructure Services UK Ltd in 2019-20. It is intended to present key outcomes of the project and to locate in a single document the full range of proposed boundary changes and the special interest of those conservation areas included within the project.
- 1.1.2 Councils have a statutory duty under Section 69 of the Planning (Listed Buildings and Conservation Areas) Act 1990 to designate conservation areas where there are "...*areas of special architectural or historic interest the character or appearance of which is desirable to preserve or enhance* (para 1(a))", and "...*from time to time to review the past exercise* (of this function) (para 2)". Our work has followed this second duty and recommendations have been made for boundary changes to conservation areas to ensure they are sound. Our work has enabled the conservation areas examined to comply with paragraph 186 of the NPPF in ensuring the special interest of such areas is detailed in the completed character statements. The character statements produced also comply, in an abbreviated form, with the most recent conservation area guidance from Historic England.
- 1.1.3 Of 33 conservation areas covered by the project, character statements were produced for 31 (excluding Ayot St Lawrence and Gustard Wood). Potential boundary revisions have been identified in all 31, of which five are considered significant extensions, and one a significant reduction. Two buildings were identified that are believed to have potential for national designation (i.e. to be listed) and 315 buildings have been noted for their positive contribution to the character of their respective conservation areas.
- 1.1.4 The North Hertfordshire Local Plan 2011-2031 was submitted for examination on 9 June 2017 and whilst not yet adopted, is at an advanced stage. The Submission Local Plan contains two policies which specifically relate to conservation areas. Policy SP13 states that the council will balance growth with historic environment interests through, amongst other measures, completing "Periodic reviews of conservation areas and other locally designated assets". The supporting text to the policy states (paragraph 4.160) that the council will periodically review conservation areas to produce character statements and consider boundary amendments, with a priority given to areas with potential development pressures, or where there has been significant change.
- 1.1.5 Policy HE1 concerns the treatment of designated heritage assets within the planning process, recognising the importance of these assets. The supporting text to this policy notes that North Hertfordshire contains forty-four conservation areas designated for their historic or architectural significance.
- 1.1.6 A number of neighbourhood plans have been or are being prepared for neighbourhood areas within North Hertfordshire, and some of the neighbourhood plan areas include conservation areas. The completed character statements can form part of the evidence base for the neighbourhood plans.

1.2 Contents of Summary Report

- 1.2.1 The report has a section for each of the conservation areas under consideration. Each entry consists of a summary of work undertaken, statement of special interest, opportunities for enhancement, any boundary changes recommended, and structures with potential to be nationally designated.

- 1.2.2 Each entry is accompanied by a map of proposed boundary changes in Appendix A.
- 1.2.3 A list of all undesignated buildings considered to have a positive impact on each conservation area has been included in Appendix B. Entries in the latter should be considered for entry onto the Council's Register Of Buildings of Local Importance.
- 1.2.4 Guidance on procedural matters in relation to heritage designation is provided in Appendix C.

2. Recommended Actions

2.1 Boundary Changes

- 2.1.1 Boundary changes have been recommended for all but two of the conservation areas under consideration, comprising all of the conservation areas for which character statements have been prepared. In the majority of cases, these changes are recommended to make the conservation area boundaries conform to existing property boundaries for clarity and ease of administration. Where necessary, further explanation has been provided on the conservation area maps in this report (Appendix A).
- 2.1.2 In a smaller number of cases, boundary extensions or reductions are recommended for other reasons. It was agreed at the beginning of the project such changes would be recommended:
- where desktop research backed up by fieldwork can demonstrate that an area immediately adjacent to an existing boundary is of sufficient special architectural or historic interest for designation and has a character considered desirable to preserve or enhance; or
 - where a defined area within an existing conservation area can be shown to have changed its character so that it is no longer considered to be of special architectural or historic interest, or no longer considered worthy of preservation or enhancement.
- 2.1.3 Recommendations of this nature are limited to Codicote, Great Offley, Hinxworth, Sandon, Weston and Willian and are discussed in Section 3. Three of these suggested extensions are considered to be substantial. These are:

Hinxworth

- 2.1.4 In Hinxworth, it is proposed that the boundary be extended to include a moat and parcel of land that is potentially of Saxon origin and likely to be the original settlement core.

Sandon

- 2.1.5 In Sandon, it is proposed that a 1920s housing estate at the west of the settlement be added to the conservation area. This would preserve a group of well-spaced and characterful cottages as well as aspects of the pre-estate landscape.

Weston

- 2.1.6 The proposed extension at Weston, at the west end of the settlement, would bring into the conservation area a series of historic property boundaries behind Fore Street, some workers housing and Addison houses on Hitchin Road, and the older part of the interesting 1920s estate at Friars Road, Weston's first large 20th century housing development.
- 2.1.7 It is recommended that these more significant suggested extensions be fully appraised to confirm their suitability for addition to the respective conservation areas.
- 2.1.8 The other changes are:

Codicote

- 2.1.9 The housing estate at Old School Close appears to date to the 1980s or early 1990s and is of a different character to the remainder of the conservation and it is therefore proposed that this area be removed.

Great Offley

- 2.1.10 It is recommended that the boundary be extended to include The Vicarage, a building making a positive contribution to the character of the conservation area. It is further recommended that the boundary be extended to include the Offley Stores property, which is currently divided by the conservation area boundary.

Willian

- 2.1.11 A boundary extension has been suggested to bring the boundary in line with property boundaries where possible. It is recommended that the Willian Arboretum be included within the conservation area, providing a wooded boundary to its west and south-west side.

Graveley

- 2.1.12 A division of the conservation area into two separate character areas is recommended in Graveley. It was noted that the conservation area has distinct areas with their own character; the suburban area around High Street and the western end of Church Lane and the more rural area east of Church Lane, Back Lane and the Church of St Mary. It is recommended that these are recognised as separate character areas within the conservation area.

2.2 Procedural matters

- 2.2.1 Procedural matters, including consultation requirements in relation to conservation area boundary changes are included in Appendix C.

2.3 National Designation

- 2.3.1 There are two buildings or structures which were identified as being potentially suitable for national designation as listed buildings. In each case, it is recommended that further appraisal be undertaken with a view to presenting information with a request for listing to Historic England. The identified structures are:

- Great Wymondley Village Hall
- Barkway wagon wash, Church Lane

- 2.3.2 In each case, these are described in the respective parts of Section 3 and the process for listing is described within Appendix C.

2.4 Opportunities for Enhancement

- 2.4.1 Throughout Section 3 of this summary report, specific opportunities for enhancement which have the potential to further preserve or enhance the special interest of the conservation area are detailed within the entries for each conservation area. However, there were some opportunities for enhancement that were observed in all of the conservation areas studied. These are:

- Bins were frequently observed on the streets in front of buildings or just off the pavement. Where possible, design mitigation in new buildings could provide bin shelters to reduce the adverse visual impact of bins on and near the streets.
- Most of the conservation areas suffer from a lack of parking and excess on-street parking as a result. This could be mitigated through parking control and encouraging the use of driveways, many of which were empty or used as garden extensions with cars instead parked on the street. Future development could ensure adequate off-street parking in individual properties or as car parks within larger developments.

2.5 Detailed Conservation Area Appraisal

2.5.1 In order to fully reflect national policy and guidance,¹ a number of the conservation areas included within this project should be covered by more detailed appraisal than that set out in the completed character statements. This is because the conservation areas in question are of a size and complexity that a more detailed appraisal is required in order to fully describe their special architectural and historic interest. More detailed appraisals would also be valuable in managing change for conservation areas for which nearby development allocations in the Submission Local Plan may have potential to affect their historic character. In particular, it is thought that Ashwell, Barkway, Kimpton Village, Pirton and Whitwell would benefit from enhanced analysis, reflecting the size and complexity of the conservation areas. For example Ashwell Conservation Area contains a total of 72 listed buildings and structures, including Ashwell Bury house, which includes elements designed by Sir Edwin Lutyens and is located in gardens designed by Gertrude Jekyll in the early 20th century, which are designated as a Registered Park and Garden. Whilst these have been identified as the largest and most complex conservation area which would most benefit from full analysis all conservation areas would ultimately benefit from full appraisal.

2.6 Other recommendations

- 2.6.1 The following could also be considered to reflect national policy and guidance.
- To undertake a review of North Hertfordshire town conservation areas, and to ensure these reflect current national policy, and emerging local policy;
 - To publish an over-arching conservation area policy document for North Hertfordshire;
 - To publish a Register of Buildings of Local Importance, covering buildings in and outside conservation areas, in line with current Historic England Guidance (Historic England Advice Note 7, 2016).

¹ Historic England Conservation Area Appraisal, Designation and Management Historic England Advice Note 1, 2019

3. Conservation Area Summaries

3.1 Ashwell

3.1.1 Ashwell was visited on 5 June 2019.

Statement of Special Interest

- 3.1.2 Ashwell Conservation Area contains most of the village, except for small areas of modern housing to its west, south and east. It centres on the Church of St Mary (NHLE 1102715), with its large four-stage tower and spike, Swan Street, possibly the site of a former village green or marketplace, and High Street. The latter is densely developed, at least in its central part, and contains medieval to modern buildings, notably a number of medieval hall houses, the form of which is echoed in other, later buildings through the conservation area. At the west end of High Street is The Spring from which a waterway with tree-covered banks runs north-west towards Ashwell Bury, the former corn mill and a former brewery. The Church of St Mary is Ashwell's main landmark, visible from across the village, beyond the boundaries of the conservation area and village, whether in long views or glimpsed between buildings as you move around Ashwell.
- 3.1.3 A key feature of the conservation area is the parallel High Street and Back Street/Silver Street, and the roads and alleyways that connect them. These play a role in enhancing the coherence of this large conservation area through providing access and long views, especially towards the church.

Opportunities for Enhancement

- 3.1.4 The enhancement opportunities concerning the management of bins and parking described in paragraph 2.3.1 are relevant to Ashwell.

Suggested Boundary Revisions

- 3.1.5 Slight revisions to the conservation area boundary have been recommended, though these are limited to bringing the boundary in line with property boundaries where possible. Suggested boundary revisions are shown in Fig SR1.

3.2 Ayot St Lawrence

- 3.2.1 Ayot St Lawrence was visited on 7 October 2019. The conservation area is only partially within North Hertfordshire and was not fully assessed. A map of the conservation area and local authority boundary is shown in Fig SR2 and no boundary revisions within North Hertfordshire are considered to be necessary.

3.3 Barkway

- 3.3.1 Barkway was visited on 28 May 2019.

Statement of Special Interest

- 3.3.2 Barkway Conservation Area consists mainly of High Street and its high concentration of listed buildings, which range from a 15th century Wealden house through to 19th century buildings. It has

a history as a coaching town, although this is little evident other than in modern buildings which frequently incorporate bridged driveways in the manner of coaching inns. Much of High Street has the feeling of being enclosed, with buildings fronting the street behind pavements, which adds to a sense of change in character and status when one leaves High Street along the more open Church Lane towards the Church of St Mary Magdalene (NHLE 1102624) and lands surrounding Manor Farm (NHLE 1102626). The fields and lanes here incorporate the remains of a historic water supply system, including a brick wagon wash.

Opportunities for Enhancement

- 3.3.3 The following opportunities for enhancement which have the potential to further preserve or enhance the special interest of the conservation area have been identified within Barkway Conservation Area:
- Modern building, which has been good in its historical references and setting newer buildings back from the street front, has created weak frontages through introducing low-walls and grass verges. This could be addressed with design policies recommending more established boundaries would reinforce the enclosed character of the High Street;
 - The wagon wash on Church Lane is a key feature of the village, the interpretation and management of this feature would aid the public recognition of its significance and interest.

Suggested Boundary Revisions

- 3.3.4 Slight revisions to the conservation area boundary have been recommended, though these are limited to bringing the boundary in line with property boundaries where possible. Suggested boundary revisions are shown in Fig SR3.

Potential for National Designation

- 3.3.5 The wagon wash on Church Lane is thought to have potential for listing due to its special historical interest. It is of potential interest as a structure in its own right and should be further investigated before an application to list it is made. However, it is also connected to an interesting, surviving historic water system that was most recently part of the village's water supply, and probably has medieval origins. There is some potential for the whole system to be designated. It is thought that there is not currently a wagon wash designated in its own right in the country.

3.4 Barley

- 3.4.1 Barley was visited on 28 May 2019.

Statement of Special Interest

- 3.4.2 Barley Conservation Area bounds most of the historic village with evidence of its medieval origins surviving in its built fabric, plan and building plots. This includes a likely relict medieval village green or marketplace, the Church of St Margaret of Antioch (NHLE 1102577), and the former Hove Hall manor property. High Street is a probable medieval hollow-way or sunken road, respecting the boundary to the Hove Hall property. Barley Conservation Area is notable for a density of development, especially along Church End and the west side of High Street, which demonstrates a wide variety of architectural styles and dates of origin, while away from these central areas, buildings are more widely spread and the character of the conservation area more rural. There are notable long views through the village, along High Street and London Road. There are several large buildings dispersed throughout the village, including parts of former larger properties, like

Manor Farm House (NHLE 1102574), the discrete bounded property of Hill House (NHLE 1102568), and the interesting Homestall (NHLE 1102585), which shows nearly half a millennium of expansion in its architecture. South of the main part of the village is Smith's End, another relict part of the medieval village of Barley which now sits somewhat apart from the village along Smith's End Road.

Opportunities for Enhancement

3.4.3 In addition to the enhancement opportunities concerning the management of bins and parking described in paragraph 2.3.1, the following opportunity for enhancement which has the potential to further preserve or enhance the special interest of the conservation area within Barley Conservation Area is:

- In the event that any changes to the site layout of the Richmond's Coaches site are planned, it would be beneficial to restore a built frontage to the High Street/ London Road junction to provide a closure to the streets in this area.

Suggested Boundary Revisions

3.4.4 Slight revisions to the conservation area boundary have been recommended, though these are limited to bringing the boundary in line with property boundaries where possible. Suggested boundary revisions are shown in Fig SR4.

3.5 Bendish (St Pauls Walden)

3.5.1 Bendish was visited on 4 September 2019.

Statement of Special Interest

3.5.2 Bendish Conservation Area includes a post-medieval agricultural village that may have medieval origins. It centres on the village green at which all roads through the village converge providing a focal point for development and activity.

3.5.3 Key to the special interest of Bendish is its agricultural function which has historically influenced development, evident in surviving farm buildings and agricultural cottages. The village also has historic interest with a connection to the Nonconformist movement and John Bunyan preached in a former malt house. The malt house is no longer present and the location of this building is currently unknown.

3.5.4 Architecturally, Bendish is of interest for its mixture of historic timber-framed and red brick residential and converted farm buildings, which combine to preserve the rural feel of the settlement. This mix of buildings and irregular layout reflect the slow ad hoc development and redevelopment within the village which was once dominated by an agricultural function but has slowly adapted to a changing economy and urban migration out of Bendish.

Opportunities for Enhancement

3.5.5 There are a number of opportunities for enhancement within Bendish which have the potential to further preserve or enhance the special interest of the conservation area. These are:

- Consideration should be given to providing public information to prevent parking upon areas of green space at road margins, to prevent damage to these features and their erosion;

- Consideration should be made for proposals to bury services within the village and remove telegraph poles and services carried at height through the more significant areas of the conservation area such as the green;
- Research into the location of the former malt house which served as a preaching place used by John Bunyan would contribute to the history of Bendish and its role within in the Nonconformist movement.

Suggested Boundary Revisions

- 3.5.6 Slight revisions to the conservation area boundary have been recommended, though these are limited to bringing the boundary in line with property boundaries where possible. Suggested boundary revisions are shown in Fig SR5.

3.6 Charlton

- 3.6.1 Charlton was visited on 29 April 2019.

Statement of Special Interest

- 3.6.2 Charlton Conservation Area includes a post-medieval milling landscape that is likely to have medieval origins. It centres on two linear features; Charlton Road, which runs roughly north to south, and the mill stream which runs from a spring west of Wellhead Farm north towards Hitchin Priory via (within the conservation area) a mill pond and over-shot mill wheel at Mill Farm.
- 3.6.3 Charlton has a strong connection to Henry Bessemer, the inventor of the Bessemer process, a method for the industrial-scale production of steel, who was born in the village and whose family operated Charlton's central milling operation for a time while they lived in Charlton House, which now bears a blue plaque commemorating Henry.
- 3.6.4 Key to the special interest of Charlton Conservation Area is the dominance within the settlement of the milling landscape, which has historically dictated the form of the village that occupies areas around the former water management system. The whole of the milling process can essentially be observed on foot, from the spring and its associated earthworks in the west via the mill pond and mill wheel (currently behind hoardings) to the continuation of the stream as it leaves Charlton. Later building has not diminished the visibility or significance of this aspect of the landscape and its preservation and enhancement should be central to management of the conservation area.
- 3.6.5 Architecturally, Charlton is of interest principally for its mixture of groups of historic red brick residential buildings and dispersed farm (and occasional other) buildings, which combine to preserve the rural feel of the settlement while making its historical development clearly readable. Charlton House, former home of the Bessemer family, is the most architecturally interesting single building in the village and has a strong historical and aesthetic value in demonstrating the nature of the village in the 18th and 19th century. There are relatively few buildings in Charlton as a whole and this has the effect of preserving the feel of a working landscape spread along the mill stream while also aiding the visibility of the individual parts of that landscape and their functional interconnection.

Opportunities for Enhancement

- 3.6.6 There are a number of opportunities for enhancement within Charlton which have the potential to further preserve or enhance the special interest of the conservation area. These are:

- The over-shot mill wheel at Mill Farm could be restored and displayed to further enhance the readability of the historic milling landscape through the settlement;
- The mill at Mill Farm appears to be at risk and so there is an opportunity for works to conserve this structure and identify a suitable, viable use;
- The stream would benefit from suitable enhancement as it is currently, in places, in a poor state with low quality banking and refuse in it;
- There is an opportunity for further historic interpretation through the village to better explain the intact historic milling landscape and its features to visitors;
- The retention of The Windmill public house as a community facility is important to the character of the conservation area.

Recommended Boundary Revisions

- 3.6.7 Slight revisions to the conservation area boundary have been recommended, though these are limited to bringing the boundary in line with property boundaries where possible. Suggested boundary revisions are shown in Fig SR6.

3.7 Codicote

- 3.7.1 Codicote was visited on 4 September 2019.

Statement of Special Interest

- 3.7.2 Codicote is an important historic village, which was part of the property in this area of St Albans Abbey. Although the conservation area does not contain the whole of the medieval settlement, with the Church of St Giles being some distance to the north of it, it centres on the village's historic core, the village green and the probable site of a medieval market. The conservation area contains a large number of architecturally significant buildings, mostly in brick and located along the length of High Street.

Opportunities for Enhancement

- 3.7.3 In addition to the enhancement opportunity concerning the management of parking described in paragraph 2.3.1, the following opportunities for enhancement which have the potential to further preserve or enhance the special interest of the conservation area have been identified within Codicote Conservation Area:
- The existing heritage signage is very good, but could be allied with more prominent information boards around the village;
 - Signage on the Costcutter at 80 High Street stands out as detracting from the character of the conservation area and could be restyled in any future renovation.

Suggested Boundary Revisions

- 3.7.4 Slight revisions to the conservation area boundary have been recommended, though these are limited to bringing the boundary in line with property boundaries where possible.
- 3.7.5 It is suggested that the housing estate at Old School Close be removed from the conservation area as it is not of appropriate character, being a housing estate of approximately the 1980s or early 1990s that is of a different character to the remainder of the conservation area. It is recommended

that the conservation area boundary be reduced to the property boundary around the former school facing onto Bury Lane. Suggested boundary revisions are shown in Fig SR7.

3.8 Croft Lane (Letchworth)

3.8.1 Croft Lane was visited on 13 August 2019.

Statement of Special Interest

- 3.8.2 The special interest of Croft Lane Conservation Area lies in its connection to the foundation of Letchworth Garden City and its having within it a series of significant buildings by key Letchworth Garden City architects, Parker & Unwin, Cecil Hignett and Geoffrey Lucas.
- 3.8.3 Although the conservation area has been further developed since its primary phase of building associated with the Garden City in the early 20th century, later housing has maintained the character of large suburban houses standing in generous garden plots with expansive planting filtering views of the houses. Later development, towards the end of the 20th century, has introduced houses of lower architectural significance, but still maintaining something of the character of the area as originally designed.
- 3.8.4 Due to planting in front of almost all properties in the conservation area, long views are almost entirely absent, and it retains something of a rural feel despite being almost entirely surrounded by suburban residential streets of Letchworth Garden City.

Opportunities for Enhancement

- 3.8.5 The following opportunity for enhancement which has the potential to further preserve or enhance the special interest of the conservation area has been identified within Croft Lane Conservation Area:
- Consideration should be given to street tree planting to the east side of the conservation area, between Paynes and Norton Grange farmhouses, and Thatches which would reinforce the green and leafy character of the conservation area.

Suggested Boundary Revisions

- 3.8.6 Slight revisions to the conservation area boundary have been recommended, though these are limited to bringing the boundary in line with property boundaries where possible. Suggested boundary revisions are shown in Fig SR8.

3.9 Gosmore

3.9.1 Gosmore was visited on 29 April 2019.

Statement of Special Interest

- 3.9.2 Gosmore Conservation Area is centred on Hitchin Road and Maydencroft Road, and two significant green spaces are located between them, the village green and the grounds of Gosmore Care Home. Through the village, there are a number of prominent red brick buildings, showing a variety of styles, but of similar date and with occasionally similar architectural detailing. These are interspersed with large timber-framed buildings, from an agricultural barn to the large residential building, Gosmore House. Later buildings complement this character.

- 3.9.3 The management of streets, with minimal definition, and soft green verges meeting the carriageway has preserved a rural character. In many cases the expansive planting of trees, hedges and shrubbery provides an almost bucolic character in areas where trees meet across the road.
- 3.9.4 The punctuation of the street definition provides views to houses in many cases set behind planted gardens. Recent housing on Mill Lane is set back from the road and preserved planted front gardens; even in this part of the conservation area the loss to parking has been minimal.
- 3.9.5 Views within the conservation area confirm the rural character of the village with many framed views along streets closely defined by planting and the rise of buildings from the margins of the road.

Opportunities for Improvement

- 3.9.6 There is one clear opportunity for improvement within Gosmore which could improve the general character of the Conservation Area. This is the area of land to the south of the junction of Preston Road and Waterdell Lane.
- 3.9.7 A row of trees to the south-east of the conservation area should be protected and it is recommended that this could most appropriately be secured through the establishment of tree protection orders rather than a boundary revision to incorporate this area within the conservation area boundary. These are marked as Significant Trees in Fig SR9.

Recommended Boundary Revisions

- 3.9.8 Slight revisions to the conservation area boundary have been recommended, though these are limited to bringing the boundary in line with property boundaries where possible. Suggested boundary revisions are shown in Fig SR9.

3.10 Graveley

- 3.10.1 Graveley was visited on 3 December 2019.

Statement of Special Interest

- 3.10.2 Graveley is a conservation area divided, both now and historically, between farm complexes and early residential buildings near the Church of St Mary to its east and linear development along High Street, the former Great North Road, to its west. Between these two character areas the conservation area displays a wide range of architectural styles and fabrics with, across the conservation area as a whole, a tendency towards larger buildings as a result of its location on this important routeway. Areas around the two adjacent village ponds and the Church of St Mary are especially attractive and counter the imposition of the wide road.

Opportunities for Enhancement

- 3.10.3 There are opportunities for enhancement which have the potential to further preserve or enhance the special interest of the conservation area within Graveley as follows:
- There is currently only one traffic island to enable crossing of High Street and while this has the effect of improving traffic flow through the village it could be beneficial to slow traffic somewhat and provide more formal crossing points;

- The rationalisation of street furniture and signage on the Great North Road would better reveal the historic character of this routeway and contribute to the settings of listed buildings and the character of the conservation area.

Suggested Boundary Revisions

- 3.10.4 Slight revisions to the conservation area boundary have been recommended, though these are limited to bringing the boundary in line with property boundaries where possible.
- 3.10.5 It is suggested that the conservation area be divided into two separate character areas, one around High Street and the western end of Church Lane, which has a more suburban character dominated by the former Great North Road, and one at the east of Church Lane, Back Lane and the Church of St Mary, which has a contrasting rural character.
- 3.10.6 Dividing this into two character areas is a better solution than creating the two halves as separate conservation areas as despite the contrast between the east and west parts of the settlement in terms of character, they form a coherent whole historically, and the development in the east, spreading west as the Great North Road developed remains discernible. Suggested boundary revisions, including the boundary between the two proposed character areas, are shown in Fig SR10.

3.11 Great Offley

- 3.11.1 Great Offley was visited on 29 April 2019.

Statement of Special Interest

- 3.11.2 Great Offley Conservation Area takes in a number of key features and buildings. The four character areas include a church, two pubs, historic farm buildings, smaller scale agricultural cottages, a range of barns around Westbury Court Place, a war memorial and a country house which all combine to create a quintessential rural Hertfordshire village.
- 3.11.3 Perhaps the area of most significance is that which includes the Church of St Mary Magdalene, Offley Place with its associated parkland, The Lawns and the war memorial. This area also includes the two significant sections of front boundary walls. The northernmost and southernmost areas highlight the farming roots and agricultural tradition of the settlement. These character areas give an idea of the overall variety of village life (past and present) in this moderately-sized rural settlement.

Opportunities for Enhancement

- 3.11.4 The enhancement opportunity concerning the management of parking described in paragraph 2.3.1 has particular relevance to the front of houses on High Street and at the north end of Kings Walden Road. In addition, there is one further opportunity for enhancement within Great Offley which has the potential to further preserve or enhance the special interest of the conservation area. This is:
- Sympathetic redesign of the driveway in front of the currently disused Offley Stores on Luton Road would provide a more appropriate 'gateway' into the Great Offley from the west.

Suggested Boundary Revisions

- 3.11.5 Small revisions to the conservation area boundary have been recommended to bring it in line with property boundaries where possible. Suggested boundary revisions are shown in Fig SR11.
- 3.11.6 It is recommended that the boundary be extended to include The Vicarage, a building making a positive contribution to the character of the conservation area.
- 3.11.7 It is recommended that the boundary be extended to include the Offley Stores property which is due for redevelopment. The property is currently divided by the conservation area boundary, which should be rectified one way or the other, but it is recommended that the whole property be included to give some extra planning control over this gateway site. These further recommendations are shown in Fig SR11.

3.12 Great Wymondley

- 3.12.1 Great Wymondley was visited on 3 December 2019.

Statement of Special Interest

- 3.12.2 Great Wymondley Conservation Area preserves the character of the whole developed area of the settlement of Great Wymondley, a settlement with pre-Conquest origins. The eastern part of the village is dominated by the Scheduled Monument of Great Wymondley castle, while the character of the western part of the conservation area centres on linear development along Arch Road. Of interest are a group of medieval and early post-medieval buildings at three of the corners of the meeting of Arch Road, Hitchin Road, Willian Road and Graveley Road, while Delamere House and Hornbeam Cottages are architecturally distinctive.

Opportunities for Enhancement

- 3.12.3 The enhancement opportunity concerning the management of parking described in paragraph 2.3.1 has relevance to the 'village green' west of the church. In addition, Great Wymondley Conservation Area has the following opportunity for enhancement which has the potential to further preserve or enhance the special interest of the conservation area:
 - The concrete bollards are a clear feature of the village and if the relation to the stone bollard at Hornbeam Cottages can be understood, it would be worthwhile taking a cast of this to use in the production of future bollards.

Suggested Boundary Revisions

- 3.12.4 Small revisions to the conservation area boundary have been recommended to bring it in line with property boundaries where possible. Suggested boundary revisions are shown in Fig SR12.

Potential for National Designation

- 3.12.5 The corrugated-tin Village Hall is thought to have potential for national designation as an intact 1920s civic building in good condition. Along with some council housing to the east, the Village Hall is one of relatively few buildings of the period in the village. This should be researched in more detail before an application for designation is made. The Historic England listing selection guide for places of worship provides guidance for listing, and is illustrated with examples of similar buildings, which are in use as churches and church halls.

3.13 Gustard Wood

- 3.13.1 Gustard Wood was visited on 7 October 2019. The conservation area is only partially within North Hertfordshire and was not fully assessed. A map of the conservation area and local authority boundary is shown in Fig SR13 and no boundary revisions within North Hertfordshire are considered to be necessary.

3.14 Hexton

- 3.14.1 Hexton was visited on 12 November 2019.

Statement of Significance

- 3.14.2 Hexton Conservation Area protects the character of what is predominantly an early 20th century estate village, with some older buildings and bordering the Registered Park and Garden of Hexton Manor. The conservation area is notable for its series of five listed pumps, most of which relate to the early 20th century rebuild of much of the village and which provide rare evidence of features of this kind and their role in the village.

Opportunities for Enhancement

- 3.14.3 There are a number of opportunities for enhancement within Hexton Conservation Area which have the potential to further preserve or enhance the special interest of the conservation area as follows:
- Overhead service wires within the village could potentially be relocated to the culverted waterway that runs along the main street;
 - The Raven public house has lost its chimney pots and these could be restored, given the good survival of chimneys on other houses in the village;
 - Historic maps show a 'Belt Plantation' of trees along Barton Road which could be restored;
 - A footpath could be provided along Barton Road east of the village street which is currently a dangerous verge.

Suggested Boundary Revisions

- 3.14.4 Small revisions to the conservation area boundary have been recommended to bring it in line with property boundaries where possible. Suggested boundary revisions are shown in Fig SR14.

3.15 Hinxworth

- 3.15.1 Hinxworth was visited on 12 November 2019.

Statement of Significance

- 3.15.2 Hinxworth Conservation Area includes a post-medieval agricultural village with medieval origins. The conservation area does not contain the whole of the historic settlement by excluding the moat east of the Church of St Andrew and the outlying farmsteads or properties such as Bury End. It centres on the village's historic core with the church and former rectory. The conservation area

contains many architecturally significant buildings, mostly timber-framed with some brick, located along Chapel Street, High Street and New Inn Road.

Opportunities for Enhancement

- 3.15.3 In addition to the need for provision for off-street parking in any future development, there is one opportunity for enhancement within Hinxworth which has the potential to further preserve or enhance the special interest of the conservation area. This is:
- Consideration should be made for proposals to bury services within the village and remove telegraph poles and services carried at height through the conservation area which currently detract from its character.

Suggested Boundary Revisions

- 3.15.4 Small revisions to the conservation area boundary have been recommended to bring it in line with property boundaries where possible.
- 3.15.5 A larger extension has been recommended at the east of the conservation area along Ashwell Road where there appears to be part of an historic moat, and where the landscape suggests there is a core of medieval settlement that is significant in the development of the village and may be indicative of an early elite centre. Suggested boundary revisions are shown in Fig SR15.

3.16 Ickleford

- 3.16.1 Ickleford was visited on 13 August 2019.

Statement of Special Interest

- 3.16.2 The streets, fronted by clusters of historic buildings, are an important part of Ickleford's character.
- 3.16.3 Trees within the conservation area significantly also contribute to its special interest. This includes groups in and around the churchyard of St Katherine (NHLE 1295821), to the east and west of Chambers Lane and to the south side of Arlesey Road. West of Arlesey Road to the south of the junction with Turnpike Lane the small area of green west of the road and bounded by wall of Ickleford Manor complex is softened in views by the presence of tree planting.
- 3.16.4 There is a strong historic character to the south-western part of the conservation area, which includes a historic 17th century courtyard complex associated with the original manor of Ickleford. Exposed timber frames with brick infill, as well as the distinctive variety in scale of the outbuildings that directly front onto the roadside, positively contribute to this area.
- 3.16.5 There is a countryside, 'cottage-style' feel to the historic timber framed and brick buildings located in the north-western part of the conservation area. The small green, narrow lanes and their tree and hedgerow-lined margins positively reflect a rural village edge surrounded by agricultural land.

Opportunities for Enhancement

- 3.16.1 The enhancement opportunity concerning the management of parking described in paragraph 2.3.1 has relevance to the margins of the green. In addition, there are several further opportunities for enhancement within the Ickleford Conservation Area which have the potential to further preserve or enhance the special interest of the conservation area, as follows:

- The loss of trees or hedging for parking access or increases of areas of hard standing within the conservation area, especially along Chambers Lane, should be resisted;
- Parking access to properties along the roads in Ickleford should be designed to reflect the rural character of the central area along Chambers Lane, avoiding extensive use of modern brick retaining walls, reducing hard surfacing and ensuring visibility splays are in character with surrounding property boundary treatments;
- Signage within the core of the village and around the green should be examined to see where it can be rationalised to improve views and the amenity of the green.

Suggested Boundary Revisions

- 3.16.2 Small revisions to the conservation area boundary have been recommended to bring it in line with property boundaries where possible. Suggested boundary revisions are shown in Fig SR16.
- 3.16.3 There is some potential for the conservation area boundary to be extended southwards along Arlesey Road to take in the industrial complex at Bowman Ingredients, though this would need further investigation. Although not investigated as part of this work, it is thought that the complex is an important gateway site for the village and conservation area, and that it contains an interesting mix of architectural styles that would merit addition to the conservation area. In addition, between Bowman Ingredients and the conservation area boundary are some historic, characterful buildings and brick boundary walls that would certainly warrant inclusion in their own right.

3.17 Kimpton Village

- 3.17.1 Kimpton Village was visited on 7 October 2019.

Statement of Special Interest

- 3.17.2 Kimpton Village Conservation Area preserves the character of the historic settlement of Kimpton, which appears to have been relatively untouched by modern development until after the Second World War. It includes the busy High Street and the quieter Church Lane and Hitchin Road, which run along either side of the churchyard of the 12th century Church of St Peter and St Paul. Existing predominantly as a linear settlement, Kimpton Villages has hints of an earlier nucleated settlement north of High Street, although today the conservation area sits as a coherent whole. It contains buildings from the early post-medieval period, including a good spread of timber-framed buildings and other buildings showing development into the later years of the 19th century.

Opportunities for Enhancement

- 3.17.3 The enhancement opportunity concerning the management of parking described in paragraph 2.3.1 has relevance along the length of High Street. In addition, opportunities for enhancement within Kimpton Village Conservation Area which have the potential to further preserve or enhance the special interest of the conservation area have been identified as follows:
- The Kimpton Heritage Trail could be usefully expanded and accompanied by a larger information board.
 - Outdoor power sockets on the green provide an opportunity for increased community use of the space.

Suggested Boundary Revisions

- 3.17.4 Small revisions to the conservation area boundary have been recommended to bring it in line with property boundaries where possible. Suggested boundary revisions are shown in Fig SR17.

3.18 Kimpton Bottom

- 3.18.1 Kimpton Bottom was visited on 7 October 2019.

Statement of Special Interest

- 3.18.2 Kimpton Bottom Conservation Area is principally of interest for its preservation of the character of the historic hamlet of Kimpton Bottom, which exists as a linear settlement adjacent to a crossroads with roads leading to a number of nearby towns. The character of the main residential part of the conservation area is rural-agricultural, with the majority of buildings relating to farms or farm labour. A large part of the conservation area is within the property of Kimpton Lodge, which is private land and largely obscured from view.
- 3.18.3 Luton Road, running south within the conservation area has the character of a hollow way with its narrow, undulating line, soft hedged boundaries and tree planting at the top of the banks which define the margins of the road. The character of this road emphasises the rural nature of the land around the settlement.

Opportunities for Enhancement

- 3.18.4 The enhancement opportunities concerning the management of bins and parking described in paragraph 2.3.1 are relevant to Kimpton Bottom. In addition, opportunities for enhancement within Kimpton Bottom Conservation Area which have the potential to further preserve or enhance the special interest of the conservation area have been identified as follows:
- The loss of boundary walls, planting in gardens and definition to properties fronting onto Kimpton Bottom is a change which should be managed to try to preserve planting and the definition of properties to the greatest extent possible whilst managing parking;
 - Management of the trees around Kimpton Lodge could be undertaken to provide long views of the roof and chimneys of the Lodge itself, which would help this large part of the conservation area make a more meaningful contribution to its character.

Suggested Boundary Revisions

- 3.18.5 Small revisions to the conservation area boundary have been recommended to bring it in line with property boundaries where possible. Suggested boundary revisions are shown in Fig SR18.

3.19 Lilley

- 3.19.1 Lilley was visited on 12 November 2019.

Statement of Special Interest

- 3.19.2 Lilley Conservation Area protects the character of a discrete village of the Sowerby Estate. It is notable for its estate buildings, most of which are marked out by the inclusion of the Sowerby lion rampant symbol on a plaque, although a group of three semi-detached buildings in the centre of the conservation area dominate the village with their architectural uniformity. The conservation

area has a notably open feel, created in part by the separation of buildings throughout it, its linear nature with fields and paddocks on either side, and the large open space between East and West Streets to the north.

Opportunities for Enhancement

3.19.3 One opportunity for enhancement within Lilley Conservation Area which has the potential to further preserve or enhance the special interest of the conservation area has been identified as follows:

- The listed monument to George Draper in the churchyard of the Church of St Peter (NHLE 1347080) is badly broken and should be repaired as a matter of urgency.

Suggested Boundary Revisions

3.19.4 Small revisions to the conservation area boundary have been recommended to bring it in line with property boundaries where possible. Suggested boundary revisions are shown in Fig SR19.

3.20 Norton

3.20.1 Norton was visited on 13 August 2019.

Statement of Special Interest

3.20.2 Apart from a small number of 20th century houses that have infilled empty plots along the southern side of Church Lane, the layout and form of the historic core of Norton has largely remained intact. It has retained its historic cottages, thick mature tree coverage and narrow country lanes. The make-up of several white roughcast thatched cottages located along Church Lane contributes to the rural, historic, 'cottage-style' character of this central part within the conservation area.

3.20.3 A large field, bounded by mature trees, contains visible remains of medieval earthworks and the original village street. Church Field provides a distinctive rural and historic setting to the northern half of the conservation area.

3.20.4 The southern part of Norton Conservation Area is a more urbanised area comprised of an extensive 1980's development of retirement homes. A series of 20th century red brick properties are located on the opposite side of the road.

Opportunities for Enhancement

3.20.5 There are several opportunities for enhancement within the Norton Conservation Area which have the potential to further preserve or enhance the special interest of the conservation area, as follows:

- The loss of trees or hedging for parking access or increases of areas of hard standing within the conservation area, especially along Church Lane, should be resisted;
- Maintenance of the streetscape should ensure the character of the roads and verges is maintained to ensure soft boundaries to Church Lane and its character as countryside thoroughfare is discernible;
- Parking access to properties along Church Lane should be designed to reflect the rural character of the area, avoiding extensive use of modern brick retaining walls, reducing hard

surfacing and ensuring visibility splays are in character with surrounding property boundary treatments.

Suggested Boundary Revisions

- 3.20.6 Small revisions to the conservation area boundary have been recommended to bring it in line with property boundaries where possible. Suggested boundary revisions are shown in Fig SR20.

3.21 Pirton

- 3.21.1 Pirton was visited on 12 November 2019.

Statement of Special Interest

- 3.21.2 Pirton is a village which has been occupied since at least the early Saxon period, as attested to by community-led archaeological investigation. The conservation area includes the scheduled monument that covers the later medieval part of this settlement, including castle motte and shrunken village. The remainder of the conservation area includes most of the farms that developed at a distance to this historic settlement, but which have been brought more securely within the village by later residential expansion of the central part of the village and as such it represents well, and demonstrates clearly, the topographical and architectural development of a settlement over nearly 2000 years, particularly the last 1000.

Opportunities for Enhancement

- 3.21.3 The enhancement opportunities concerning the management of bins and parking described in paragraph 2.3.1 are relevant to Pirton. One further opportunity for enhancement within Pirton Conservation Area which has the potential to further preserve or enhance the special interest of the conservation area has been identified as follows:
- There is an opportunity to renew the historic interpretation boards within the conservation area and to extend these to cover the whole village and some of its buildings and expand on the archaeological research undertaken within the village.

Suggested Boundary Revisions

- 3.21.4 Small revisions to the conservation area boundary have been recommended to bring it in line with property boundaries where possible. Suggested boundary revisions are shown in Fig SR21.

3.22 Preston

- 3.22.1 Preston was visited on 29 April 2019.

Statement of Special Interest

- 3.22.2 Preston Conservation Area demonstrates well the development of a village of this size since the medieval period. Beginning as a medieval settlement adjacent to a Knights Templar foundation and centred on a village green, it expanded through the post-medieval period roughly along the main road that marks the western boundary of Temple Dinsley, before seeing a major period of renovation and reinvention in the early 20th century with significant design inputs from Sir Edwin Lutyens and Gertrude Jekyll.

- 3.22.3 Those broadly Arts and Crafts inspired developments dominate the character of the conservation area today, with buildings of the period placed in prominent positions throughout the village. Preston House appears to be a later addition to the village, but in a similar style and dominating the north side of the village green, suggesting that this particular style is not just an historical phase, but something that has been actively managed since.
- 3.22.4 Elsewhere, there are strong 18th and 19th century influences, notably around The Chequers and The Red Lion public house. These introduce a red brick, vernacular classical styling that complements and perhaps provided some inspiration for the 20th century designs. As an example, this is suggested by the proximity of Chequers and Chequers Cottages and the way that The Red Lion and Preston House face each other over the village green.
- 3.22.5 The character of the village is very green, with much mature planting, a dominating wide grass verge along the Temple Dinsley boundary, and a lack of pavements, except leading away from the village green to the north and south.
- 3.22.6 A large part of the conservation area is within the Registered Park and Garden of the Temple Dinsley grounds, currently in the ownership of Princess Helena College. Although this has rendered a significant part of the conservation area out of bounds to public access, the estate and its development has played a central role in that of Preston as a whole and it is part of a wider landscape design theme led by Sir Edwin Lutyens.

Opportunities for Enhancement

- 3.22.7 The enhancement opportunity concerning the management of parking described in paragraph 2.3.1 is relevant to Preston. There are further opportunities for enhancement within Preston which have the potential to further preserve or enhance the special interest of the conservation area. These are:
- Improved signage on the village green, where there is currently a mix of styles and ages of signage, would enhance the character of this area;
 - Some modern housing within Preston has large areas of hard landscaping rather than gardens, which is not in character with the rest of the conservation area.

Suggested Boundary Revisions

- 3.22.8 Slight revisions to the conservation area boundary have been recommended, though these are limited to bringing the boundary in line with property boundaries where possible. Suggested boundary revisions are shown in Fig SR22.

3.23 Reed

- 3.23.1 Reed was visited on 13 August 2019.

Statement of Special Interest

- 3.23.2 Apart from occasional modern housing, the form and layout of Reed has remained intact. There is a prevalence in the northern and western parts of the conservation area for one and a half storey, timber-framed buildings that have been rendered or weatherboarded, with steeply thatched roofs, spaced well apart and set in commodious plots. Conversely, large farmsteads and former manorial sites are common in the southern and western areas.

- 3.23.3 The area of central open agricultural land, surrounded by country lanes and historic cottages, farm buildings and moated sites, is a focal point for the conservation area. Additional surrounding farmland bounds the village and provides a countryside setting. The confined country lanes, tightly bounded by thick hedgerows and veteran tree coverage, creates a peaceful experience which positively contribute to the rural character of Reed Conservation Area.
- 3.23.4 The conservation area preserves several high value designated heritage assets including scheduled monuments and the grade I listed church.

Opportunities for Enhancement

- 3.23.5 There are several opportunities for enhancement within the Reed Conservation Area which have the potential to further preserve or enhance the special interest of the conservation area, as follows:
- The loss of trees or hedging for parking access or increases of areas of hard standing within the conservation area, especially along High Street, should be resisted;
 - Maintenance of the streetscape should ensure the character of the roads and verges is maintained to ensure soft boundaries to Jackson's Lane, High Street, Driftway and Church Lane and their character as countryside thoroughfares is discernible;
 - Parking access to properties along the roads in Reed should be designed to reflect the rural character of the area, avoiding extensive use of modern brick retaining walls, reducing hard surfacing and ensuring visibility splays are in character with surrounding property boundary treatments;
 - The moat at Goodfellows is a significant heritage feature visible from the public realm and its maintenance should reflect this;
 - At the junction of the High Street and Crow Lane/ Jackson's Lane there are a number of modern, plastic bollards which are out of character with the rural appearance of the village. A more suitable design, including reflective material to signal the junction should be considered.

Suggested Boundary Revisions

- 3.23.6 Slight revisions to the conservation area boundary have been recommended, though these are limited to bringing the boundary in line with property boundaries where possible. Suggested boundary revisions are shown in Fig SR23.

3.24 Roe Green

- 3.24.1 Roe Green was visited on 2 July 2019.

Statement of Special Interest

- 3.24.2 The village green is the focal point and central to the character of Roe Green Conservation Area. Roe Green is documented clearly on the 1877 1st Edition OS map as being a hamlet typical of the historic dispersed settlement pattern encountered in North Hertfordshire, where historic cottages and farmsteads have gradually developed around a roughly triangular area of common land.
- 3.24.3 Mature tree cover partially bounds the green providing a sense of enclosure.

- 3.24.4 The form of rendered cottages in the vernacular style surrounding the green is also intrinsic to the rural and historic character of Roe Green. The layout and form of Roe Green has largely remained intact to the present day.

Opportunities for Enhancement

- 3.24.5 There are several opportunities for enhancement within the Roe Green Conservation Area which have the potential to further preserve or enhance the special interest of the conservation area, as follows:
- The loss of trees or hedging for parking access or increases of areas of hard standing within the conservation area, especially along the northern side of Rushden Road, should be resisted;
 - Maintenance of the streetscape should ensure the character of the roads and verges is maintained to ensure soft boundaries to both branches of Rushden Road and their character as countryside thoroughfares is discernible;
 - Parking access to properties should be designed to reflect the rural character of the area, avoiding extensive use of modern brick retaining walls, reducing hard surfacing and ensuring visibility splays are in character with surrounding property boundary treatments;
 - The appearance of the street furniture on the green in centre of the conservation area has a sort of charm, but the arrangement also appears as slightly untidy and incoherent. There is opportunity for this area to be better ordered and presented as the focal point of the village.

Suggested Boundary Changes

- 3.24.6 Slight revisions to the conservation area boundary have been recommended, though these are limited to bringing the boundary in line with property boundaries where possible. Suggested boundary revisions are shown in Fig SR24.

3.25 Rushden

- 3.25.1 Rushden was visited on 2 July 2019.

Statement of Special Interest

- 3.25.2 The village layout within conservation area retains elements dating to the 16th century and earlier, and there is a significant range of domestic built heritage representing architectural periods from the later 15th or 16th centuries to the 1930s. The church preserves material from the medieval period and is likely to be a site preserving earlier archaeological evidence for predecessor churches. In particular, the proportion of buildings predating the 18th century that survive within the village adds to its significance and interest, whilst 20th and 21st century interventions into the village fabric have successfully expanded the settlement and contributed to the character of the area.
- 3.25.3 To the north of the church the field contains earthworks relating to the medieval period, and this part of the conservation area is within the Registered Park and Garden of Julians (NHLE 1000914), a landscape garden dating from the 18th century with remodelling in the 1930s.
- 3.25.4 Within the centre of the village the use of soft, planted boundaries and extensive tree coverage, especially within long-standing property boundaries, the lack of kerbs or footpath to the road all contribute to the significant rural character of the area. The tree coverage and planted boundaries extend throughout the conservation area and ensure that many of the views are terminated by expansive, dense greenery.

Opportunities for Enhancement

3.25.5 There are several opportunities for enhancement within the Rushden Conservation Area which have the potential to further preserve or enhance the special interest of the conservation area, as follows:

- The loss of trees or hedging for parking access or increases of areas of hard standing within the conservation area should be resisted;
- Maintenance of the streetscape should ensure the character of the roads and verges is maintained to ensure soft boundaries to Bennett's Lane and its character as a hollow way is discernible;
- Additional tree planting and boundary reinforcement with hedges on Treacle Lane would reinforce the character of this area;
- The construction or improvement of visibility splays within the conservation area should employ planted boundaries, without the use of solid support or brick definition of the visibility splays.

Suggested Boundary Revisions

3.25.6 Slight revisions to the conservation area boundary have been recommended, though these are limited to bringing the boundary in line with property boundaries where possible. Suggested boundary revisions are shown in Fig SR25.

3.26 Sandon

3.26.1 Sandon was visited on 2 July 2019.

Statement of Special Interest

3.26.2 The eastern part of the conservation area includes several distinctive historic buildings – Sandon Bury Manor (NHLE 1102608), Church of All Saints (NHLE 1176178), Danyells Farm (NHLE 1102610), the Old Vicarage, Old Sextons (NHLE 1347357) – arranged along the north-south branch of Rushden Road. Most of the buildings are large, imposing properties standing in expansive plots with wide breaks between the buildings. These are often set back from the roadside yet remain highly visible due to their scale and elevation. The setting of Rushden Road is predominantly rural and agricultural, emphasised by the narrow country lane and extensive lines of mature tree planting delineating landscaped gardens and farmland. This is reinforced by an open village green and pond occupying space in the centre of the village.

Opportunities for Enhancement

3.26.3 There are several opportunities for enhancement within the Sandon Conservation Area which have the potential to further preserve or enhance the special interest of the conservation area, as follows:

- There is an opportunity to enhance and maintain the presentation of the historic pond which occupies a central position within the village;
- The loss of trees or hedging for parking access or increases of areas of hard standing within the conservation area, especially along the northern side of Payne End, should be resisted;
- Maintenance of the streetscape should ensure the character of the roads and verges is maintained to ensure soft boundaries to Rushden Road and its character as a countryside thoroughfare is discernible;

- Parking access to properties should be designed to reflect the rural character of the area, avoiding extensive use of modern brick retaining walls, reducing hard surfacing and ensuring visibility splays are in character with surrounding property boundary treatments.

Suggested Boundary Revisions

- 3.26.4 Slight revisions to the conservation area boundary have been recommended, though these are limited to bringing the boundary in line with property boundaries where possible.
- 3.26.5 A larger extension has been recommended to bring into the conservation area a series of 1920s houses arranged along Payne End, Dark Lane and Rushden Road. This estate was erected on a possible former village green and the form of the green remains legible despite the presence of the estate, with some pre-existing planting still visible behind the houses, which are set in attractive individual plots. Although a number of alterations have taken place to these buildings recently, the group retains its original character, including large chimneys. Overall, the buildings suggested for inclusion are of significant character and interest when compared to those on the west side of Dark Lane. Suggested boundary revisions are shown in Fig SR26.

3.27 Southern Green

- 3.27.1 Southern Green was visited on 2 July 2019.

Statement of Special Interest

- 3.27.2 The historic village green is the focal point and central to the character of Southern Green Conservation Area. Southern Green is documented clearly on the 1877 1st Edition OS map as being a hamlet typical of the historic dispersed settlement pattern encountered in North Hertfordshire, where historic cottages and farmsteads have gradually developed around a roughly triangular area of common land.
- 3.27.3 Thick mature tree cover bounds the green and the conservation area rendering most buildings invisible and providing a strong sense of enclosure. The hamlet is consequently a very peaceful and quiet space.
- 3.27.4 The form of rendered cottages in the vernacular style and post-medieval farm buildings surrounding the green is also intrinsic to the rural and historic character of Southern Green. Except for six semi-detached 20th century properties located east of Bennett's Lane, the layout and form of Southern Green has largely remained intact to the present day.

Opportunities for Enhancement

- 3.27.5 There are several opportunities for enhancement within the Southern Green Conservation Area which have the potential to further preserve or enhance the special interest of the conservation area, as follows:
- Parking access to properties should be designed to reflect the rural character of the area, avoiding extensive use of modern brick retaining walls, reducing hard surfacing and ensuring visibility splays are in character with surrounding property boundary treatments. When possible, parking on the grass verges should also be discouraged;
 - The loss of trees or hedging for parking access or increases of areas of hard standing within the conservation area should be resisted;

- Maintenance of the lanes should ensure the character of the roads and verges is maintained to ensure soft boundaries to Bennett's Lane and its character as a countryside thoroughfare is discernible.

Suggested Boundary Changes

- 3.27.6 Slight revisions to the conservation area boundary have been recommended, though these are limited to bringing the boundary in line with property boundaries where possible. Suggested boundary revisions are shown in Fig SR27.

3.28 St Ippolyts

- 3.28.1 St Ippolyts was visited on 29 April 2019.

Statement of Special Interest

- 3.28.2 St Ippolyts Conservation Area is notable for its impressive landscape location, with its church sitting at a high point within the village on a ridge and visible from a distance, fitting for its location at the centre of a parish covering a number of other nearby villages. The church is not mentioned in Domesday and is a later 11th century foundation. The prominent location is a key part of the conservation area's character. The church and its topographic location, together with the green and early housing surrounding the green contribute significantly to the character of the area.
- 3.28.3 The conservation area is centred on an attractive village green which is a 20th century creation following the demolition of a large house on the site. The centre of the village contains a small number of pre-19th century buildings, with other complementary buildings of later periods spread along Stevenage Road, as well as the 19th century St Ippolyts School. The school building has a simple roof form enlivened with chimneys, pinnacles and an elaborate slate roof. The overall architecture ensemble contributes to the character of the setting of the church and core of the conservation area.
- 3.28.4 The conservation area also extends to take in Brookend Farm and runs up to Ippolyts Brook. This area strengthens the character of the conservation area through the inclusion of a small part of the agricultural land within which this settlement has developed, the brook and the church essentially being the lowest and highest parts of the landscape here, though in relative proximity. The effect created is one of rising or climbing into the centre of the conservation area which serves to heighten the landscape significance of the church at its centre and its setting as a heritage asset.

Opportunities for Enhancement

- 3.28.5 The enhancement opportunity concerning the management of parking described in paragraph 2.3.1 is relevant to St Ippolyts. There is one further opportunity for enhancement within St Ippolyts Village which has the potential to further preserve or enhance the special interest of the conservation area. This is:
- Street signage and modern railings outside the school are incongruous to the rest of the conservation area and could be replaced when there is opportunity.

Suggested Boundary Revisions

- 3.28.6 Slight revisions to the conservation area boundary have been recommended, though these are limited to bringing the boundary in line with property boundaries where possible. Suggested boundary revisions are shown in Fig SR28.

3.29 Therfield

3.29.1 Therfield was visited on 28 May 2019.

Statement of Special Interest

3.29.2 Therfield is an attractive rural village. The scheduled remains of a 12th century motte and bailey castle and palisaded enclosure are evidence of settlement at Therfield dating back 900 years. It has a range of early buildings dating from the 14th to 16th century that show the nature of the late medieval and early post-medieval village as it expanded from the castle site in the west of the conservation area towards the village green that is now Therfield's focal point. Later buildings, generally in brick, have expanded the village to the north and south of the green.

Opportunities for Enhancement

3.29.3 The enhancement opportunities concerning the management of bins and parking described in paragraph 2.3.1 are relevant to Therfield.

Suggested Boundary Changes

3.29.4 Slight revisions to the conservation area boundary have been recommended, though these are limited to bringing the boundary in line with property boundaries where possible. Suggested boundary revisions are shown in Fig SR29.

3.30 Wallington

3.30.1 Wallington was visited on 2 July 2019.

Statement of Special Interest

3.30.2 The grouping of the Church of St Mary (NHLE 1347337), Wallington Bury (NHLE 1176379) and Wallington Chase (NHLE 1102679), along with Manor Farm, is illustrative of the historic development of the village and provides an area of expansive landscaping separate from the areas to the north.

3.30.3 The village streets, Kit's Lane and The Street, preserve the character of narrow, rural thoroughfares with soft boundaries. They are characterised by a range of boundary treatments including hedging, buildings and walls rising from their margins.

3.30.4 Tree planting in the grounds of Wallington Chase, enclosing housing and fields north of Kit's Lane, is present on early Ordnance Survey maps and appears to be part of a designed landscape connected to Wallington Chase.

3.30.5 George Orwell's residence (Monks Fitchett, NHLE 1102678) and work within the village adds to the historic and literary significance of Wallington. During his time in the village several of his more significant books were published, including: *Keep the Aspidistra Flying*, *The Road to Wigan Pier*, *Homage to Catalonia* and *Coming up for Air*.

Opportunities for Enhancement

3.30.6 There are two opportunities for enhancement within the Wallington Conservation Area which have the potential to further preserve or enhance the special interest of the conservation area, as follows:

- Parking access to properties should be designed to reflect the rural character of the area, avoiding extensive use of modern brick retaining walls, reducing hard surfacing and ensuring visibility splays are in character with surrounding property boundary treatments;
- Several buildings in the village have roof forms, or other features indicative of former thatching, such as disproportionately high chimneys, steep roofs with half-hips or catslide extensions. Research should be encouraged to identify such buildings and potentially to encourage the reintroduction of long-straw thatching for roof replacement when the need arrives.

Suggested Boundary Revisions

- 3.30.7 Slight revisions to the conservation area boundary have been recommended, though these are limited to bringing the boundary in line with property boundaries where possible. Suggested boundary revisions are shown in Fig SR30.

3.31 Weston

- 3.31.1 Weston was visited on 3 December 2019.

Statement of Special Interest

- 3.31.2 Weston Conservation Area preserves the character of an area of mixed architectural styles containing a number of interesting timber-framed buildings, mainly along Damask Green Road, Fore Street and Maiden Street. Its buildings are generally post-medieval in date, but together show the development of the settlement over the last 500 years, including a good 1970s cottage on Fore Street. The sunken Maiden Street contrasts the flat Damask Green Road and Fore Street, lending some drama to the walk to Oakley's Farm and the Church of the Holy Trinity, which can also be reached via a footpath (a former road) extending from the end of School Lane.

Opportunities for Enhancement

- 3.31.3 The enhancement opportunity concerning the management of bins described in paragraph 2.3.1 is relevant to Weston. In addition, a further opportunity for enhancement within Weston Conservation Area which has the potential to further preserve or enhance the special interest of the conservation area has been identified as follows:
- The information board on the village green is interesting and useful, but could be made more accessible, either where it is now or in a new location.

Suggested Boundary Revisions

- 3.31.4 Slight revisions to the conservation area boundary have been recommended, though these are limited to bringing the boundary in line with property boundaries where possible.
- 3.31.5 A larger extension is suggested taking in historic property boundaries along the west side of Fore Street, estate cottages on Hitchin Lane and the older part of the 20th century housing estate at Friar's Lane. The estate cottages have aesthetic value and add to the history of the development of the settlement as represented in the conservation area. Friar's Road is the first large 20th century development in the village and contains at least one building with aesthetic value, while the arrangement of the older part of the estate as a whole also has value. Suggested boundary revisions are shown in Fig SR31.

3.32 Whitwell (St Pauls Walden)

3.32.1 Whitwell was visited on 4 September 2019.

Statement of Special Interest

- 3.32.2 Whitwell derives its special interest from its past as a post-medieval industrial landscape, making use of the River Mimram in a number of different processes; brewing, tanning, milling and watercress farming. Remains of all of these industries, and the natural and constructed waterways that they used, are still visible today.
- 3.32.3 Alongside this industry, the residential settlement of Whitwell developed along the road, now known as High Street, that ran parallel to the Mimram along the valley. It contains a large number of significant historic buildings that together demonstrate well the development of the village over the last 500 years.

Opportunities for Enhancement

- 3.32.4 The enhancement opportunity concerning the management of parking described in paragraph 2.3.1 is relevant to Whitwell. In addition, the following opportunities for enhancement in Whitwell Conservation Area which have the potential to further preserve or enhance the special interest of the conservation area have been identified:
- Consideration should be given to introducing traffic management measures for large vehicles travelling through Whitwell;
 - The signage of the Londis in the centre of Whitwell is not in-keeping with the character of the conservation area and alternative designs should be considered when possible;
 - The landscaping of the war memorial should consider the provision of safe access to the site due to the constraints offered by its location within the village.

Suggested Boundary Revisions

- 3.32.5 Slight revisions to the conservation area boundary have been recommended, though these are limited to bringing the boundary in line with property boundaries where possible. Suggested boundary revisions are shown in Fig SR32.

3.33 Willian

3.33.1 Willian was visited on 3 December 2019.

Statement of Special Interest

- 3.33.2 Willian Conservation Area protects the character of a small rural settlement, formerly larger than its neighbour, Letchworth, but now sitting at the edge of the residential extent of the Letchworth Garden City development. It is centred on the Church of All Saints, which sits on a piece of land surrounded by roads and containing a number of other buildings, mostly dating to the 19th century. Much of the conservation area is of this period, though the presence of dispersed large buildings from earlier periods attests to the agricultural history and development of the village.

Opportunities for Enhancement

- 3.33.3 Opportunities for enhancement within Willian Conservation Area which have the potential to further preserve or enhance the special interest of the conservation area have been identified as follows:
- The public green space behind Willian Cottages, adjacent to the Letchworth Garden City Public Right of Way (006), could be landscaped to draw people through from Letchworth Garden City as well as from the village;
 - Car-parking along the trackway between Willian Cottages and Lordship Cottages could be reviewed.

Suggested Boundary Revisions

- 3.33.4 Slight revisions to the conservation area boundary have been recommended, though these are limited to bringing the boundary in line with property boundaries where possible.
- 3.33.5 A further extension has been suggested to bring Willian Arboretum into the conservation area, providing a wooded boundary to its west and south-west. The conservation area is currently bounded on all other sides by differing forms of tree-planting, with the area of the conservation area itself having more of a parkland feel than the surrounding agricultural fields or Letchworth to the north. The addition of this further wooded boundary to the conservation area would 'complete' this boundary form and further mark the distinctiveness of this area of land. Suggested boundary revisions are shown in Fig SR33.

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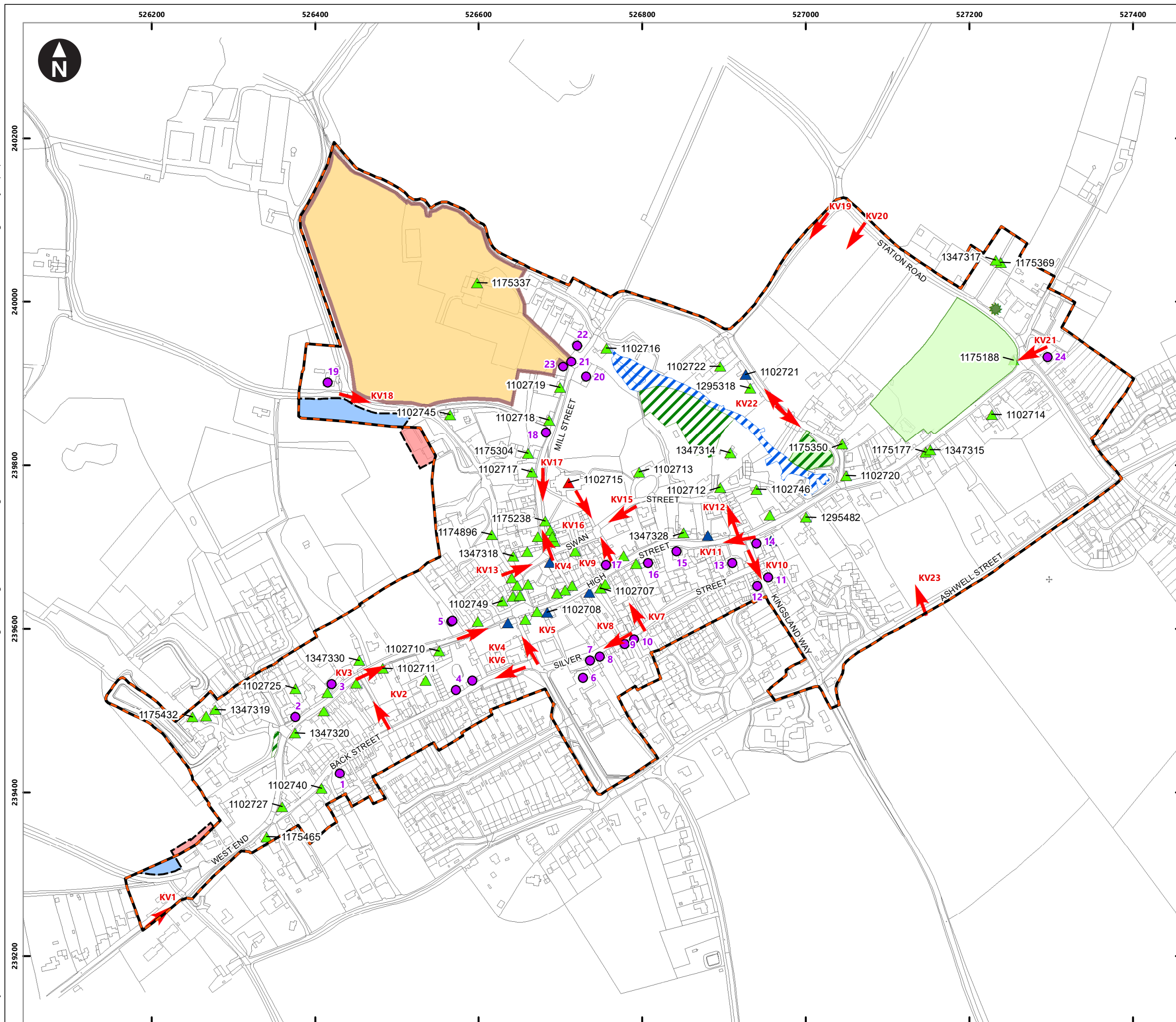
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Appendix A

Conservation Area Maps



Key

- Conservation area
- Listed Buildings**
 - Grade I
 - Grade II*
 - Grade II
- Scheduled ancient monument
- Historic parks and gardens
- Heritage at risk
- Significant key view
- Building or feature that contributes to the character of the Conservation area
- Significant areas of trees
- Significant tree
- Significant green space
- Significant blue space
- Proposed Conservation area boundary change
- Extension to Conservation area
- Reduction in Conservation area

Note:
The Historic England GIS data contained in this material was obtained on 12/04/2019. The most publicly available up to date Historic England GIS Data can be obtained from <http://www.historicengland.org.uk>

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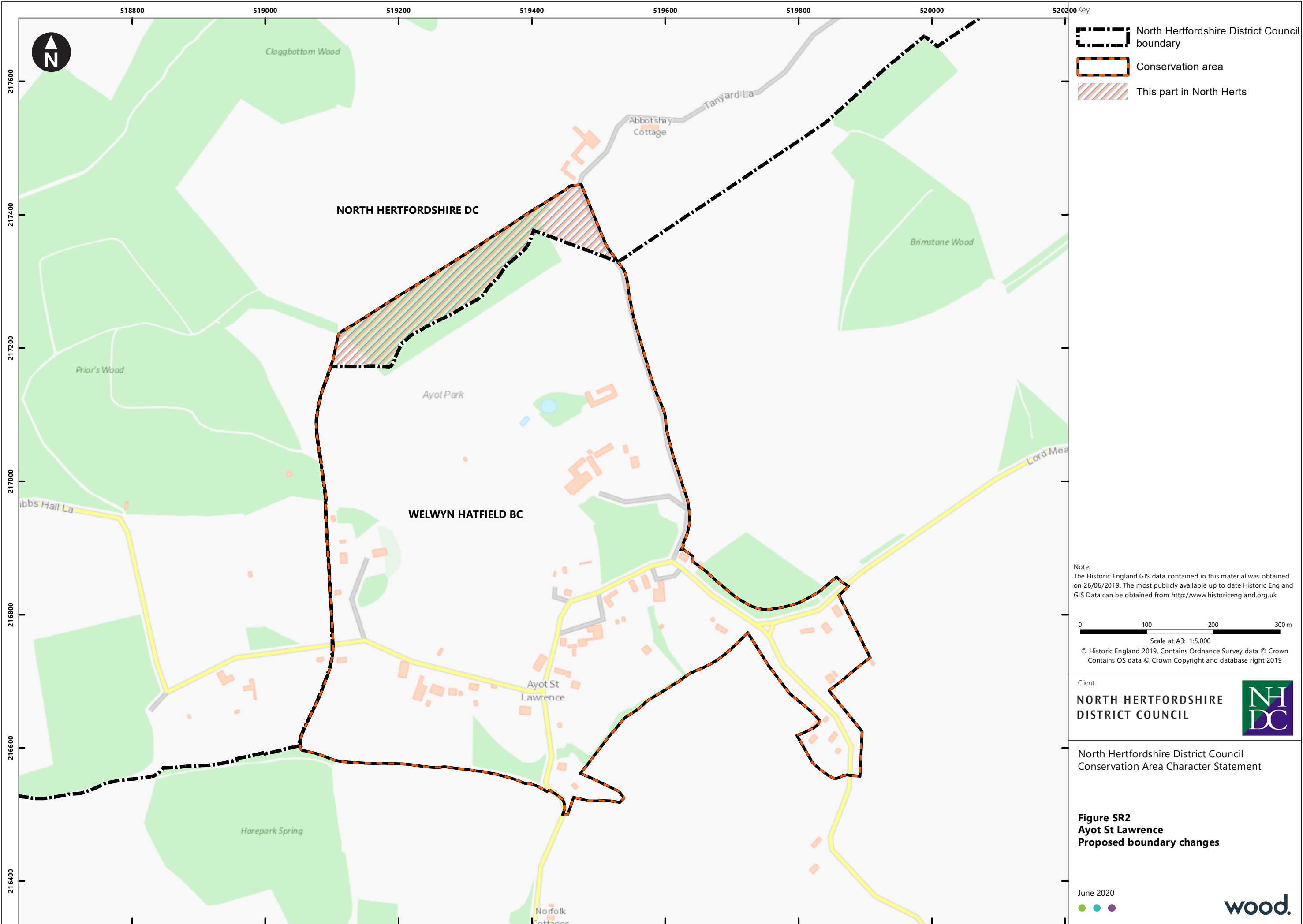
North Hertfordshire District Council
Conservation Area Character Statement

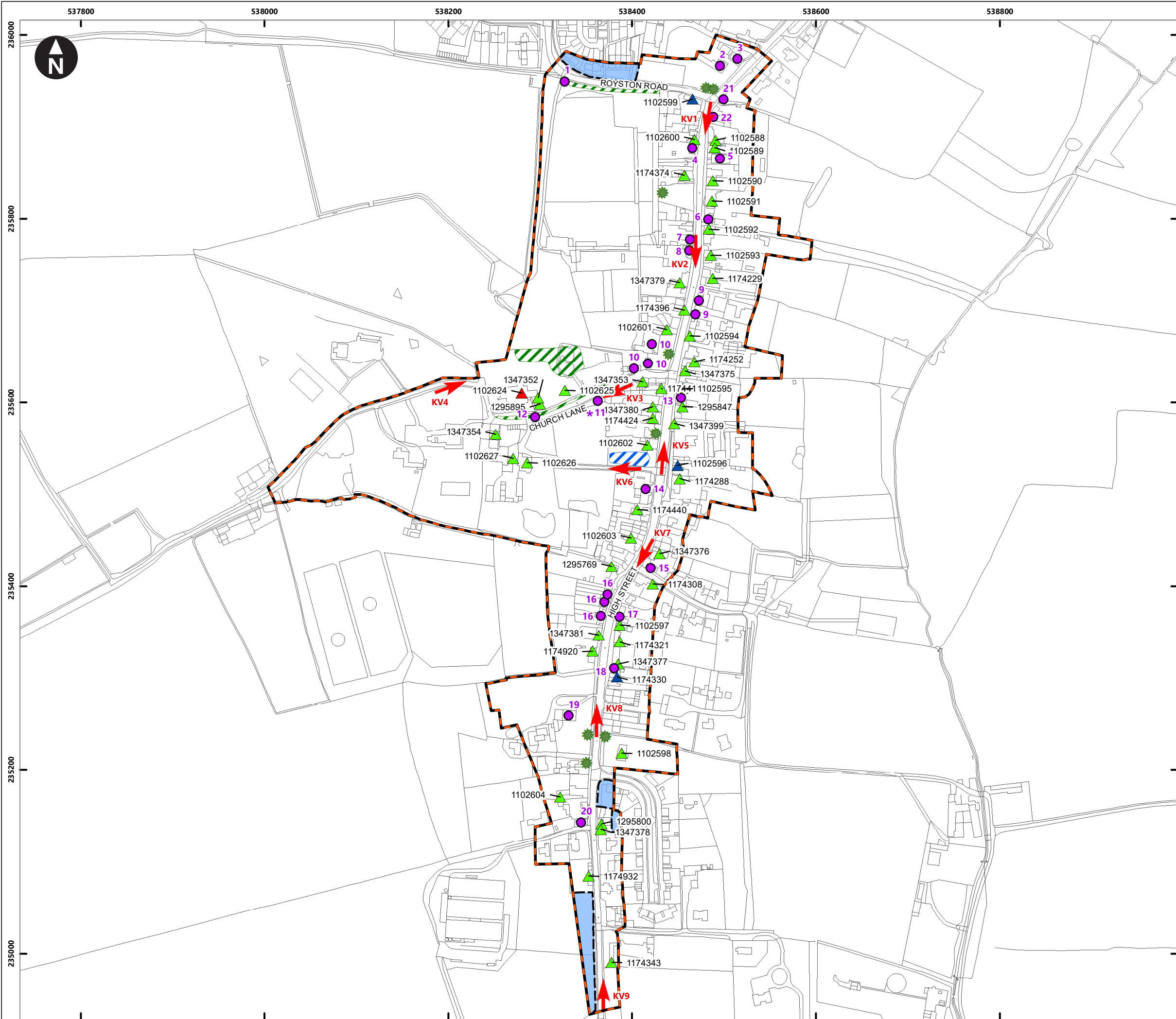
**Figure SR1
Ashwell
Proposed boundary changes**

February 2020

wood.

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Key

- Conservation area
- Listed Buildings**
 - Grade I
 - Grade II*
 - Grade II
- Scheduled ancient monument
- Historic parks and gardens
- Heritage at risk
- Significant key view
- Building or feature that contributes to the character of the Conservation area
- Significant areas of trees
- Significant tree
- Significant green space
- Significant blue space
- Proposed Conservation area boundary change
- Extension to Conservation area
- Reduction in Conservation area
- Building with potential for designation

Note:
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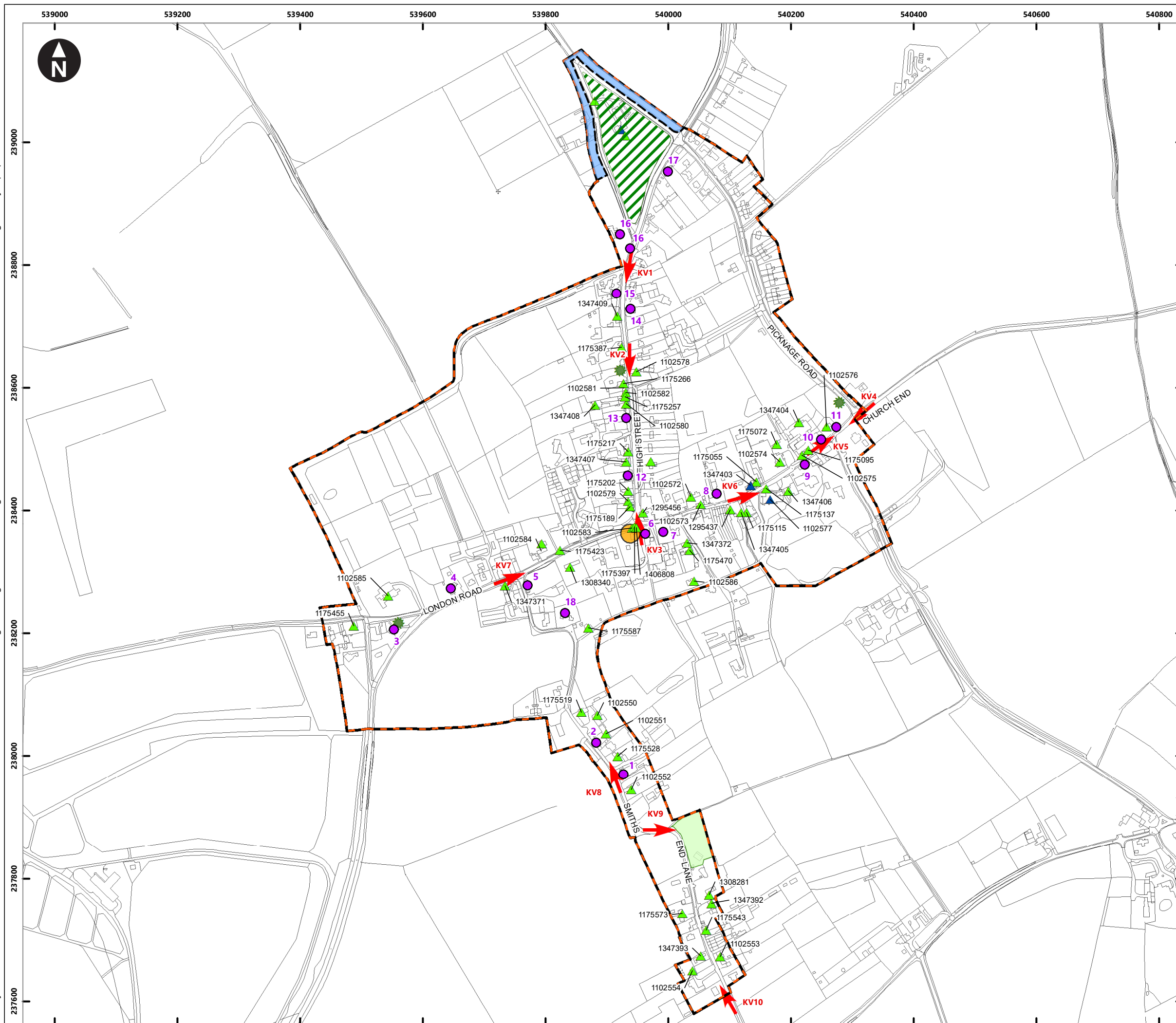
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Conservation Area Character Statement

Figure SR3
Barkway
Proposed boundary changes

March 2020

wood.

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Key

- Conservation area
- Listed Buildings**
 - Grade I
 - Grade II*
 - Grade II
- Scheduled ancient monument
- Historic parks and gardens
- Heritage at risk
- Significant key view
- Building or feature that contributes to the character of the Conservation area
- Significant areas of trees
- Significant tree
- Significant green space
- Significant blue space
- Proposed Conservation area boundary change
- Extension to Conservation area
- Reduction in Conservation area

Note:
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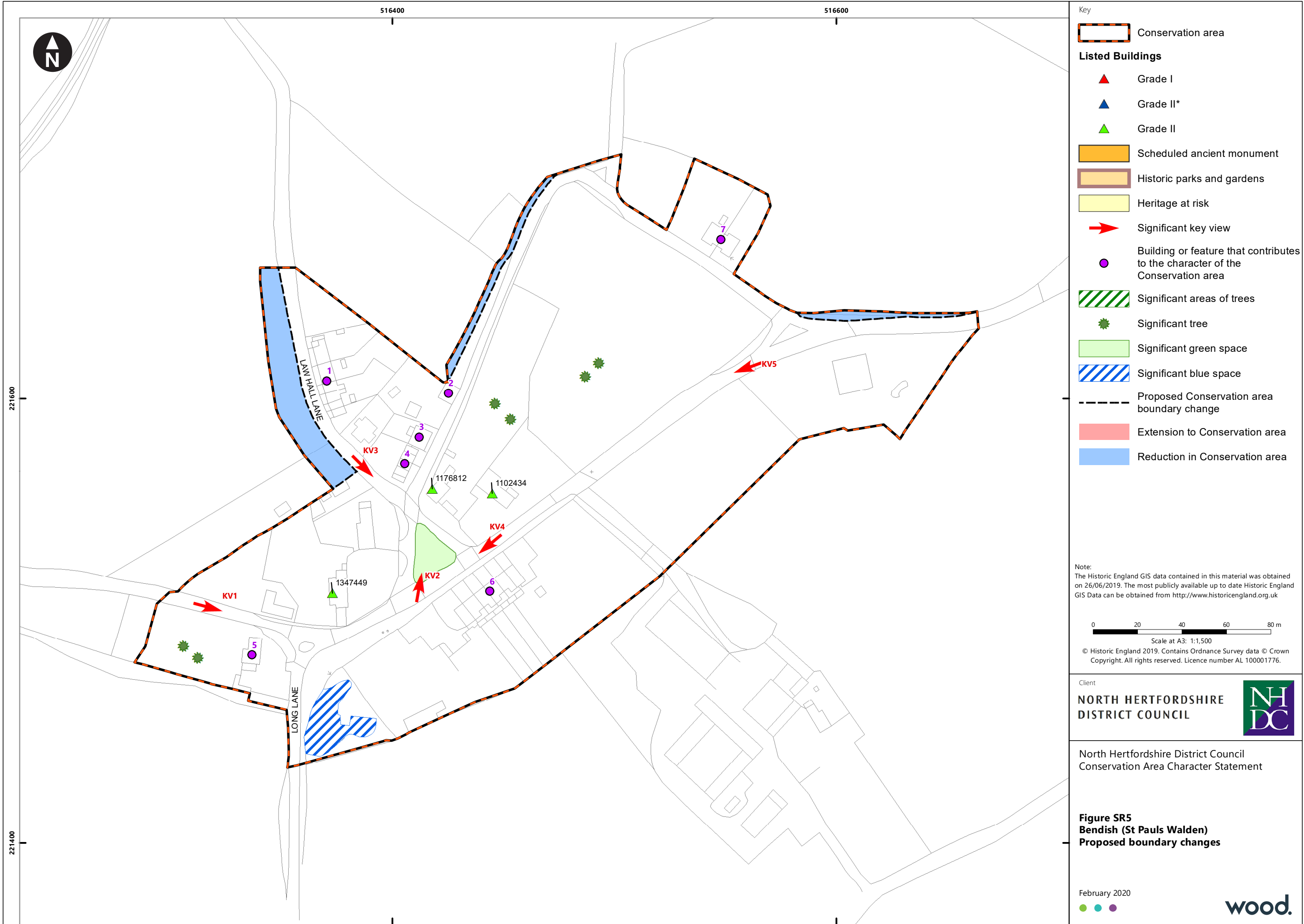
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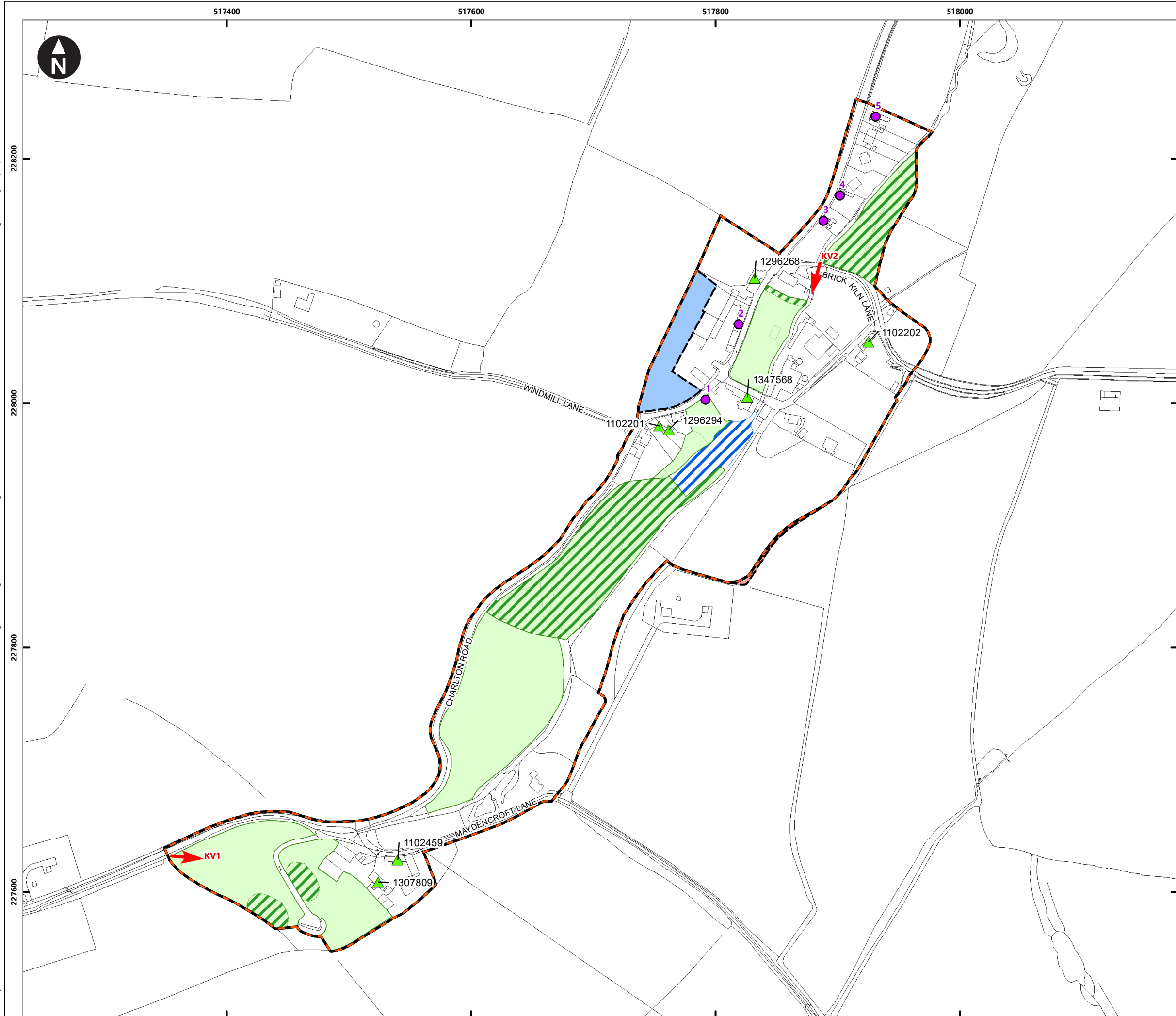
North Hertfordshire District Council
Conservation Area Character Statement

Figure SR4
Barley
Proposed boundary changes

February 2020

wood.





Key

- Conservation area
- Listed Buildings**
 - Grade I
 - Grade II*
 - Grade II
- Scheduled ancient monument
- Historic parks and gardens
- Heritage at risk
- Building or feature that contributes to the character of the Conservation area
- Significant key view
- Significant areas of trees
- Significant tree
- Significant green space
- Significant blue space
- Proposed Conservation area boundary change
- Extension to Conservation area
- Reduction in Conservation area

Note:
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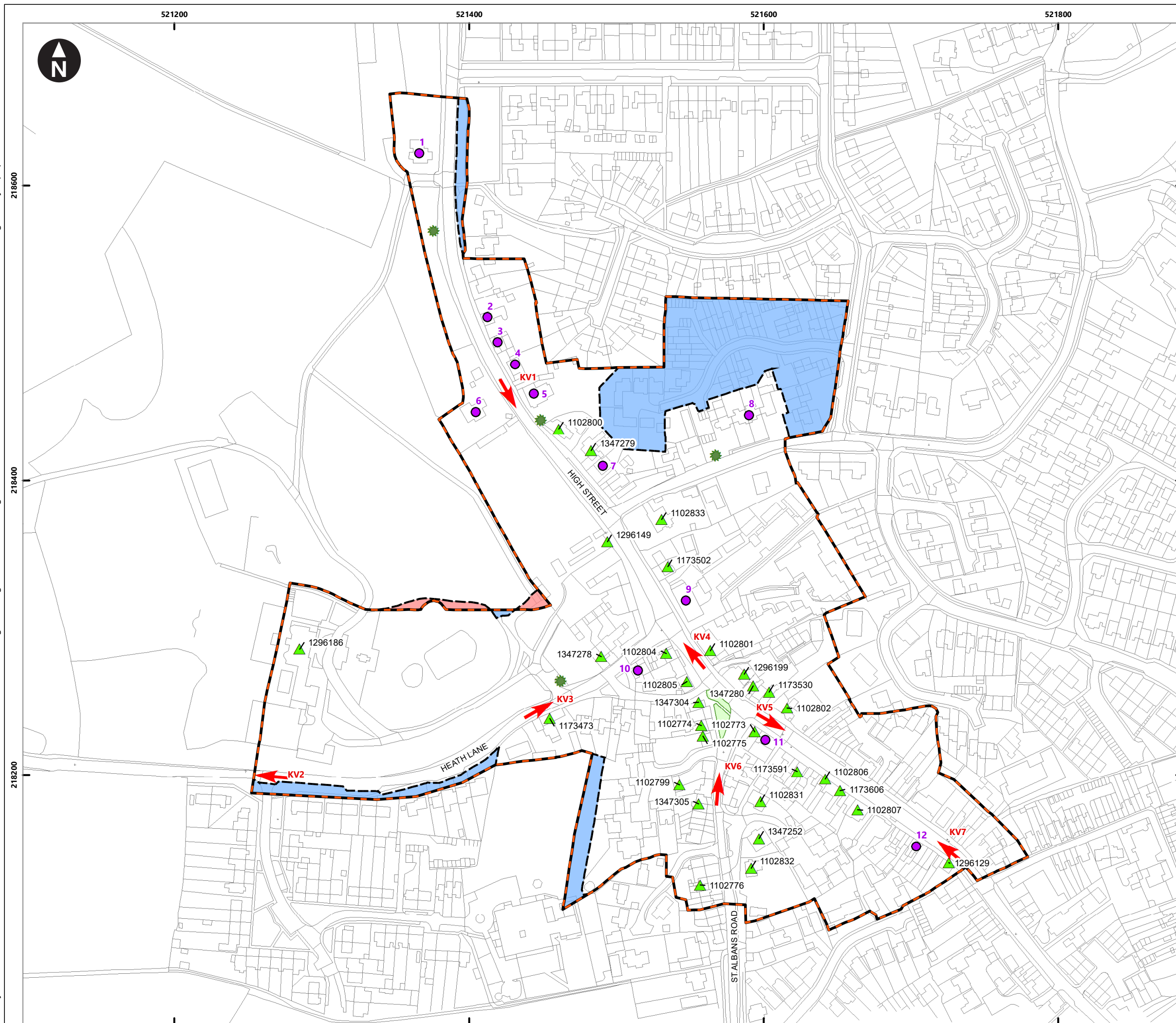
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North Hertfordshire District Council
Conservation Area Character Statement

**Figure SR6
Charlton
Proposed boundary changes**

March 2020

wood.



- Key
- Conservation area
 - Listed Buildings**
 - Grade I
 - Grade II*
 - Grade II
 - Scheduled ancient monument
 - Historic parks and gardens
 - Heritage at risk
 - Significant key view
 - Building or feature that contributes to the character of the Conservation area
 - Significant areas of trees
 - Significant tree
 - Significant green space
 - Significant blue space
 - Proposed Conservation area boundary change
 - Extension to Conservation area
 - Reduction in Conservation area

Note:
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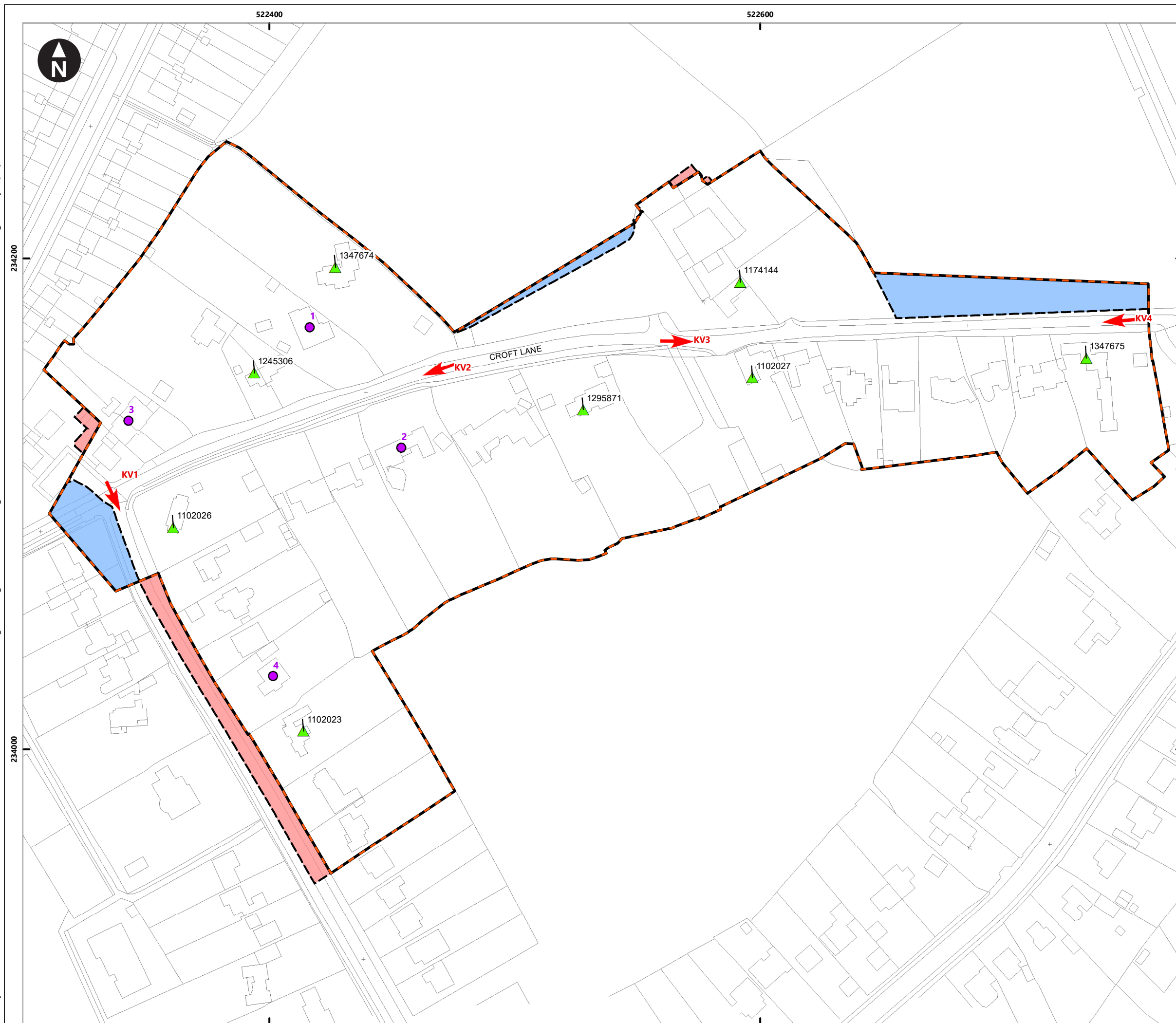


North Hertfordshire District Council
Conservation Area Character Statement

**Figure SR7
Codicote
Proposed boundary changes**

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Page 8 of 11



Key

- Conservation area
- Listed Buildings**
 - Grade I
 - Grade II*
 - Grade II
- Scheduled ancient monument
- Historic parks and gardens
- Heritage at risk
- Significant key view
- Building or feature that contributes to the character of the Conservation area
- Significant areas of trees
- Significant green space
- Significant blue space
- Proposed Conservation area boundary change
- Extension to Conservation area
- Reduction in Conservation area

Note:
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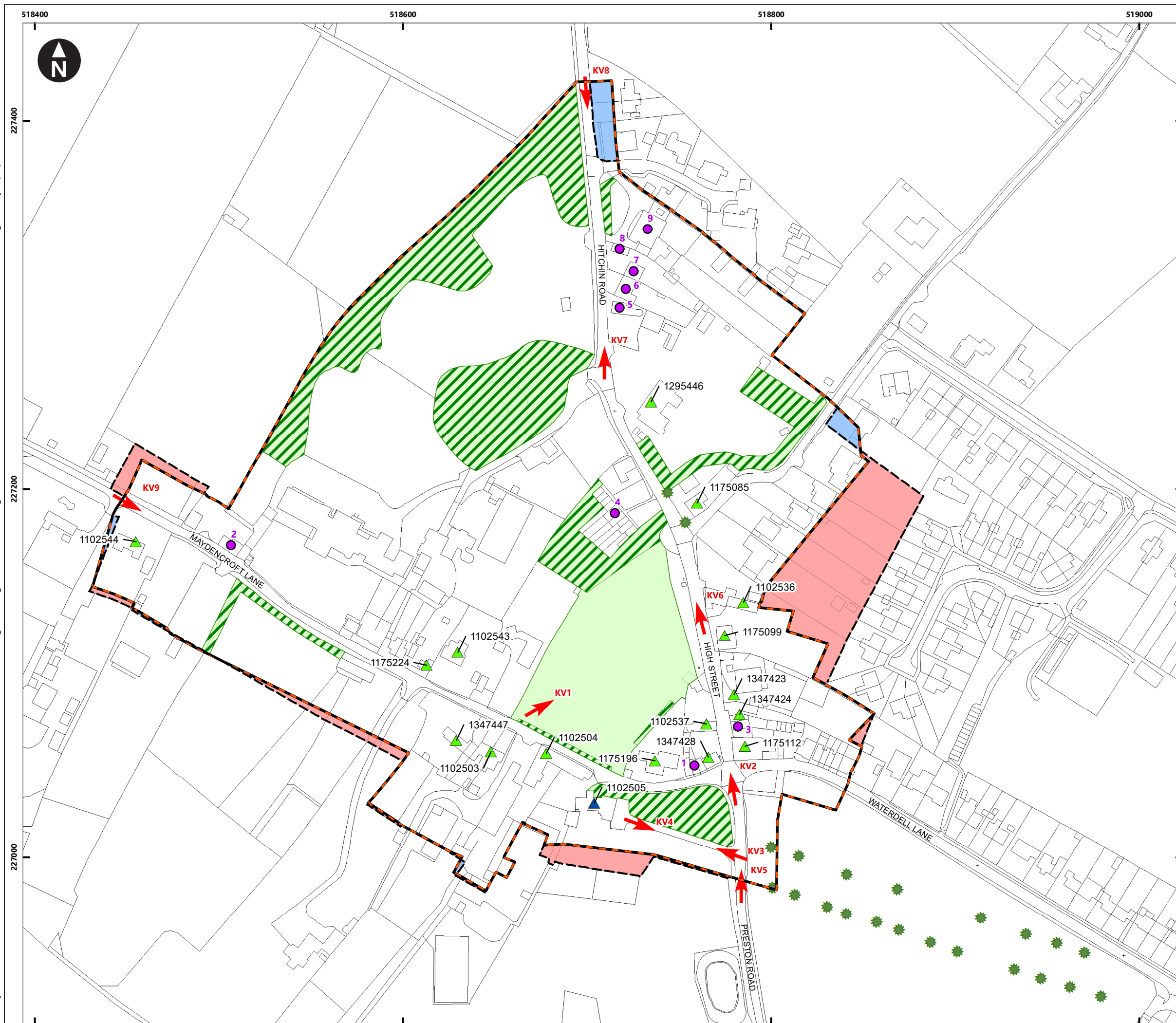
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Conservation Area Character Statement

**Figure SR8
Croft Lane
Proposed boundary changes**

February 2020



Key

- Conservation area
- Listed Buildings**
 - Grade I
 - Grade II*
 - Grade II
- Scheduled ancient monument
- Historic parks and gardens
- Heritage at risk
- Building or feature that contributes to the character of the Conservation area
- Significant key view
- Significant areas of trees
- Significant tree recommended for Tree Preservation Order
- Significant green space
- Significant blue space
- Proposed Conservation Area boundary change
- Extension to Conservation Area
- Reduction in Conservation Area

Note:
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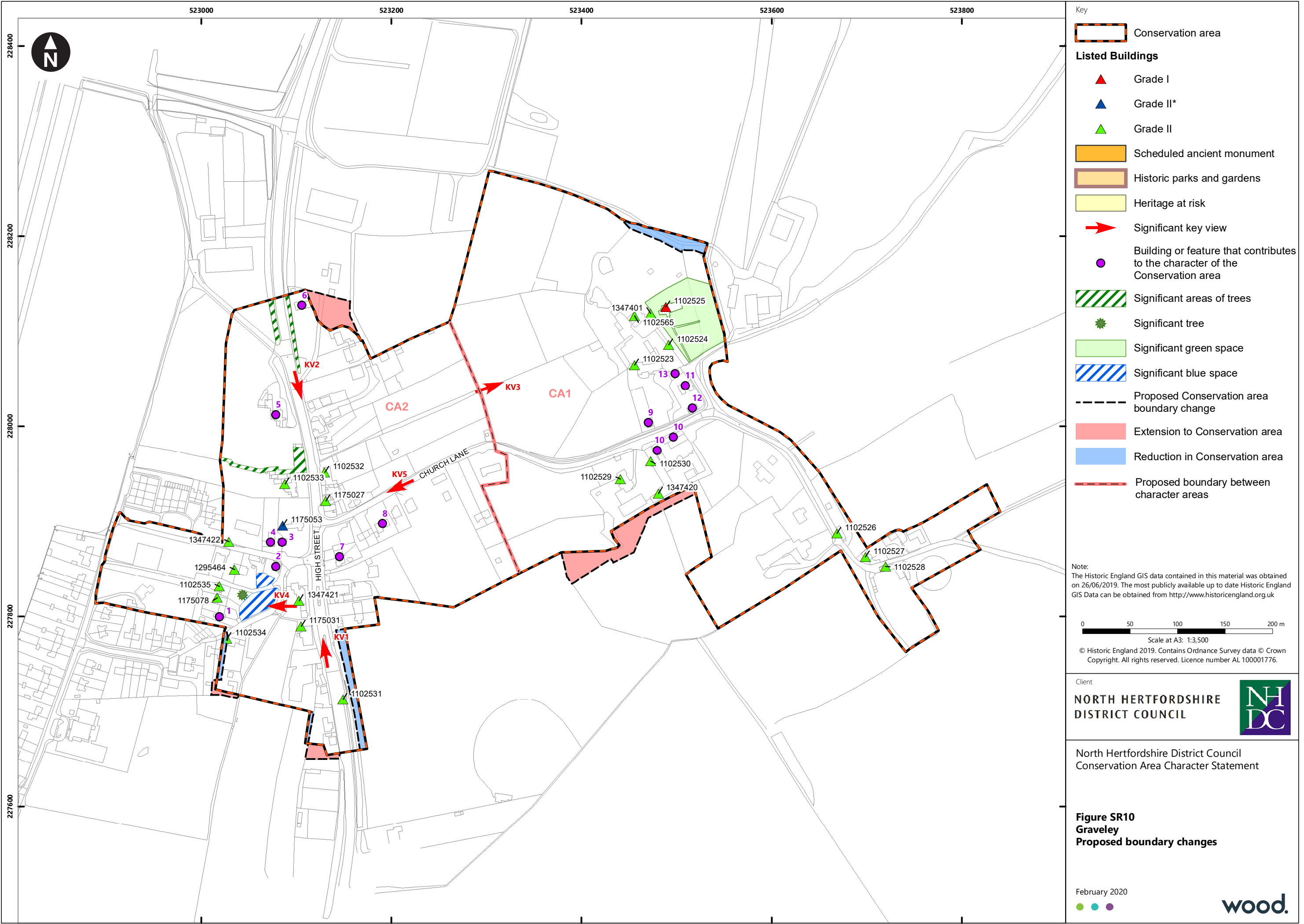
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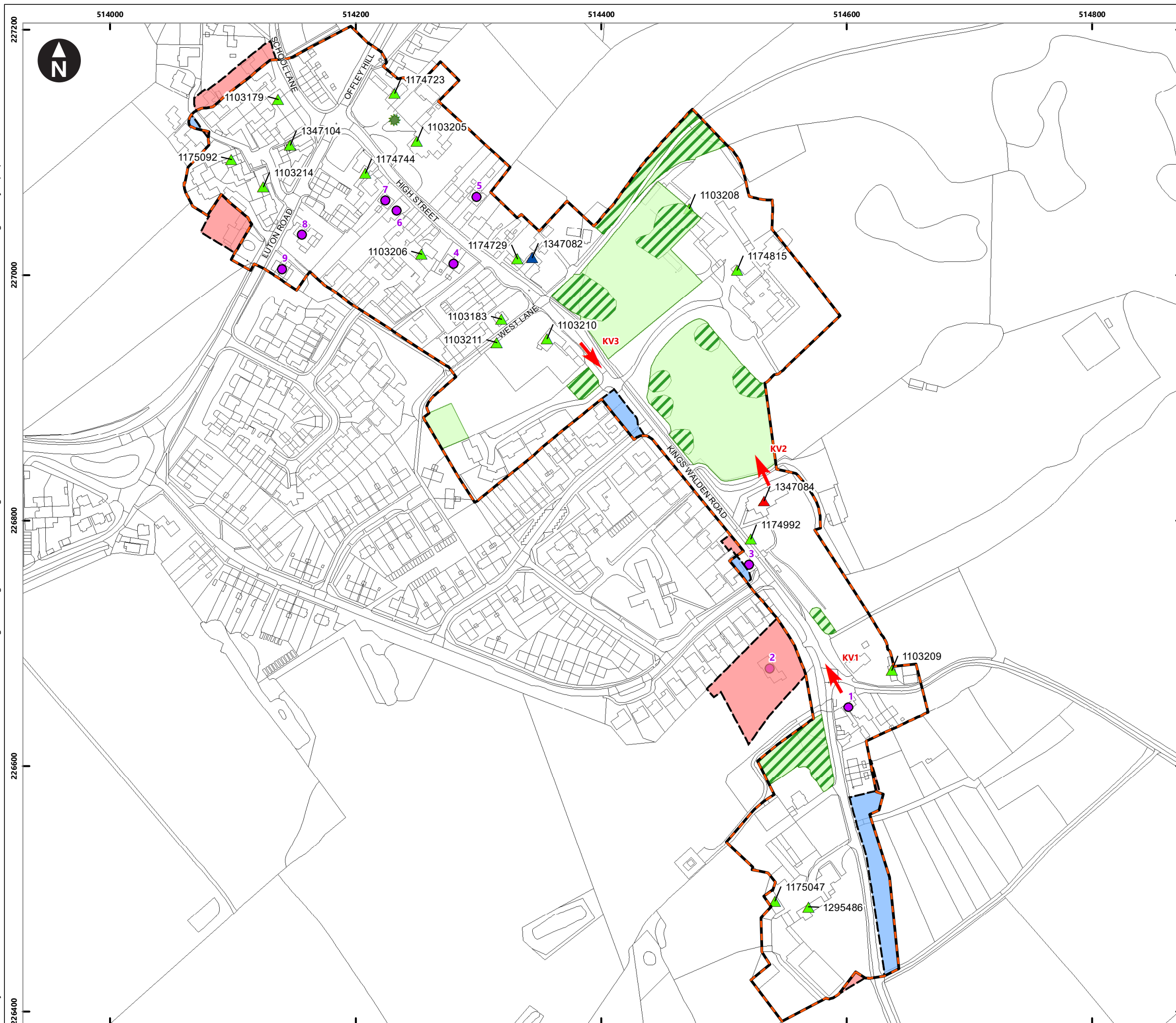
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Conservation Area Character Statement

**Figure SR9
Gosmore
Proposed boundary changes**

March 2020

wood.





Key

- Conservation area
- Listed Buildings**
 - Grade I
 - Grade II*
 - Grade II
- Scheduled ancient monument
- Historic parks and gardens
- Heritage at risk
- Building or feature that contributes to the character of the Conservation area
- Significant key view
- Significant areas of trees
- Significant tree
- Significant green space
- Significant blue space
- Proposed Conservation area boundary change
- Extension to Conservation area
- Reduction in Conservation area

Note:
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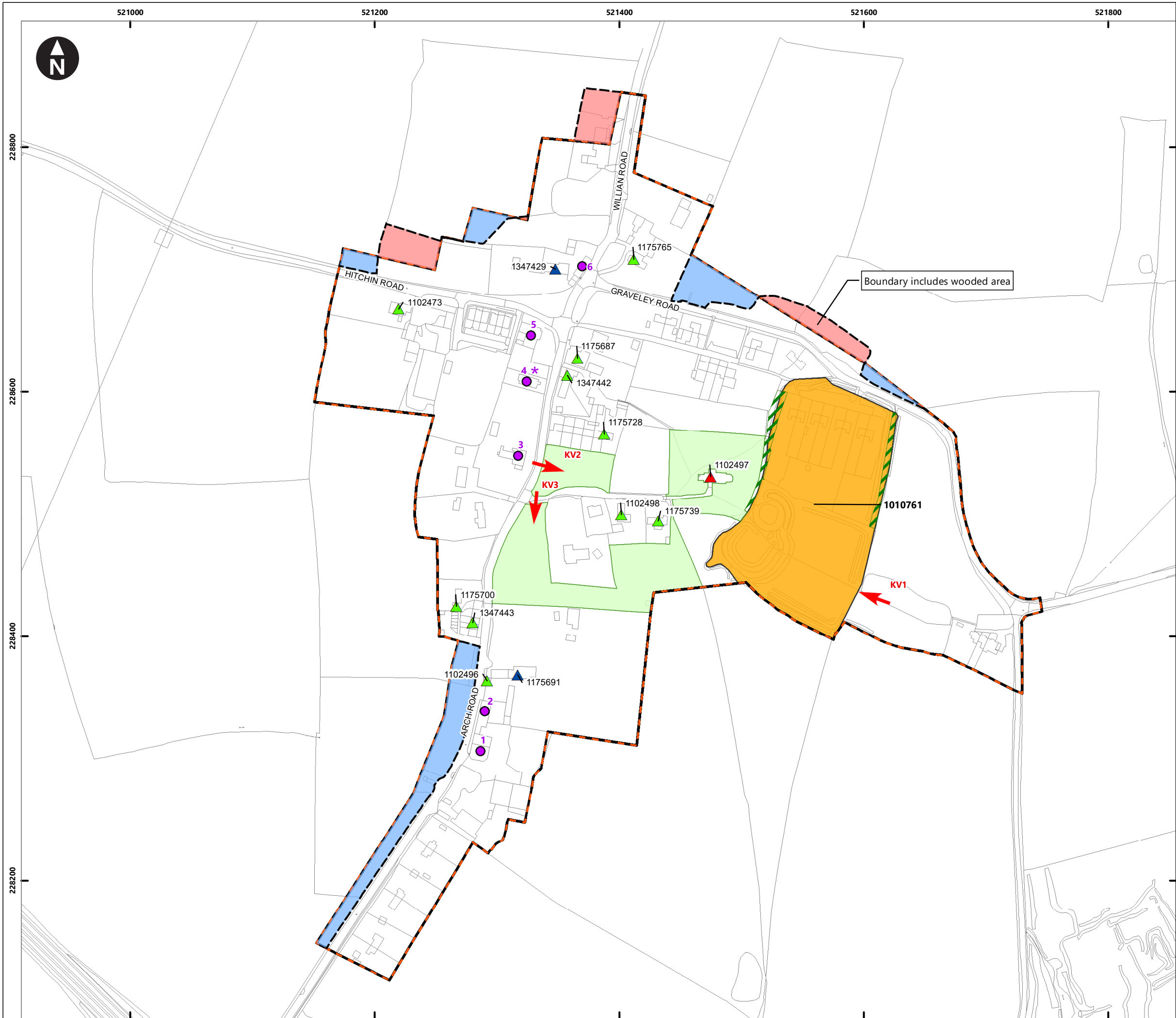
NORTH HERTFORDSHIRE DISTRICT COUNCIL

North Hertfordshire District Council
Conservation Area Character Statement

Figure SR11
Great Offley
Proposed boundary changes

February 2020

wood.



- Key
- Conservation area
 - Listed Buildings**
 - Grade I
 - Grade II*
 - Grade II
 - Scheduled ancient monument
 - Historic parks and gardens
 - Heritage at risk
 - Significant key view
 - Building or feature that contributes to the character of the Conservation area
 - Significant areas of trees
 - Significant tree
 - Significant green space
 - Significant blue space
 - Proposed Conservation area boundary change
 - Extension to Conservation area
 - Reduction in Conservation area
 - Building with potential for designation

Note:
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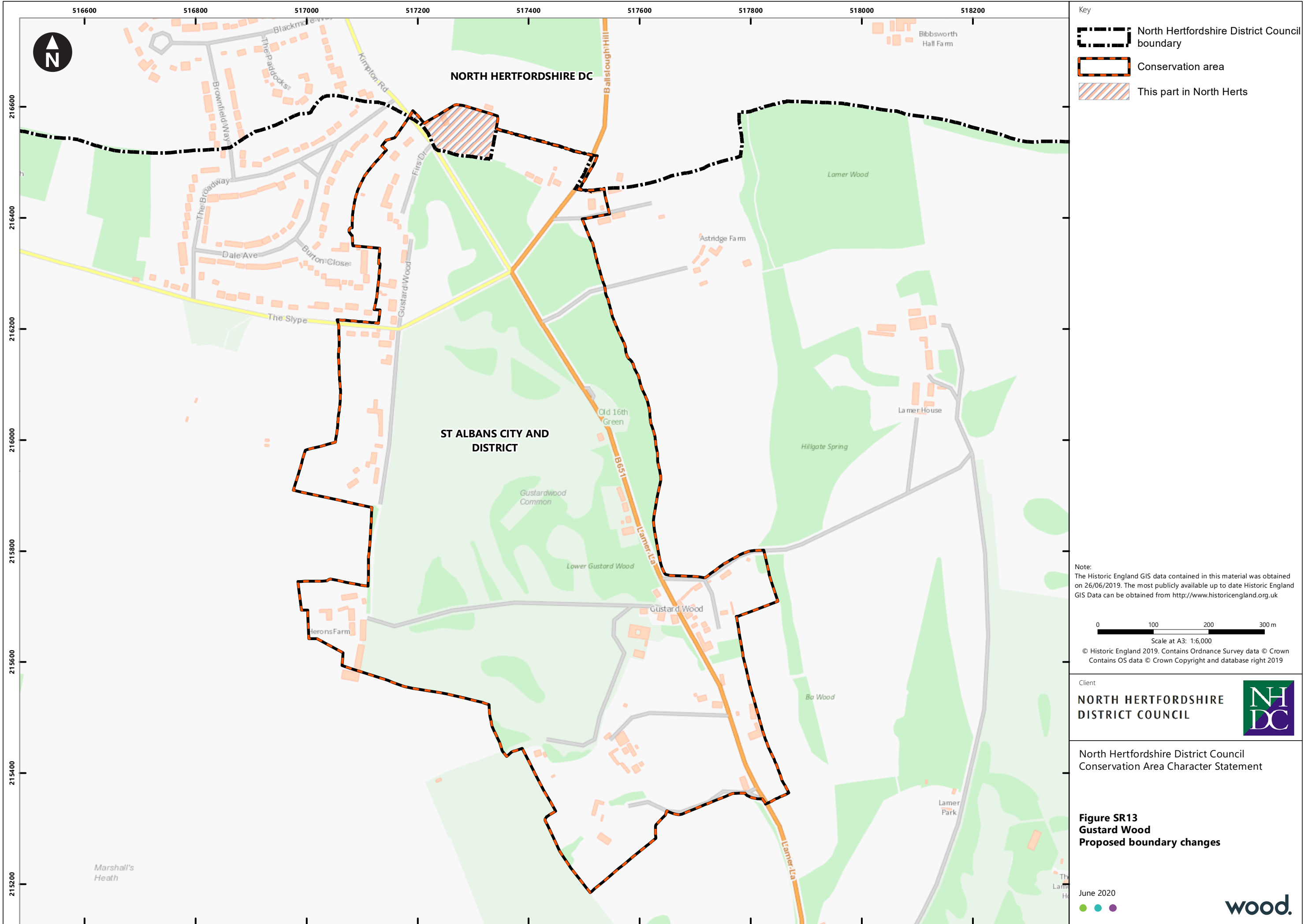
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North Hertfordshire District Council
Conservation Area Character Statement

Figure SR12
Great Wymondley
Proposed boundary changes



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Page 72



Key

Conservation area

Listed Buildings

Grade I

Grade II*

Grade II

Scheduled ancient monument

Historic parks and gardens

Heritage at risk

Significant key view

Building or feature that contributes to the character of the Conservation area

Significant areas of trees

Significant tree

Significant green space

Significant blue space

Proposed Conservation area boundary change

Extension to Conservation area

Reduction in Conservation area

Note:

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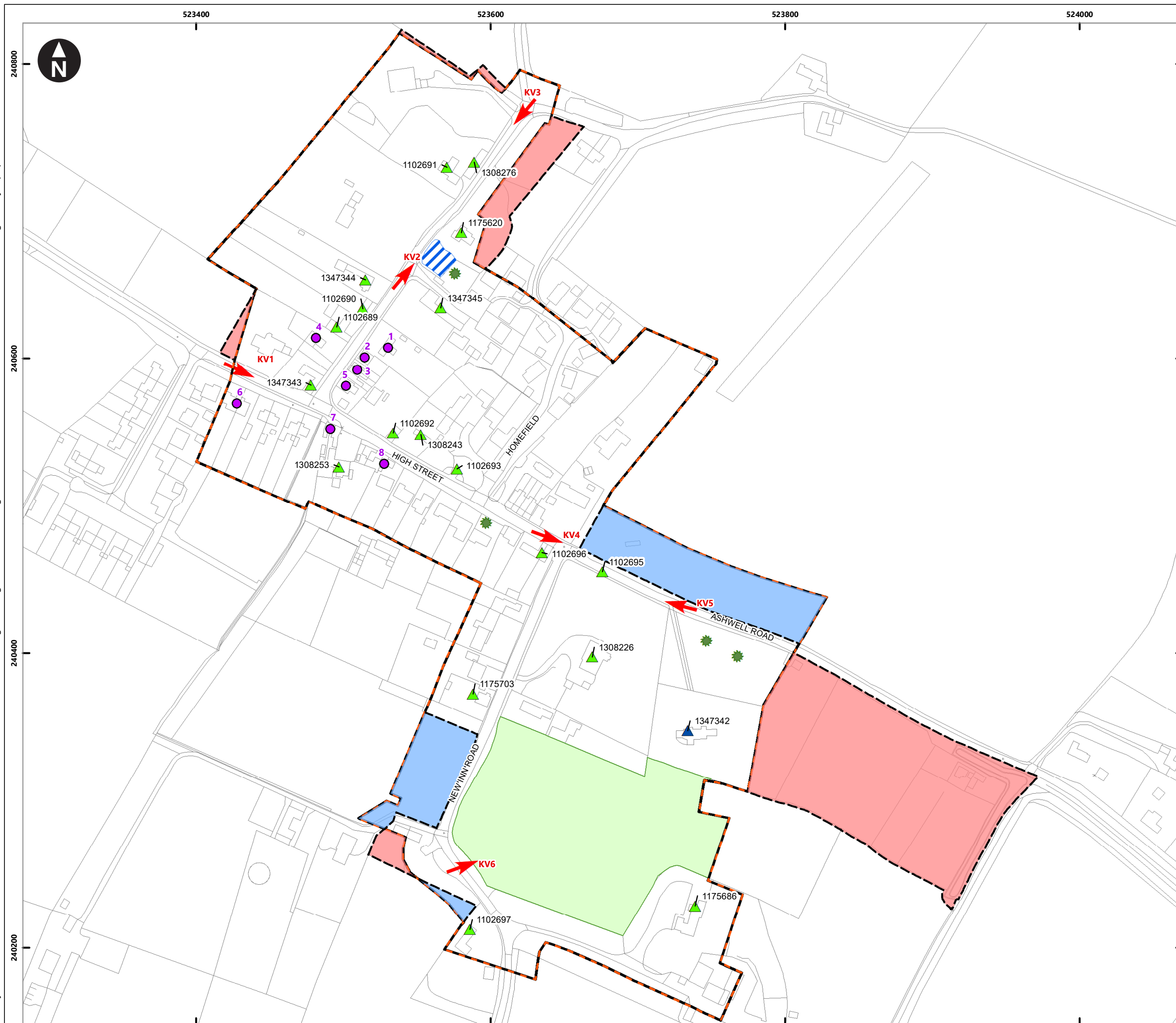
North Hertfordshire District Council
Conservation Area Character Statement

Figure SR14
Hexton
Proposed boundary changes

March 2020







Key

- Conservation area
- Listed Buildings**
 - Grade I
 - Grade II*
 - Grade II
- Scheduled ancient monument
- Historic parks and gardens
- Heritage at risk
- Significant key view
- Building or feature that contributes to the character of the Conservation area
- Significant areas of trees
- Significant tree
- Significant green space
- Significant blue space
- Proposed Conservation area boundary change
- Extension to Conservation area
- Reduction in Conservation area

Note:
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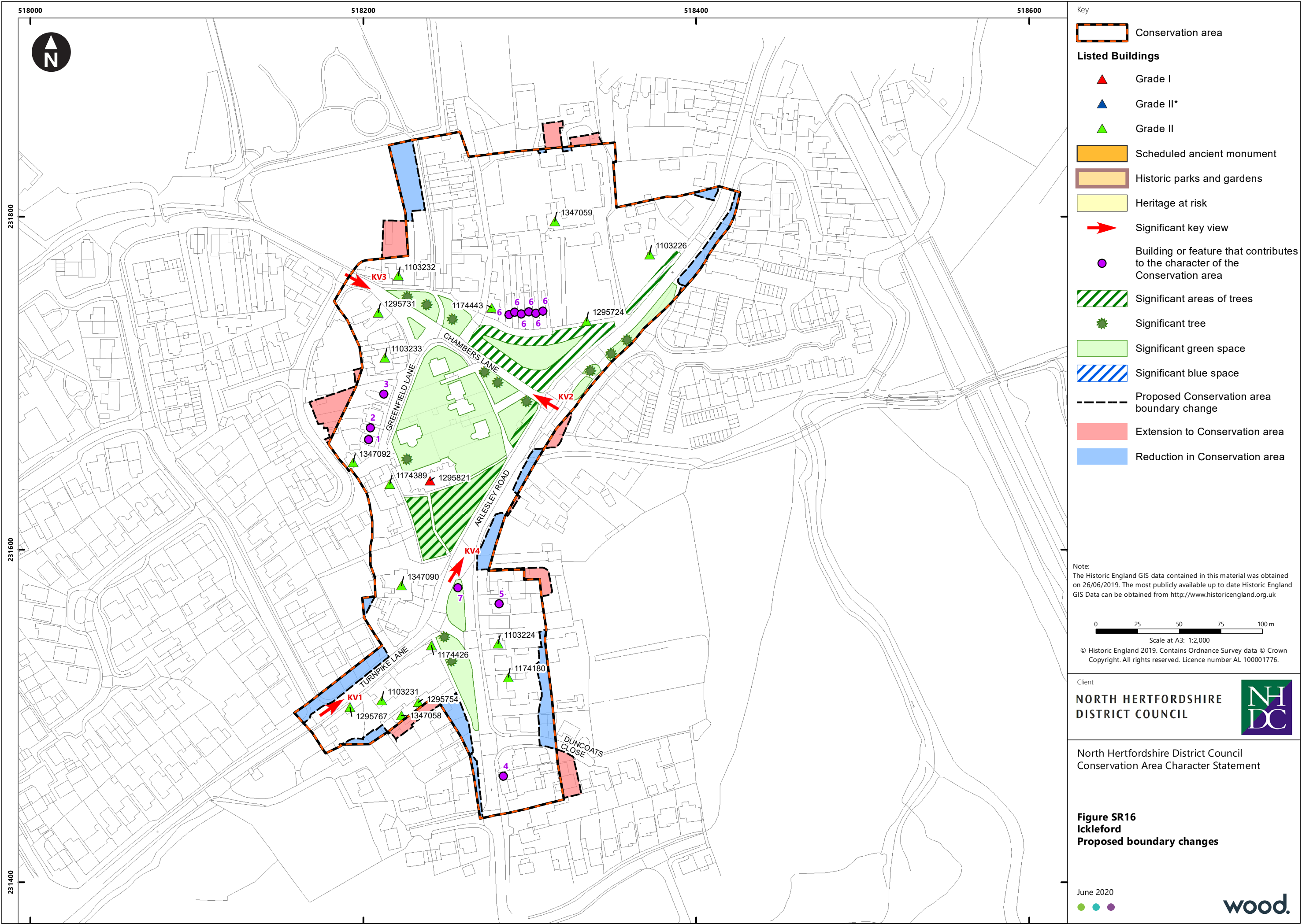
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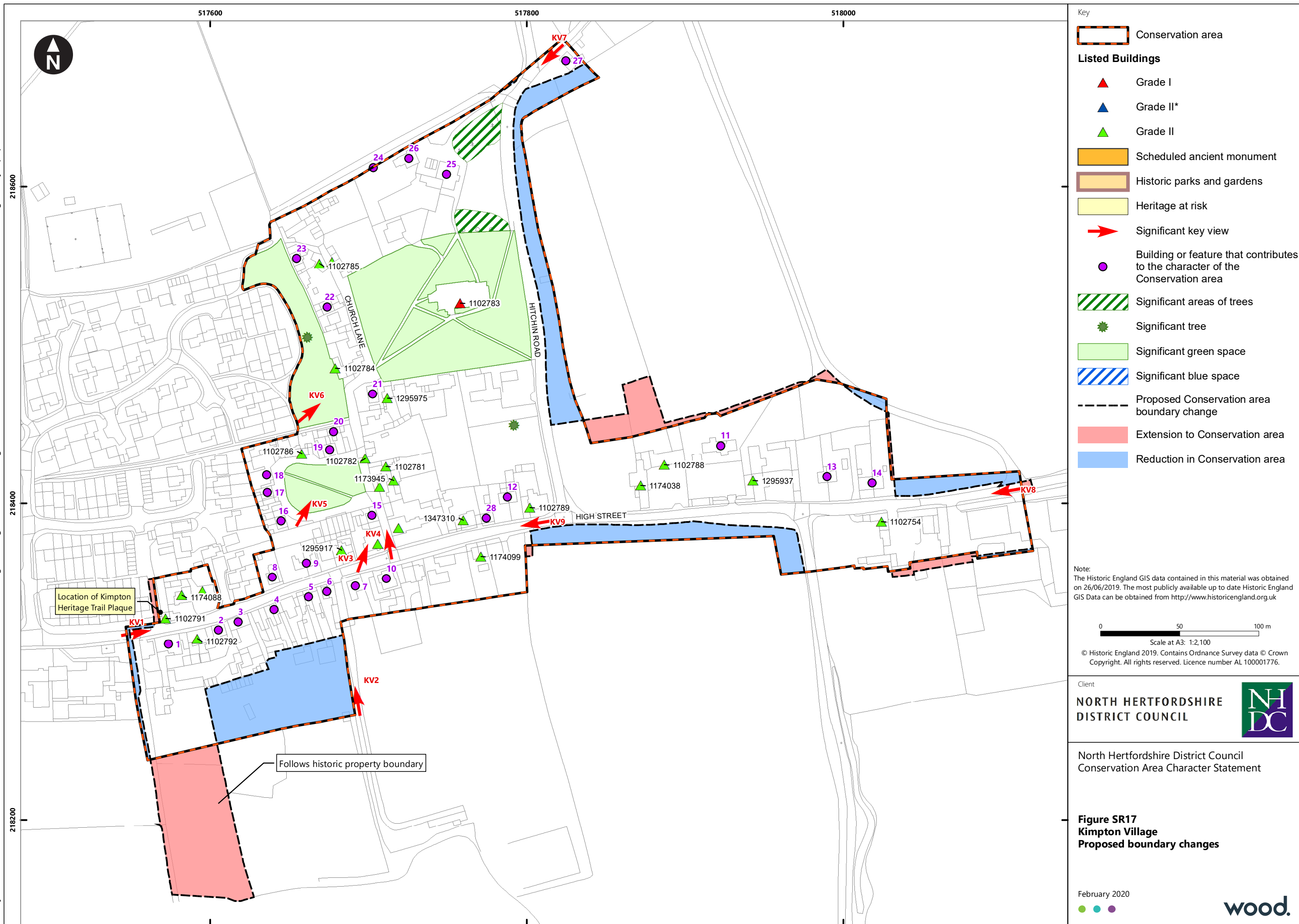
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Conservation Area Character Statement

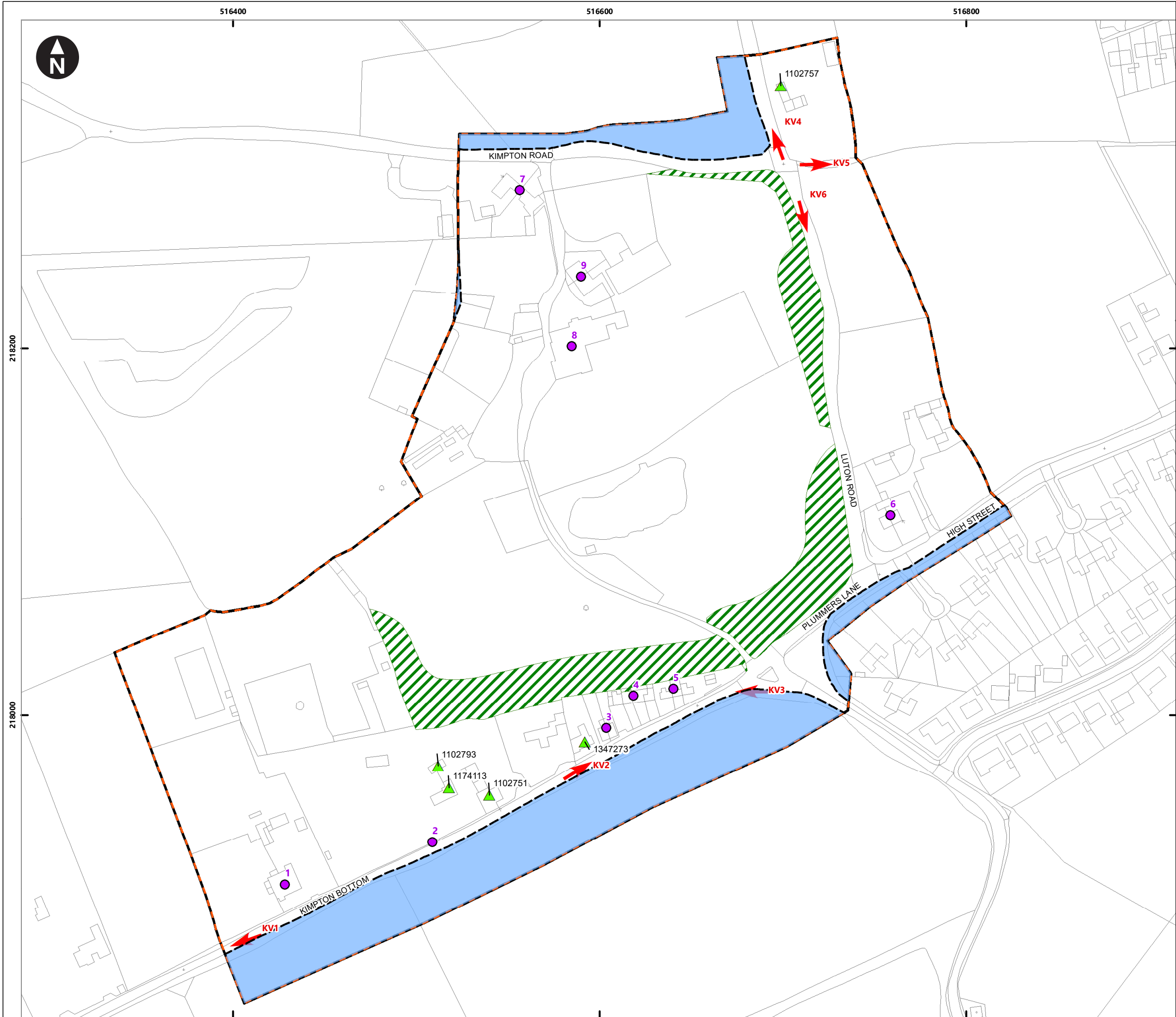
**Figure SR15
Hinxworth
Proposed boundary changes**

February 2020

wood.







- Key
- Conservation area
 - Listed Buildings**
 - Grade I
 - Grade II*
 - Grade II
 - Scheduled ancient monument
 - Historic parks and gardens
 - Heritage at risk
 - Significant key view
 - Building or feature that contributes to the character of the Conservation area
 - Significant areas of trees
 - Significant tree
 - Significant green space
 - Significant blue space
 - Proposed Conservation area boundary change
 - Extension to Conservation area
 - Reduction in Conservation area

Note:
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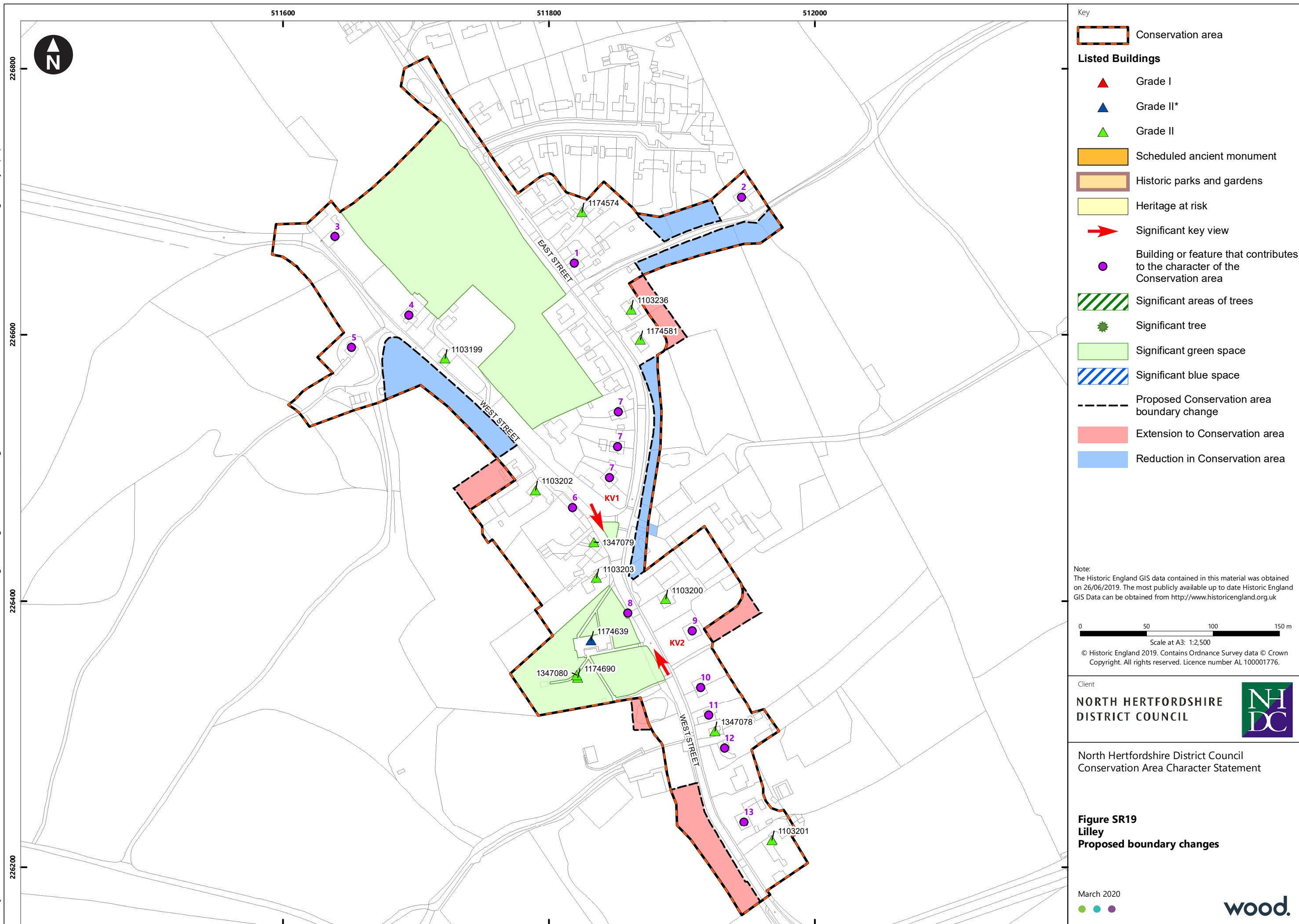
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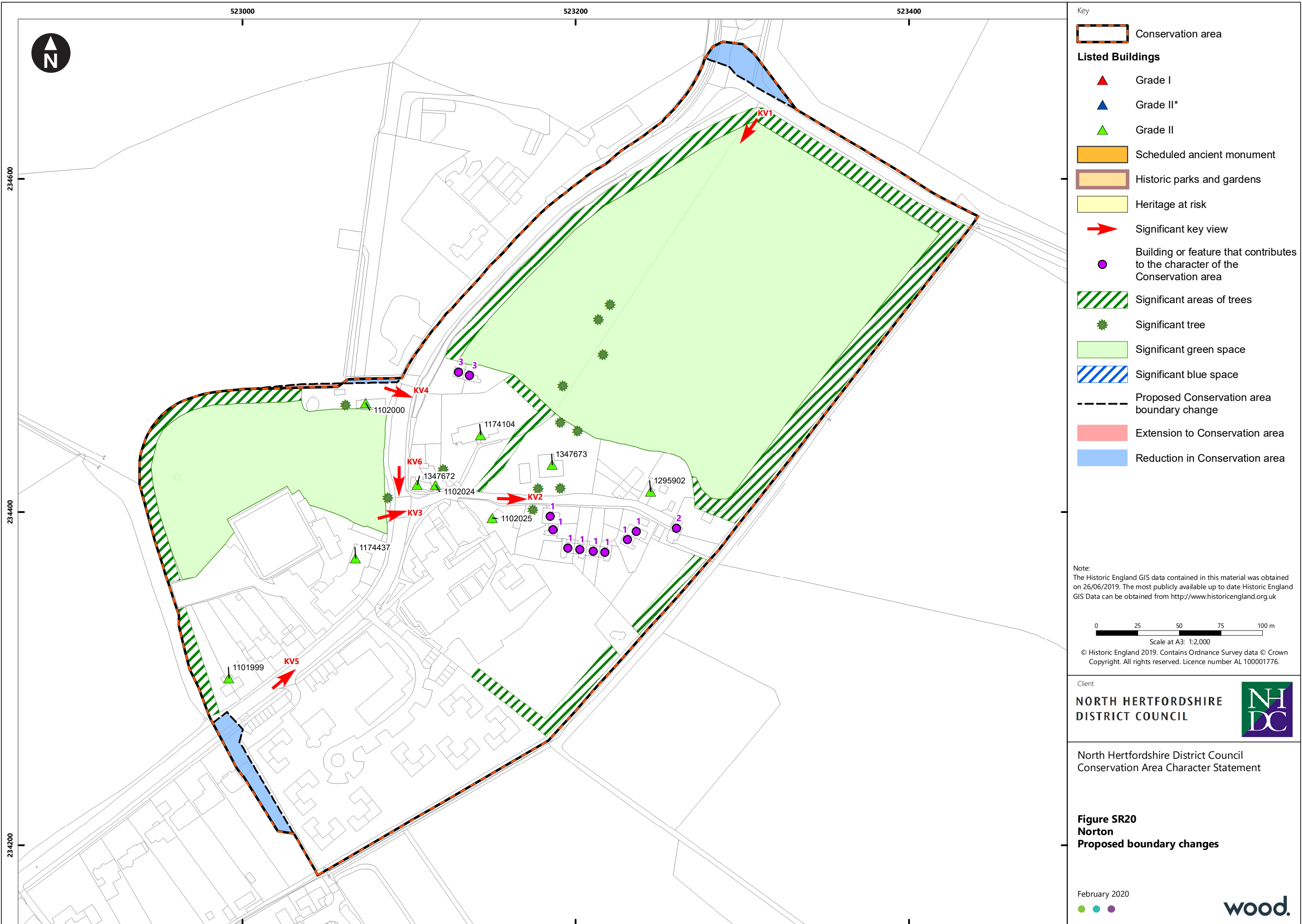
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Conservation Area Character Statement

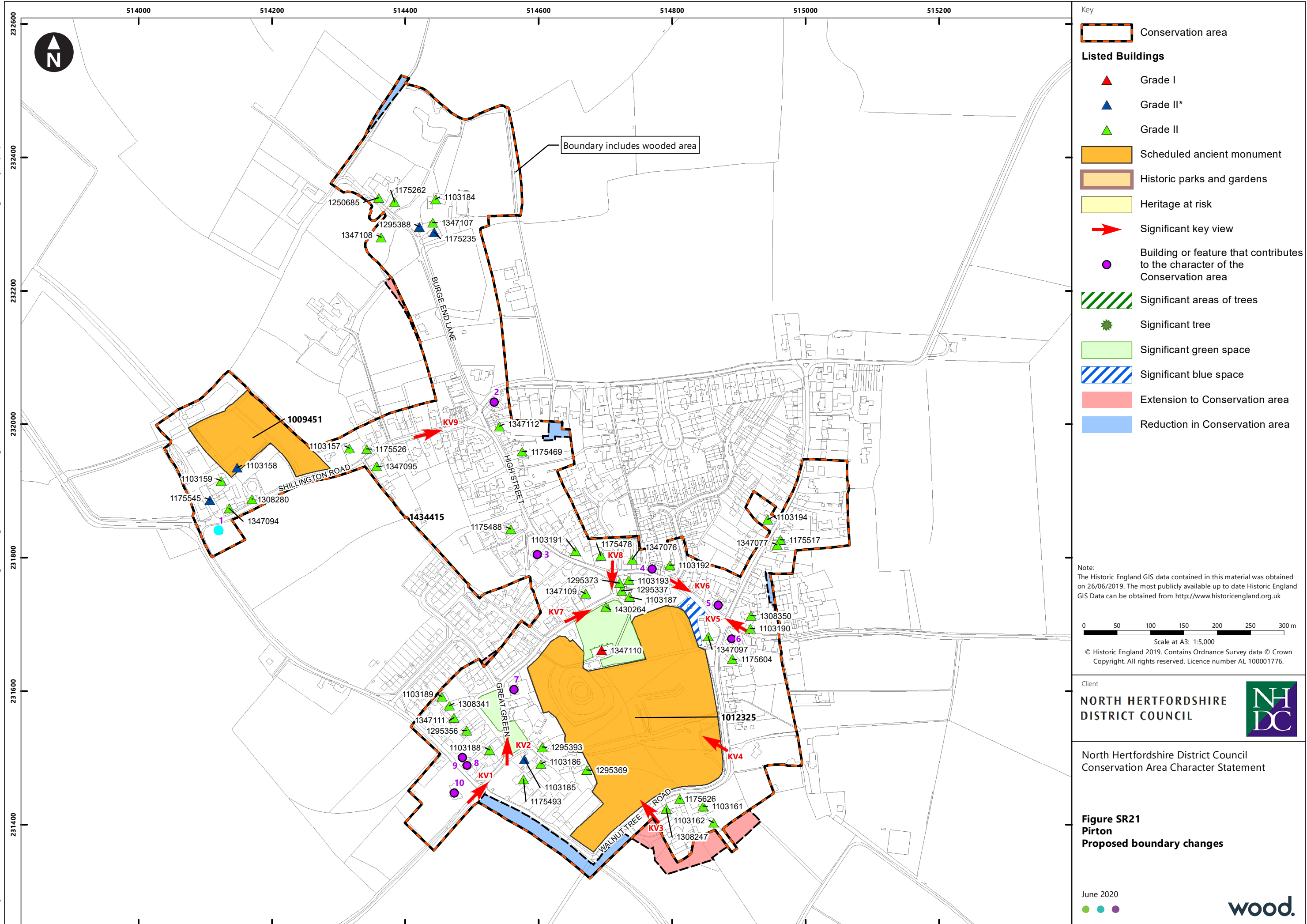
Figure SR18
Kimpton Bottom
Proposed boundary changes

February 2020

wood.







Key

- Conservation area
- Listed Buildings**
 - Grade I
 - Grade II*
 - Grade II
- Scheduled ancient monument
- Historic parks and gardens
- Heritage at risk
- Significant key view
- Building or feature that contributes to the character of the Conservation area
- Significant areas of trees
- Significant tree
- Significant green space
- Significant blue space
- Extension to Conservation area
- Reduction in Conservation area

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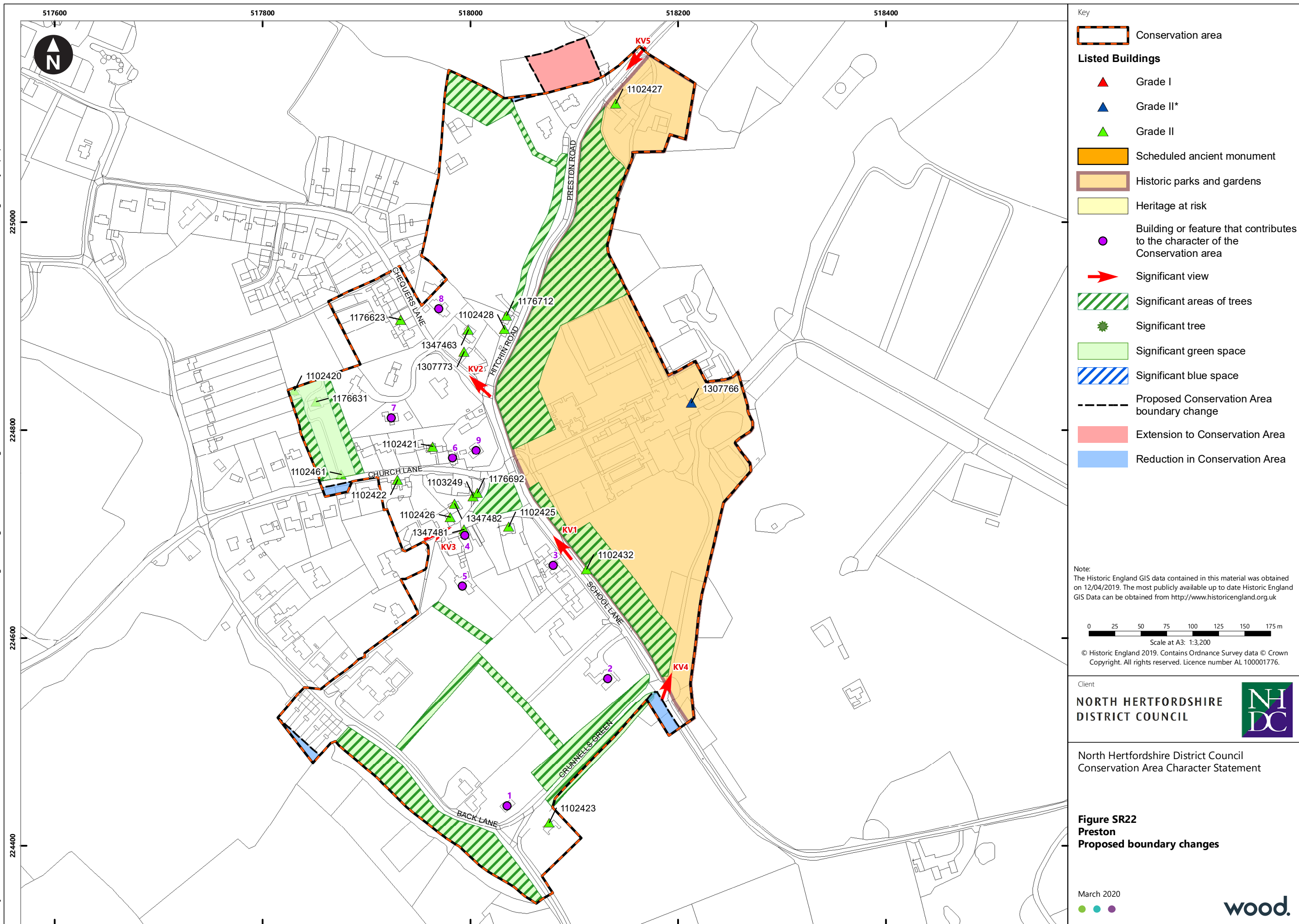
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Conservation Area Character Statement

**Figure SR21
Pirton
Proposed boundary changes**

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Page 132



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Key

- Conservation area
- Listed Buildings**
 - Grade I
 - Grade II*
 - Grade II
- Scheduled ancient monument
- Historic parks and gardens
- Heritage at risk
- Significant key view
- Building or feature that contributes to the character of the Conservation area
- Significant areas of trees
- Significant tree
- Significant green space
- Significant blue space
- Proposed Conservation area boundary change
- Extension to Conservation area
- Reduction in Conservation area

Note:
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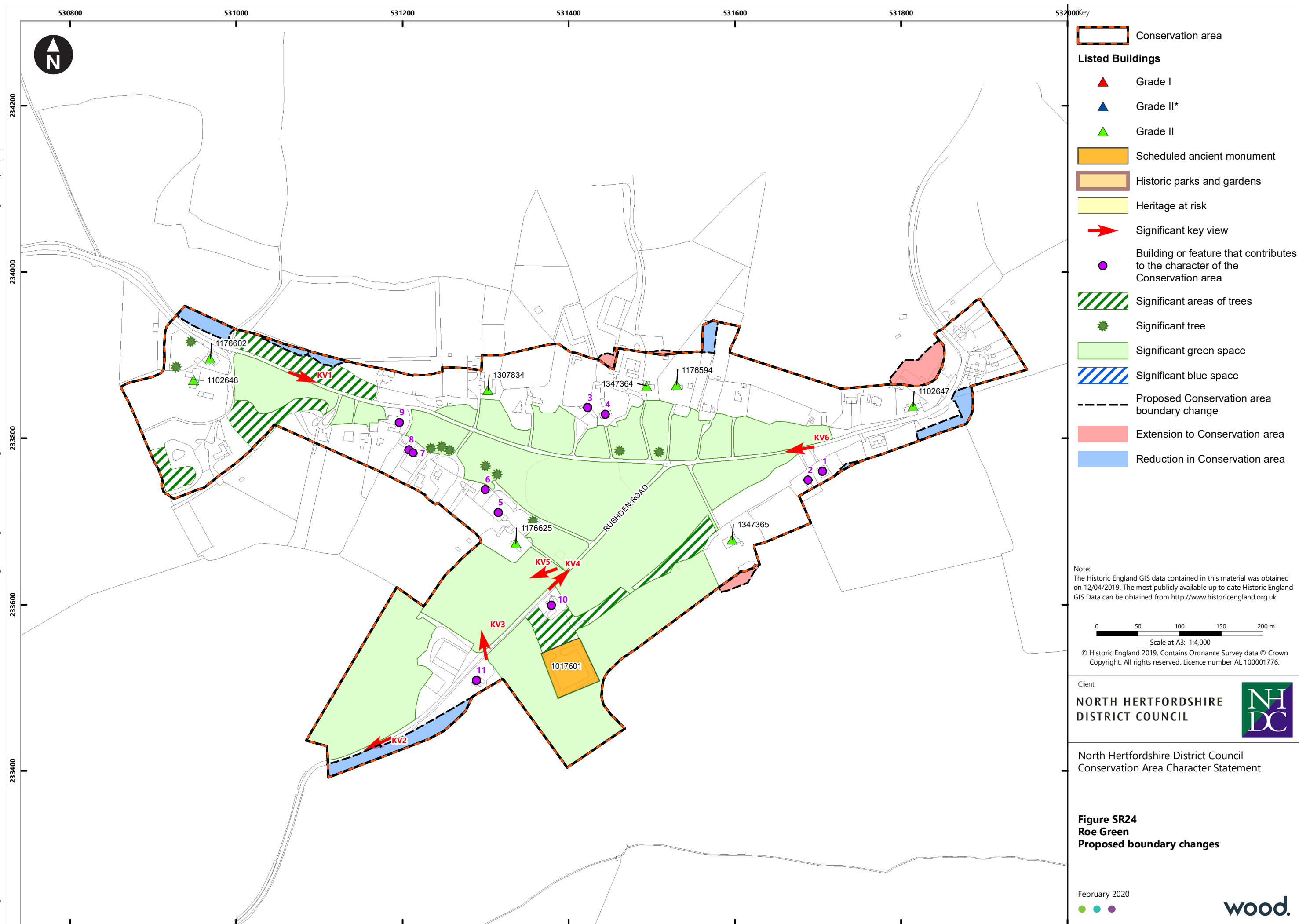
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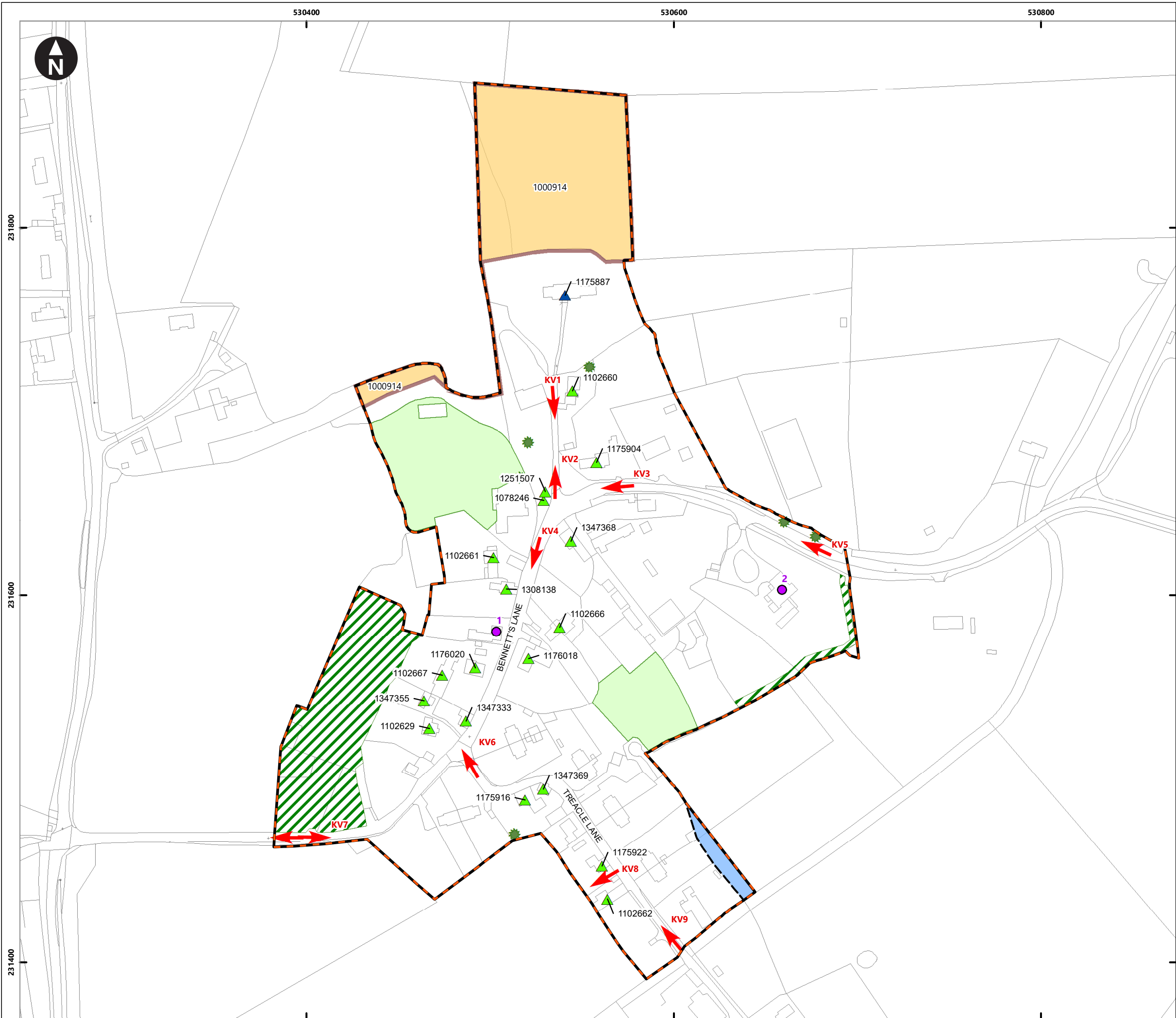
North Hertfordshire District Council
Conservation Area Character Statement

Figure SR23
Reed
Proposed boundary changes

February 2020

wood.





Key

- Conservation area
- Listed Buildings**
 - Grade I
 - Grade II*
 - Grade II
- Scheduled ancient monument
- Historic parks and gardens
- Heritage at risk
- Significant key view
- Building or feature that contributes to the character of the Conservation area
- Significant areas of trees
- Significant tree
- Significant green space
- Significant blue space
- Proposed Conservation area boundary change
- Extension to Conservation area
- Reduction in Conservation area

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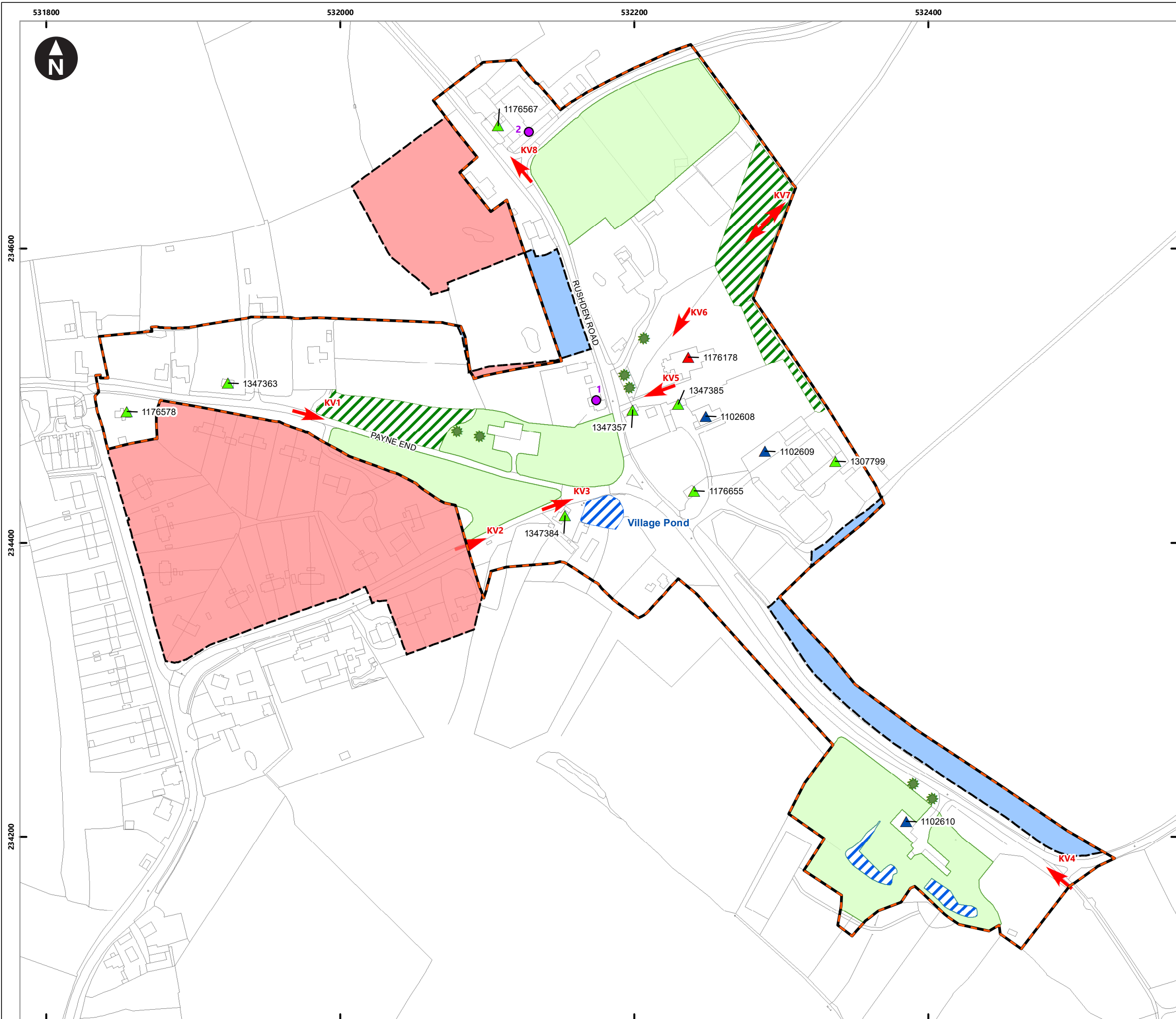
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North Hertfordshire District Council
Conservation Area Character Statement

**Figure SR25
Rushden
Proposed boundary changes**

February 2020

wood.



Key

- Conservation area
- Listed Buildings**
 - Grade I
 - Grade II*
 - Grade II
- Scheduled ancient monument
- Historic parks and gardens
- Heritage at risk
- Significant key view
- Building or feature that contributes to the character of the Conservation area
- Significant areas of trees
- Significant tree
- Significant green space
- Significant blue space
- Proposed Conservation area boundary change
- Extension to Conservation area
- Reduction in Conservation area

Note:
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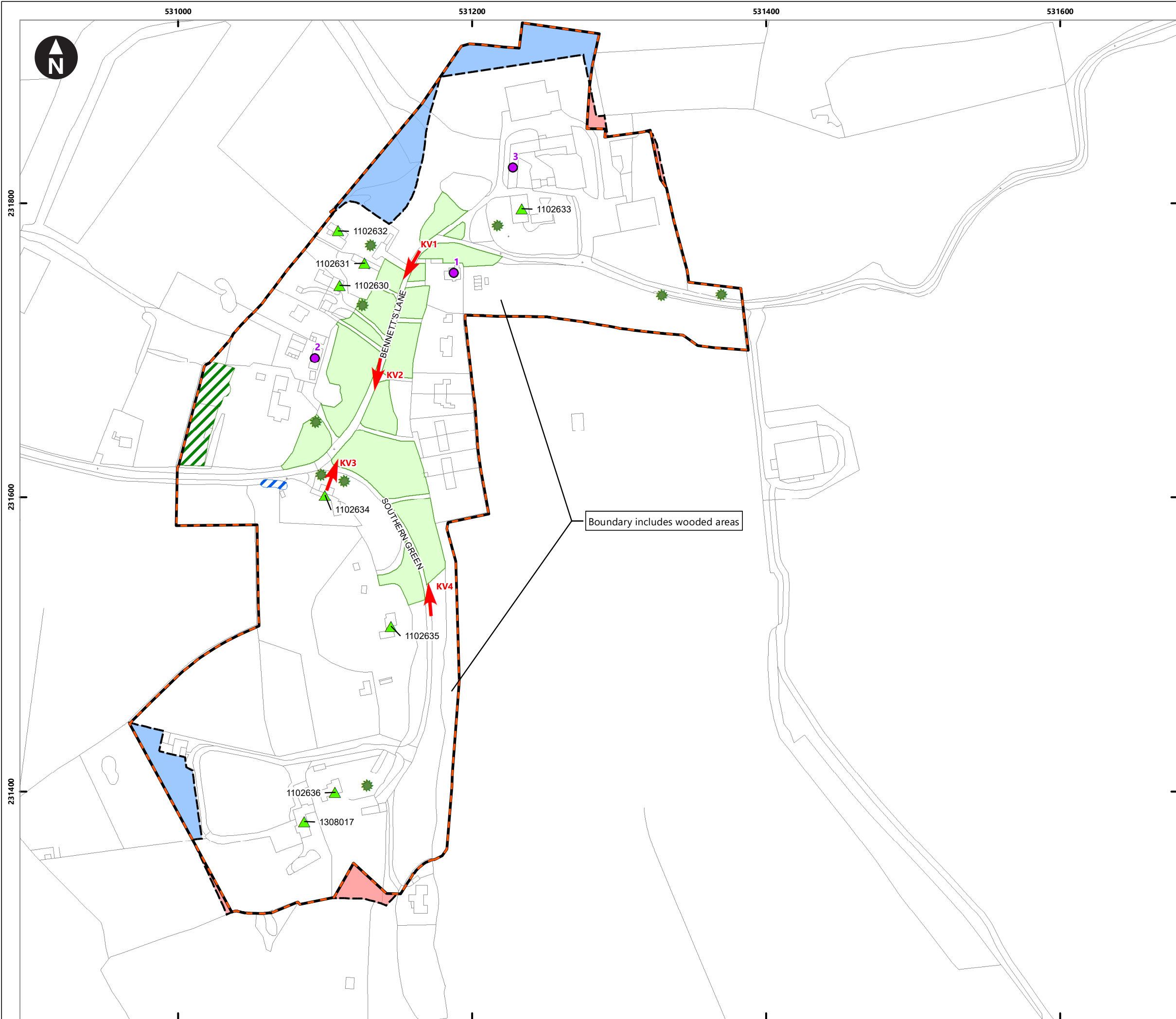
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North Hertfordshire District Council
Conservation Area Character Statement

**Figure SR26
Sandon
Proposed boundary changes**

February 2020

wood.



Key

- Conservation area
- Listed Buildings**
 - Grade I
 - Grade II*
 - Grade II
- Scheduled ancient monument
- Historic parks and gardens
- Heritage at risk
- Significant key view
- Building or feature that contributes to the character of the Conservation area
- Significant areas of trees
- Significant tree
- Significant green space
- Significant blue space
- Proposed Conservation area boundary change
- Extension to Conservation area
- Reduction in Conservation area

Note:
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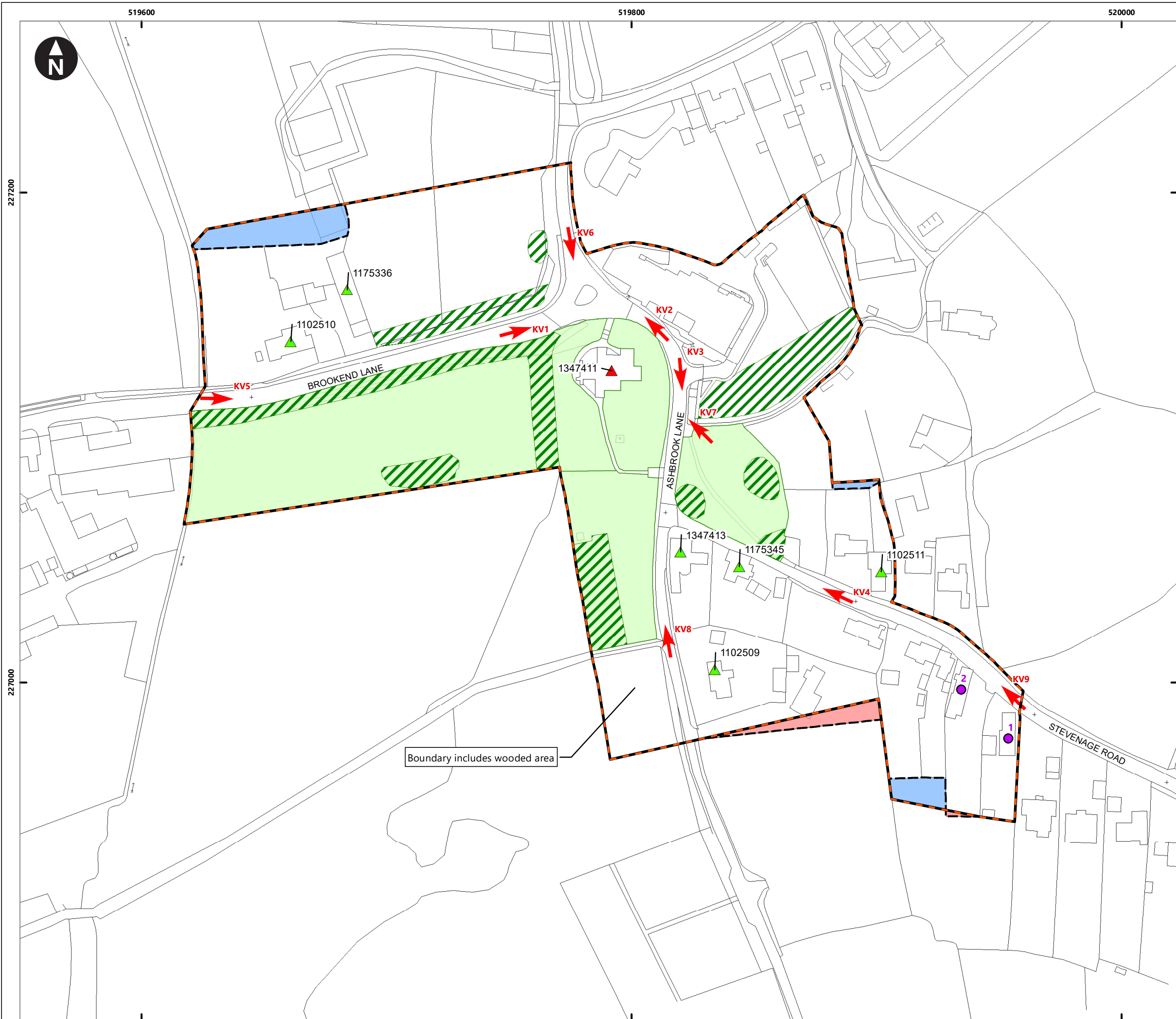
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Client

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North Hertfordshire District Council
Conservation Area Character Statement

Figure SR27
Southern Green
Proposed boundary changes



Key

- Conservation area
- Listed Buildings**
 - Grade I
 - Grade II*
 - Grade II
- Scheduled ancient monument
- Historic parks and gardens
- Heritage at risk
- Significant key view
- Building or feature that contributes to the character of the Conservation area
- Significant areas of trees
- Significant tree
- Significant green space
- Significant blue space
- Proposed Conservation area boundary change
- Extension to Conservation area
- Reduction in Conservation area

Note:
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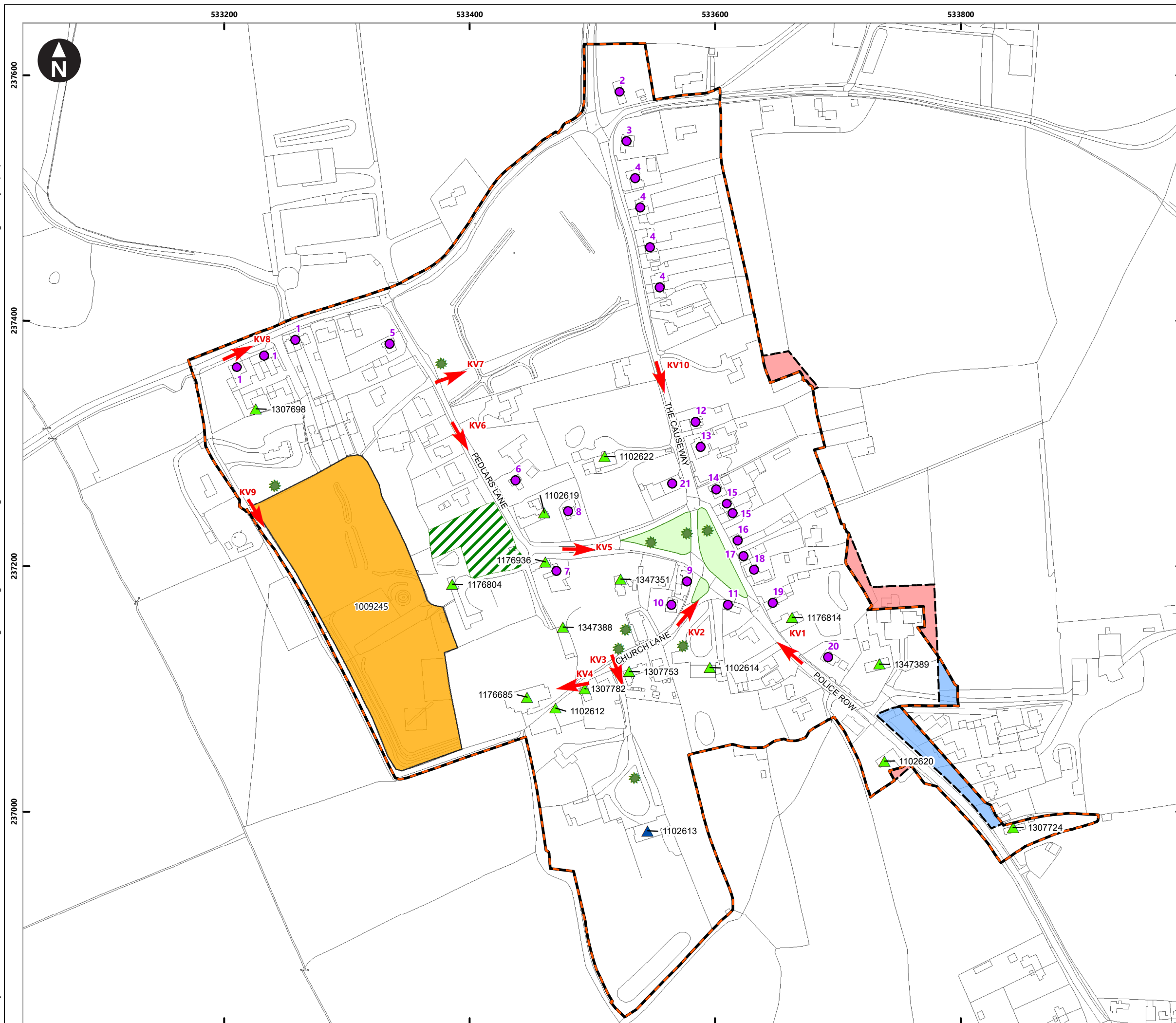
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North Hertfordshire District Council
Conservation Area Character Statement

Figure SR28
St Ippolyts
Proposed boundary changes



Key

- Conservation area
- Listed Buildings**
 - Grade I
 - Grade II*
 - Grade II
- Scheduled ancient monument
- Historic parks and gardens
- Heritage at risk
- Significant key view
- Building or feature that contributes to the character of the Conservation area
- Significant areas of trees
- Significant tree
- Significant green space
- Significant blue space
- Proposed Conservation Area boundary change
- Extension to Conservation area
- Reduction in Conservation area

Note:
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Conservation Area Character Statement

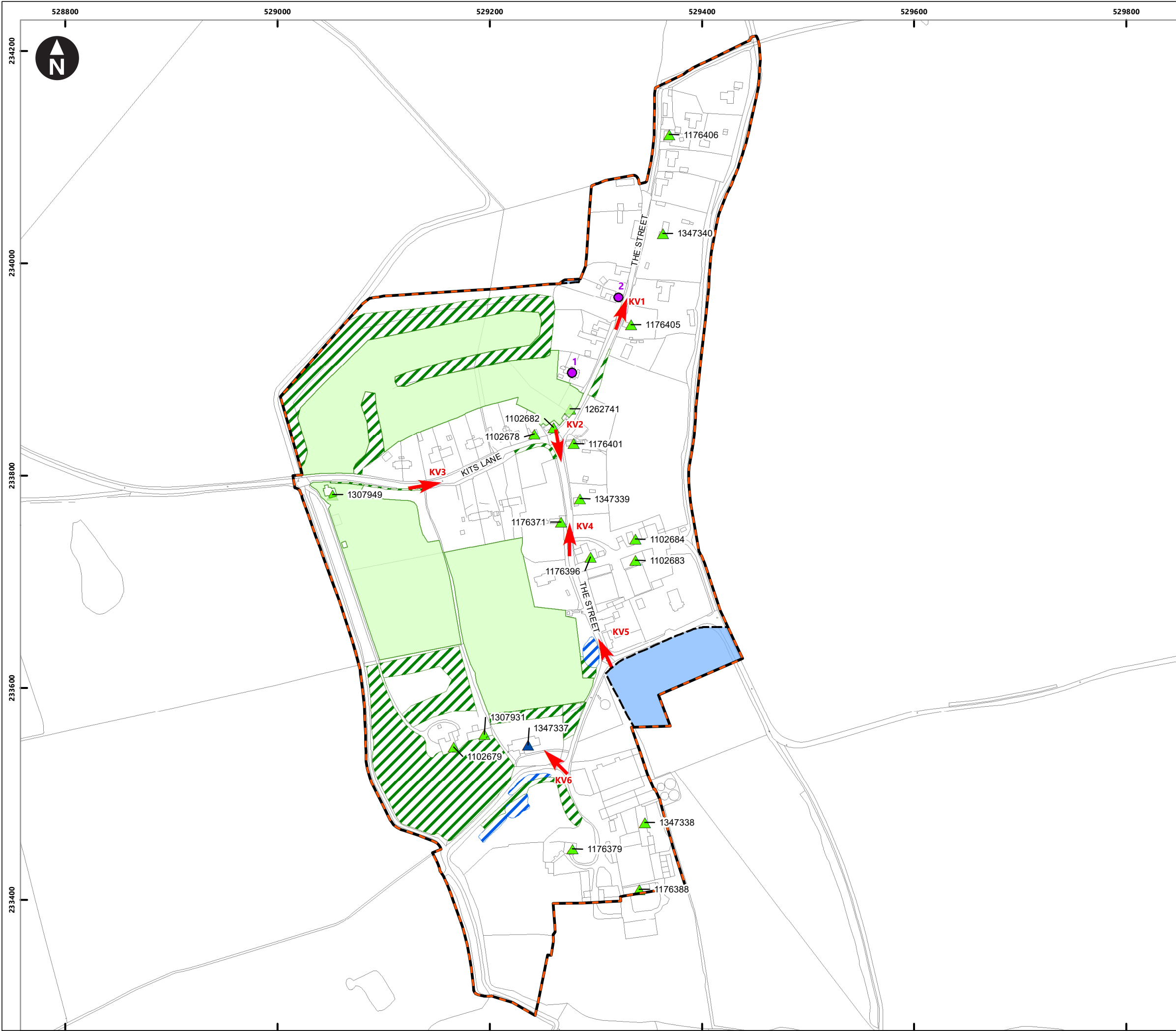
Figure SR29
Therfield
Proposed boundary changes

March 2020

wood.

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Key

- Conservation area
- Listed Buildings**
 - Grade I
 - Grade II*
 - Grade II
- Scheduled ancient monument
- Historic parks and gardens
- Heritage at risk
- Significant key view
- Building or feature that contributes to the character of the Conservation area
- Significant areas of trees
- Significant tree
- Significant green space
- Significant blue space
- Proposed Conservation area boundary change
- Extension to Conservation area
- Reduction in Conservation area

Note:
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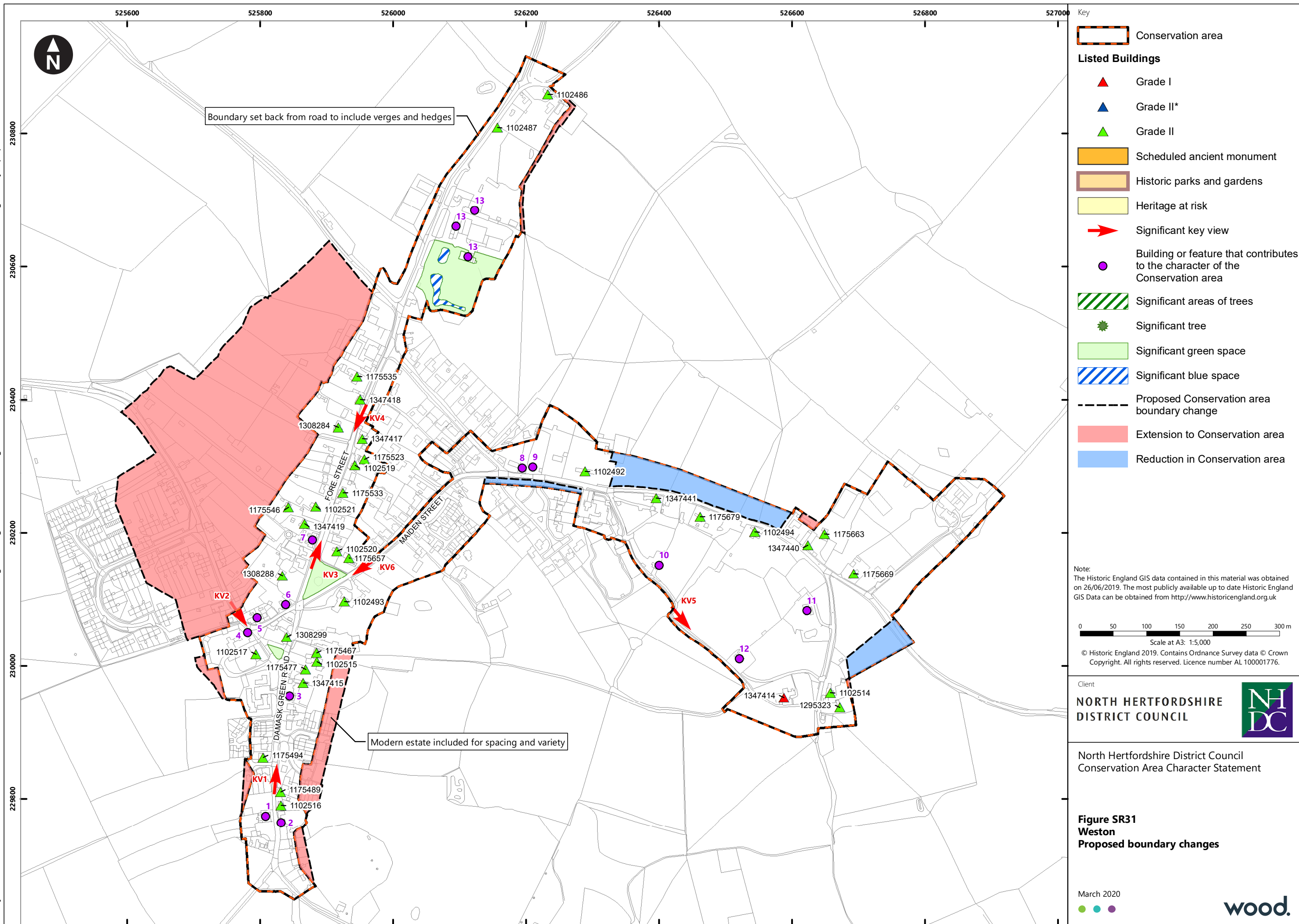
North Hertfordshire District Council
Conservation Area Character Statement

Figure SR30
Wallington
Proposed boundary chances

February 2020

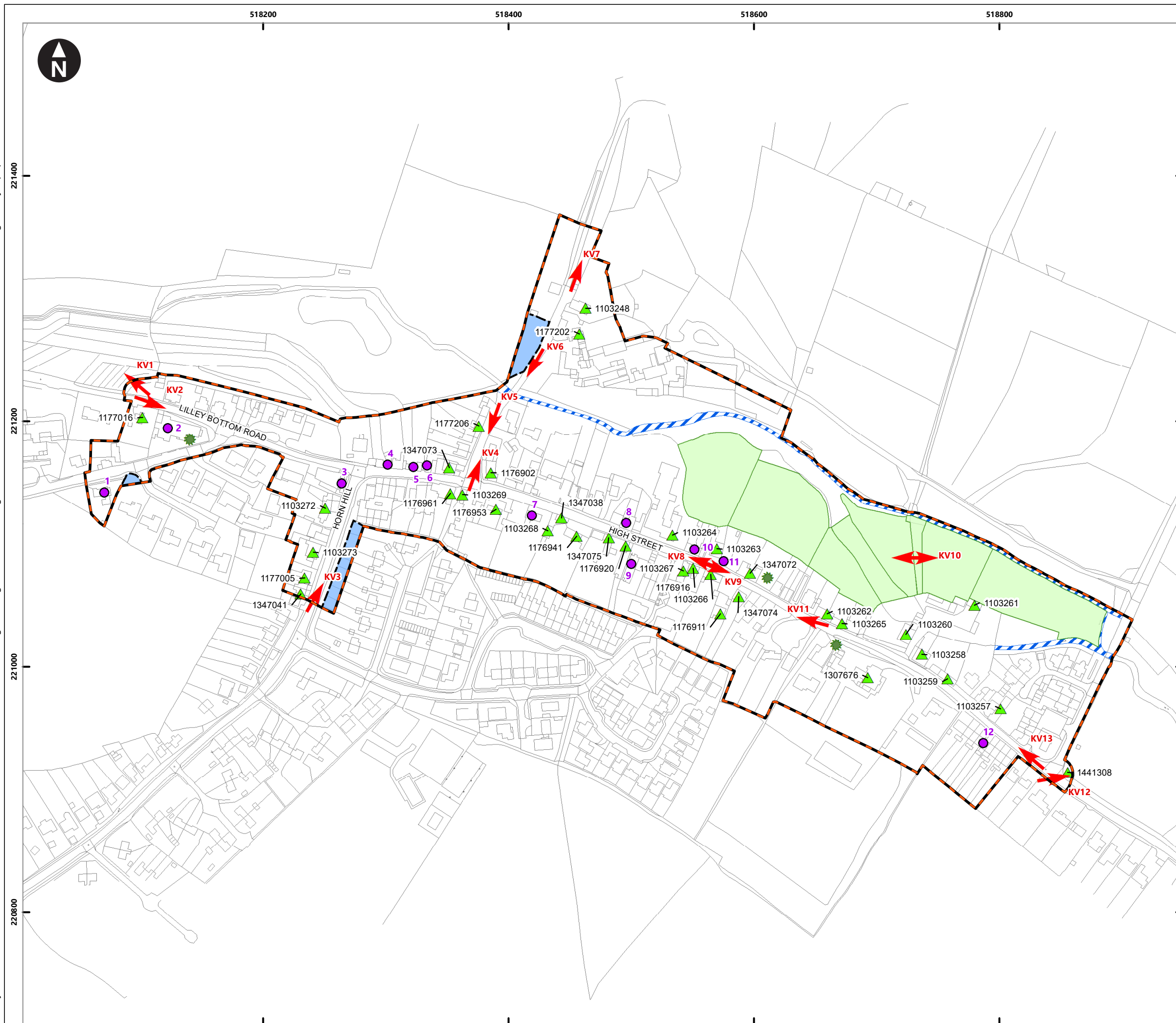
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271 page



Key

Conservation area

Listed Buildings

Grade I

Grade II*

Grade II

Scheduled ancient monument

Historic parks and gardens

Heritage at risk

Significant key view

Building or feature that contributes to the character of the Conservation area

Significant areas of trees

Significant tree

Significant green space

Significant blue space

Proposed Conservation area boundary change

Extension to Conservation area

Reduction in Conservation area

Note:

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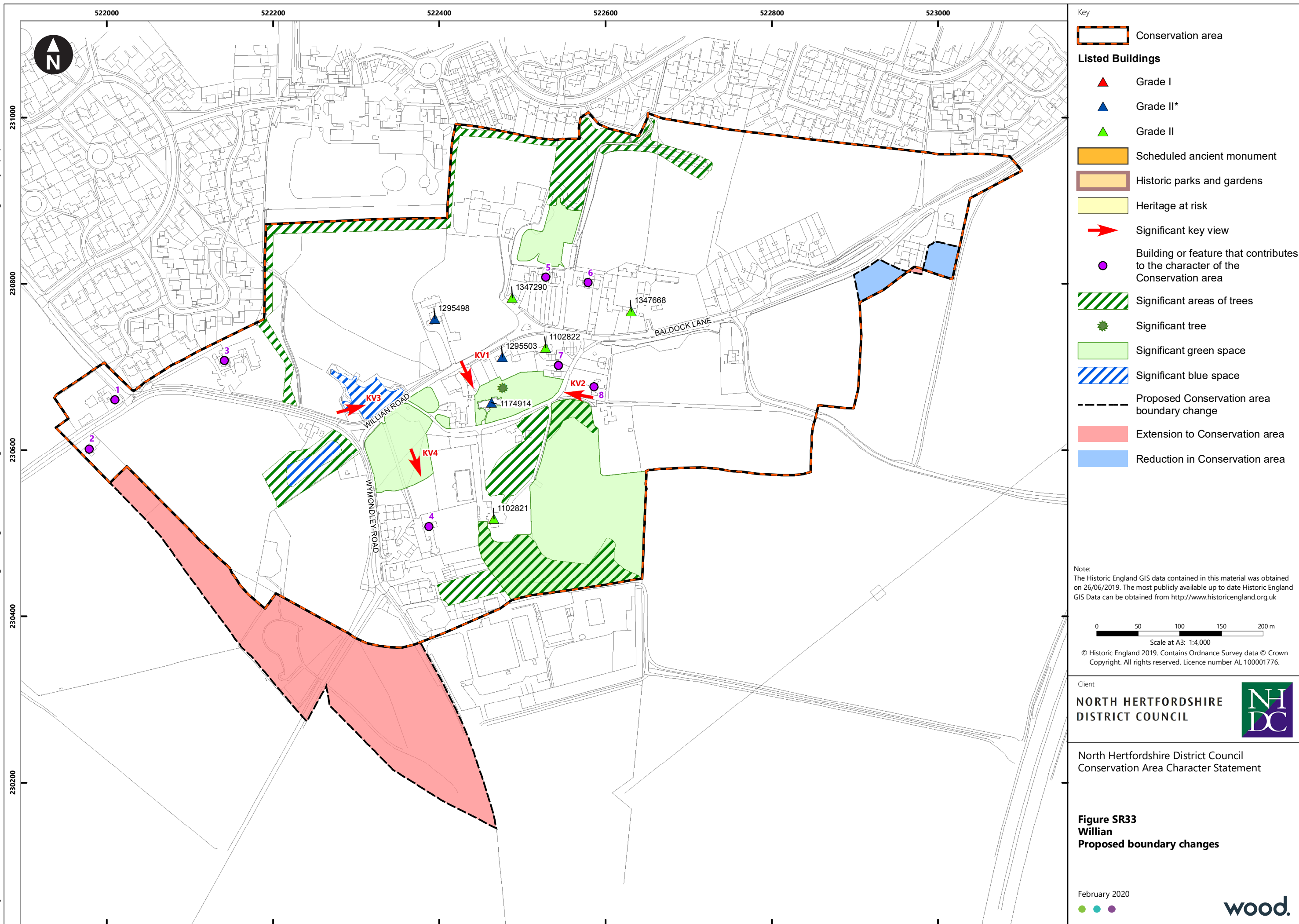
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NORTH HERTFORDSHIRE DISTRICT COUNCIL

North Hertfordshire District Council
Conservation Area Character Statement

Figure SR32
Whitwell (St Pauls Walden)
Proposed boundary changes

February 2020



Appendix B

Undesignated Buildings and Structures Making a Positive Contribution to the Conservation Areas

Non-designated buildings which are considered to make a positive contribution to the character or appearance of the conservation areas were identified in the course of completion of the Character Statements. These buildings were selected through the contribution they make to the townscape of the conservation area and it is recommended that all of these should be considered for entry onto the Council's Register Of Buildings of Local Importance.

Conservation Area	Building Details
Ashwell	
1	83 Back Street
2	Brick wall to 6 West End
3	4 West End
4	Converted barns on Back Street opposite The Rickyard
5	90 High Street
6	Ashwell Primary School
7	53-55 Silver Street
8	51 Silver Street
9	39-41 Silver Street
10	33-35 Silver Street
11	5-25 Kingsland Way
12	4-18 Kingsland Way

Conservation Area	Building Details
13	Ashwell United Reform Church, High Street
14	17-21 High Street
15	35 High Street
16	Brick house east of Beams, High Street
17	42-44 High Street
18	Wall at corner of Mill Street and Rollys Lane
19	Ashwell Grange
20	Stable block opposite entrance to Ashwell Bury
21	Gates to Ashwell Bury
22	47 Mill Street
23	43 Mill Street
24	35-37 Station Road
Barkway	
1	Driveway gates on the south side of Royston Road
2	Flint House, Cambridge Road
3	Chestnut Cottages, Cambridge Road
4	18 High Street
5	Barkway Congregational Church
6	13 High Street
7	42 High Street

Conservation Area	Building Details
8	44 High Street
9	Barns west of 27 High Street
10	66 High Street and barns to south on Church Lane
11	Wagon wash, Church Lane
12	Barn on south side of Church Lane opposite Church of St Mary
13	51 High Street
14	Barkway Church of England First School
15	The Coach House, High Street
16	108-122 High Street
17	79 High Street
18	91 High Street
19	Ashgrove, High Street
20	152 High Street
21	War Memorial
22	1 High Street
Barley	
1	The Maltings, Smith's End
2	Unlisted barn at south-east of Smith End Farm
3	The Chequers public house, London Road
4	Tomlin's Close, London Road

Conservation Area	Building Details
5	The Quakers, Smith's End Lane
6	1 Crossways
7	The Forge House
8	Barley First School
9	Flint and brick building opposite the Post Office, Church End
10	Crow Cottage, Church End
11	Barn/garage in garden of Cannon's Cottage, Church End
12	The Old Hall, High Street
13	Barns and flint building at east end of Hanaper Drive, High Street
14	Rose Cottage, High Street
15	Barley Croft, High Street
16	Springfield and boundary walls, High Street
17	Ivy Cottage, High Street
18	Aldwyke Cottage, Smith's End Lane
Bendish	
1	Law Hall Lane Cottages, 1-6 Law Hall Lane
2	White Cottage
3	Jubilee Chapel
4	Chapel Row
5	Greyfell

Conservation Area	Building Details
6	New Cottages
7	Rose Cottage/The Ramblers
Charlton	
1	Brick wall along Charlton Road west of Mill Farm
2	Units 4, 5 and 6, Mill Farm Barns
3	6-8 Charlton Road
4	5 Charlton Road
5	2 Charlton Road
Codicote	
1	North Lodge, High Street
2	33 High Street
3	37 High Street
4	39 High Street
5	41 High Street
6	Gardener Cottage, High Street
7	51 High Street
8	Former school on Bury Lane
9	The Bell Motel
10	1 & 3 Heath Lane
11	80 High Street

Conservation Area	Building Details
12	110-124 High Street
Croft Lane	
1	7 Croft Lane
2	8 Croft Lane
3	1a and 1b Croft Lane
4	10 Cashio Lane
Gosmore	
1	3-5 Maydencroft Lane
2	The Old Coach House, Maydencroft Lane
3	1 High Street
4	1-9 Letterbox Row
5	Gosmore House Cottage
6	Bow Cottage
7	White Cottage
8	Easter Cottage
9	1-4 Gosmore Ley Close
Graveley	
1	1 Pondsides
2	1 Oak Lane
3	The Coach House, Oak Lane

Conservation Area	Building Details
4	10 Oak Lane
5	Graveley House, High Street
6	48 High Street
7	14-16 High Street
8	Old School, Church Lane
9	Ley Cottage, Church Lane
10	Barns opposite Ley Cottage, Church Lane
11	Flint Barn, Church Lane
12	Barn south of Flint Barn, Church Lane
13	Barn immediately north of Flint Barn, Church Lane
Great Offley	
1	The Red Lion public house
2	The Vicarage
3	Offley War Memorial
4	30-34 High Street
5	17-19 High Street
6	Moonlight House
7	12-14 High Street
8	Offley Oriental (former Gloucester Arms public house)
9	1-4 Chapel Cottages

Conservation Area Building Details

Great Wymondley

1,2 Two barns south of Delamere House

3 The Croft, Arch Road

4 Village Hall, Arch Road

5 The Green Man public house

6 Barn east of Manor Farm

Hexton

1 Kingsmead, Mill Lane

2 1-6 Mill Lane (three buildings)

3 Barn opposite Grange Hall

4 Grange Farm

5 1-2 Elm Tree Cottages

6 The Raven public house

7 Former Hexton Village Hall

8 7-9 New Cottages

9 1-2 Ivy Cottages

10 1-4 Dairy Cottages

11 Wall north of Hexton Manor lodge

12 Hexton Manor lodge

13 Dower House

Conservation Area	Building Details
14	1-2 Barton Road
15	1-2 Orchard Cottages, Barton Road
16	Pump Cottage, Barton Road
17	Crossways, Hexton Manor
18	Stables, Hexton Manor
Hinxworth	
1	Pastures, Chapel Street
2	The Chapel, Chapel Street
3	1 to 3 Temple Cottages, Chapel Street
4	The Old Bakery, Chapel Street
5	Kingsmead, High Street
6	3 and 4 High Street
7	8 High Street
8	Forge Cottage, High Street
Ickleford	
1	1, Greenfield Lane
2	2, Greenfield Lane
3	7, St Katherine's Cottages, Greenfield Lane
4	32a, Arlesey Road
5	44 (Elmwood), Arlesey Road

Conservation Area	Building Details
6	1 – 6, Upper Green
7	The 'Hertfordshire' Fingerpost on the road island between Turnpike Lane and Arlesey Road
Kimpton	
1	45-47 High Street
2	37 High Street
3	35 High Street
4	23-33 High Street
5	17-21 High Street
6	13-15 High Street
7	11 High Street
8	40 High Street
9	36-38 High Street
10	Dacre Rooms, High Street
11	Back Meadow Barn, Bury Farm, High Street
12	14-16 High Street
13	6-8 High Street
14	2-4 High Street
15	1-3 Church Lane
16	5-8 The Green
17	9-11 The Green

Conservation Area	Building Details
18	Former Baptist chapel, The Green
19	17-18 The Green
20	19-20 The Green
21	10-12 Church Lane
22	21-23 Church Lane
23	27-33 Church Lane
24	Brick wall north of The Coach House
25	The Old Vicarage
26	The Coach House
27	The Hoo Lodge
28	18-20 High Street
Kimpton Bottom	
1	Old Cottage, Kimpton Bottom
2	Brick wall outside Stoneheaps
3	16-18 Kimpton Bottom
4	8-14 Kimpton Bottom
5	2-6 Kimpton Bottom
6	148-150 High Street
7	The Grange Cottages, Kimpton Road
8	Kimpton Grange

Conservation Area	Building Details
9	Cottages adjacent Kimpton Grange
Lilley	
1	14-20 East Street
2	1-2 Baulk Cottages
3	Box End
4	34-35 West Street
5	33 West Street
6	Woodrake Cottage, 39 West Street
7	26-31 East Street (three buildings)
8	War Memorial, West Street
9	Redshanks, West Street
10	52-53 West Street
11	53a West Street
12	The Stables, West Street
13	Lilley House, West Street
Norton	
1	8 – 22, Church Lane
2	26, Church Lane
3	125 – 127, Norton Road
Pirton	

Conservation Area	Building Details
1	71 Shillington Road
2	45-57 West Lane
3	Pirton School
4	51-65 High Street
5	81-91 High Street
6	1-5 Little Green
7	The Motte & Bailey public house
8	2-4 Priors Hill
9	6 Priors Hill
10	Pirton Court, 1 Priors Hill
Preston	
1	3 Crunnells Green
2	Crunnells Green House
3	Village Hall and attached cottages, School Lane
4	Kenward Cottage, The Green
5	Pryor Cottage (Pryor House), The Green
6	Former chapel, Church Lane
7	The Owl House, Chequers Lane
8	Chequers End, Chequers Lane
9	Preston House, Church Lane

Conservation Area Building Details

Reed

1	Rose Villas, Jackson's Lane
2	Reed First School, Jackson's Lane
3	Thatchers, Jackson's Lane
4	1 - 2 The Marsh, Crow Lane
5	Wisbridge Farm (barn), High Street
6	Rosslyn Cottage, High Street
7	High Banks, High Street
8	1 – 5 Woodbine Cottages, High Street
9	Kesten, south of High Street
10	Queenbury Cottage, Driftway
11	Queenbury, Driftway
12	Glebe House, Church Lane
13	Whitecroft, Church Lane
14	The Green, Brickyard Lane
15	Saddlers Mead, Brickyard Lane
16	1-2 Gladstone Villas, Brickyard Lane

Roe Green

1	The Chapel, Rushden Road
2	The Manse, Rushden Road

Conservation Area	Building Details
3	Polyanna Cottage, Rushden Road
4	The Cuckoo, Rushden Road
5	The Willows, Rushden Road
6	Ivy Cottage, Rushden Road
7	Rose Cottage, Rushden Road
8	Dell Cottage, Rushden Road
9	Elm Tree House, Rushden Road
10	Killogs Cottages, Rushden Road
11	Killogs farmhouse, Rushden Road
Rushden	
1	The Old Post Office, Bennett's Lane
2	The Orchard, Bennett's Lane.
Sandon	
1	The Six Bells, Rushden Road
2	Farm buildings at Partridge Hall Farm
Southern Green	
1	Old Well Cottage, Bennett's Lane
2	The Coach House, Bennett's Lane
3	Southern Green House, Bennett's Lane
St Ippolyts	

Conservation Area	Building Details
1	Hillrise, Stevenage Road
2	Dellview Cottage, Stevenage Road
Therfield	
1	Brick buildings fronting onto the road north of Tuthill Manor
2	Thatched and weather-boarded building at the corner of Mill Lane and The Causeway
3	Building on the south side of Mill Lane at the junction with The Causeway
4	1-9 The Causeway (Fordham's Terrace)
5	Treacle Cottage, Pedlar's Lane
6	The Paddock, Pedlar's Lane
7	Fern Cottage, Pedlar's Lane
8	Rose Bank, Pedlar's Lane
9	1-2 Hope Cottages, Church Lane
10	The Firs, Church Lane
11	Suffolk House, Police Row
12	School House, The Causeway
13	Therfield First School, The Causeway
14	Yew Tree House, Police Row
15	Fox Earth and Fox Covert, Police Row
16	The Fox and Duck public House, Police Row
17	Vixen Cottage, Police Row

Conservation Area	Building Details
18	The Old Post Office, Police Row
19	Judge's Court, Police Row
20	Four Winds, Police Row
21	Therfield Chapel, The Causeway
Wallington	
1	11 – 13, The Street.
2	The Old Post Office on The Street.
Weston	
1	The Cricketers Public House, Damask Green Road
2	The Old Bakery, Damask Green Road
3	Baptist Chapel, Damask Green Road
4	The part of Weston Barns facing onto Hitchin Road
5	1-4 Post Office Row
6	Prince of Wales Cottage, Post Office Row
7	1-4 Fore Street
8	Shaw Cottage, Maiden Street
9	1-2 Maiden Cottages, Maiden Street
10	102 Roe's Cottages
11	The Vicarage, Church Lane
12	Cowmead

Conservation Area	Building Details
13	Darnall's Hall Farm and barns, Green End
Whitwell	
1	St Mary's Chapel, Bendish Lane
2	New Fellowship Hall, Bendish Lane
3	2 Horn Hill
4	70-76 High Street
5	68 High Street
6	Shambles, High Street
7	Whitwell, High Street
8	50-52a High Street
9	Baptist Chapel, 55 High Street
10	40-46 High Street
11	36 High Street
12	5-21 High Street
Willian	
1	The Lodge, Willian Road
2	The Warren, Willian Road
3	Guysfield Residential Home
4	Manor Farm
5	Manor Cottages/Willian Cottages

Conservation Area	Building Details
6	Lordship Cottages
7	School House, Willian Church Road
8	New Terrace Cottages, Willian Church Road

Appendix C

Formal Designation Procedures

This report makes a number of recommendations that require formal processes to be enacted. These are as follows.

Conservation Area Boundary Amendments

Section 69 of the Planning (Listed Buildings and Conservation Areas) Act 1990 details the designation of conservation areas. Firstly, any properties within the conservation area should be registered as a local land charge.

Section 70 of the Act details supplementary provisions. Part 5 of section 70 requires local authorities to give notification of the designation of a conservation area (section 60, part 1 a and b) to the secretary of state and to the Historic Buildings and Monuments Commission (now known as Historic England).

Section 70 part 8 requires any designation of new conservation areas or changes to the area to be advertised in the London Gazette and, at a minimum, one newspaper circulating in the area of the local authority. The advert would normally list the properties within the conservation area, indicate where a plan of the conservation area can be seen, it is assumed in these modern times the adverts could contain a web link. For example here is an advertisement written by one of the report authors for a conservation area in Southwark <https://www.thegazette.co.uk/notice/2464077>. Areas of land that are not attached to an address, where the effects of a conservation area designation will apply, for example, where trees of the required size may be present should be described.

These points cover the legal requirements according to the act to designate a new or amend a conservation area boundary. Historic England Guidance confirms the above interpretation of the Act in paragraph 76 of their most recent guidance.² In our staff's most recent experience of conservation area designation, letters are sent to all addresses within the conservation area and planning notices are attached at strategic points within the area giving information concerning the changes, timescales for consultation responses to be received and directions to the necessary information. This type of consultation will be governed by the Council's consultation strategy and usual practice for indicating a change to a local land charge.

Designation of Heritage Assets

The DCMS have published guidance on how they consider listing applications³ and Historic England describe the process on their website.⁴ Historic England generally require a significant volume of information to recommend a listing. A good set of exterior photographs is a minimum and contact details for the owner/occupier of the building. It is advised that a short report is produced, that details at a minimum the following:

- Application Type – whether listing or scheduling etc
- Address or location, including National Grid Reference

² <https://historicengland.org.uk/images-books/publications/conservation-area-appraisal-designation-management-advice-note-1/heag-268-conservation-area-appraisal-designation-management/>

³ <https://www.gov.uk/government/publications/principles-of-selection-for-listing-buildings>

⁴ <https://historicengland.org.uk/listing/apply-for-listing/>

- Local authority details
- Extent – a Mastermap extract showing the footprint of the buildings the application covers
- Details of ownership – contact details and if the site is leasehold/freehold (significant for applications to schedule sites) generally title extracts from the Land Registry is most helpful here
- Planning details – if the site is subject to a current application or threat. In some cases, if the application is for demolition Historic England may recommend the Council's building preservation notice powers should be used. Any link to planning details on the North Hertfordshire planning register should be direct to the application or a folder of application documents should be sent to Historic England.
- Reason for application, this section should cover how the building meets the requirements of special interest, with reference to relevant listing selection guidance.⁵ Details of surviving fabric should be explicitly described, and photographs supplied to ensure the elements are documented. How the building complies with the listing selection guidance should be included here
- Threats – any current planning application should be detailed here that are likely to impact upon significance or remove original fabric
- Photographs, historic maps, archive planning documents and other supporting information should be included. If there are references to the building in volumes, such as Pevsner, these should be referenced and quoted

Many list decisions now focus upon the balance of threat to the fabric of the buildings and the priorities detailed by Historic England. Current priorities are set out by Historic England on their website.⁶

Local Listing

Historic England has issued guidance on the preparation and updating of local lists of heritage assets⁷. This notes that conservation area appraisals and management plans can be a starting point for the preparation of a local list through the identification of unlisted buildings that make a 'positive contribution' to the character of a conservation area.

It is recognised that developing clear selection criteria is important in defining the scope of a local heritage list and delivering a consistent approach. Whilst the national selection guides produced by Historic England are useful, the criteria in these may need to be adapted for local-specific criteria and this could be informed by the preparation of an overarching statement of local historic distinctiveness.

There are a number of methods for identifying suitable assets, and this could involve using existing research or public nominations. A thematic approach could also be taken, focussing on historic themes, asset types or geographic areas.

Final selection of assets could be done through a selection panel, with input of specialist knowledge where required, and an opportunity for the public to comment before finalisation of the list. Final ratification would then be completed at a suitable level within the local authority, such as at committee or cabinet level and publication of the adopted list will ensure that the information can be made freely available. The local heritage list could be linked to the local authority planning geographic information system (GIS) and/or the Historic Environment Record.

⁵ <https://historicengland.org.uk/listing/selection-criteria/listing-selection/>

⁶ <https://historicengland.org.uk/listing/apply-for-listing/listing-priorities/>

⁷ <https://historicengland.org.uk/images-books/publications/local-heritage-listing-advice-note-7/heag018-local-heritage-listing/>

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CABINET 26 JANUARY 2021
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*PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: REVENUE BUDGET 2021/22

REPORT OF THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR FINANCE AND IT

COUNCIL PRIORITY: ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY

1. EXECUTIVE SUMMARY

- 1.1. Cabinet is asked to; consider the draft budget for 2021/22 and the main factors which contribute to the determination of the North Hertfordshire District Council (NHDC) Council Tax level; consider the appropriate level of Council Tax that will be recommended to the meeting of the Council on the 11 February 2021.

2. RECOMMENDATIONS

That Cabinet:

- 2.1. Approves the decrease in the 2020/21 working budget of £129k, as detailed in table 5.

That Cabinet recommends to Council:

- 2.2. Notes the position on the Collection Fund and how it will be funded.
- 2.3. Notes the position relating to the General Fund balance and that due to the risks identified a minimum balance of £3.7 million is recommended.
- 2.4. Approves the savings and investments as detailed in Appendix B.
- 2.5. Approves a net expenditure budget of £16.390m, as detailed in Appendix C. In the event of a £10 band D increase being allowed, then Appendix D would apply,
- 2.6. Approves a Council Tax increase by the maximum allowed without the need for a local referendum in 2021/22(as per the Medium Term Financial Strategy). This is likely to be an amount of £5 for a band D property, with other increases pro-rata to this. However in response to the consultation on the Local Government settlement, a £10 increase for a band D property (other bands pro-rate) may be allowed.

3. REASONS FOR RECOMMENDATIONS

- 3.1. To ensure that all relevant factors are considered in arriving at a proposed budget and Council Tax level for 2021/22, to be considered by Full Council on 11 February 2021.

- 3.2. To ensure that Cabinet recommends a balanced budget to Full Council on 11 February 2021.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. In seeking to address the funding gap detailed in the Council's Medium Term Financial Strategy for 2021-26, Political Groups and Officers have been asked for savings ideas and these are presented in appendix A to this report.
- 4.2. The proposed investments are a combination of cost pressures to deliver existing services and new spend that is linked to the delivery of priorities identified within the Council Plan.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. All Councillors were given an opportunity to comment on the revenue efficiency, revenue investment and capital proposals at the budget workshops.
- 5.2. Business Ratepayers will be consulted on the proposals within the January report before the budget is discussed at Full Council on 11 February. Any feedback will be made available at that meeting. This is the only statutory consultation that is required. It is intended that this consultation will be via the website/ e-mail, as previous consultation events have not been very well attended, and this is also more practical given the impact of Covid-19.
- 5.3. If any saving proposal is anticipated to have a particular impact on a specific area (or areas) then it would be referred to the relevant Area Committee(s) during January. It is however considered that this does not apply to any of the savings proposals included.

6. FORWARD PLAN

- 6.1. This report contains a recommendation on a key Executive decision (recommendation 2.1) that was first notified to the public in the Forward Plan on the 14 October 2020. The budget for 2021/22 will be presented to Full Council for approval in February.

7. BACKGROUND

- 7.1. The Medium Term Financial Strategy (MTFS), which provides the financial background for the Corporate Business Planning Process, was approved by Full Council in September following recommendation by Cabinet. The budget estimates within the MTFS included a number of assumptions. These have been updated as better information has become available. The final budget recommended to Council in February will still contain some assumptions, hence monitoring reports are provided to Cabinet on a quarterly basis.
- 7.2. The Covid-19 pandemic is expected to have a fundamental impact on the Council's finances in the short and medium term. The financial impacts of Covid-19 to date have been detailed in a separate report to Cabinet in July and a further summary update was included in the Second Quarter Revenue Budget Monitoring report. It is anticipated that additional funding from Central Government will not fully compensate for the financial impacts of Covid-19 and this has therefore reduced the projected reserves available at the start of the financial year 2021/22. The potential impacts in next year and the medium term are considered in this report and the appendices.

- 7.3. Due to Covid-19, the introduction of a new Fairer Funding Formula and 75% Business Rates Retention have been delayed. The details of these are now expected in 2021/22 for implementation from 2022/23, though this timescale is not certain. Similarly, there was no Autumn Budget this year, while the Spending Review announced by the Chancellor on the 25 November covered only one year, instead of the three-year review originally anticipated.

8. RELEVANT CONSIDERATIONS

General and Specific Funding

- 8.1. Following the Spending Review in November, the provisional Local Government Settlement was announced on 17 December 2020. This provided the following information on the funding for the Council in 2021/22, subject to there being no changes in the final settlement.
- 8.2. As expected in the Draft Budget report, and assumed in the MTFs, the Settlement confirmed that Negative Revenue Support Grant (RSG) will not be applied in 2021/22. This deferral is assumed to be for one year only, with the assumption still that the equivalent of a negative RSG (i.e. reducing our funding by around £1m) will be applied as part of the fair funding formula from 2022/23. Funding amounts for the Council in 2022/23 and beyond remain highly uncertain, with reforms to Local Government funding and business rates having a potentially significant impact on the level of funding the Council receives.
- 8.3. The Settlement also confirmed that the business rates multiplier has been frozen for 2021/22, reducing the business rates income estimate for next year by around £50k, with a similar impact on the estimates for the years beyond. This will be off-set by an increase of £33k in the compensation for under-indexing the business rates multiplier, up to £142k for 2021/22. The freezing of the multiplier does also reduce the Council's projected expenditure on business rates, with the estimated inflation allowance within the proposed total net expenditure budget, as shown in Appendix C, adjusted accordingly.
- 8.4. While it was announced in the November Spending Review that the referendum threshold for increases in Council Tax will be 2% in 2021/22, the publication of the Provisional Settlement detailed that District Councils will be allowed to increase Council Tax by the higher of the 2% referendum limit or £5 for a band D equivalent property.

The MTFs sets out that the Council will look to increase Council Tax by the maximum amount possible without the need for a local referendum. For the future years beyond 2021/22, it is assumed that the 2% (or £5 for a band D equivalent) will continue to be the maximum increase allowed without the need for a referendum. The Provisional Settlement is however subject to a consultation process before it becomes final. It is expected that there will be a number of representations from Districts that the referendum limit should be set at £10 (per band D equivalent). If that was agreed for a single year then it would increase the Council's funding by around £250k per year on an ongoing basis. Recommendation 2.6 includes provision in case this higher increase is allowed. It is unclear when any announcement on this will be made, and it might be after the date of the Council meeting in February.

- 8.5. The Council Tax income that the Council retains is also affected by the Council Tax base. Subsequent to the Draft Budget report, further update and refinement of the Council Tax base calculation for 2021/22 has resulted in a revised total of 49.396.9, which represents a 1.17% decrease on the Council Tax Base for 2020/21 and is equivalent to a £140k reduction in Council Tax income. The MTFS did identify a reduction in the Council Tax base as a potential consequence of the Covid-19 pandemic, due to the associated increase in residents becoming eligible for Council Tax reduction. The assumption in table 1 is that the Council Tax base will return to the 20/21 level in 2022/23, with no further growth in the subsequent financial years.
- 8.6. A new round of New Homes Bonus payments in 2021/22 was announced in the Settlement. While the deadweight of 0.4% was maintained, property growth in North Herts in the 12 months to October 2020 has attracted a provisional total eligible bonus allocation of around £42k. This amount is in addition to the prior assumption, based on previous announcements, that only the legacy payments due from previous years (2018/19 and 2019/20), totalling £350k, would be received in 2021/22. The government has confirmed that, as was the case for the 2020/21 allocation, there will be no legacy payments in respect of the 2021/22 allocation. The Council therefore only expects to receive a further £131k in 2022/23. There will be a consultation on potential reforms to the scheme from 2022/23 but, given the uncertainty over a funding stream that looks to reward housing growth, over which the Council does not have much control, no assumption is made in the funding estimates as to any replacement funding.
- 8.7. The Government also proposed in the Settlement a new non-ringfenced Lower Tier Services Grant in 2021-22, of which the Council has been provisionally allocated £116k. The stated intention behind the grant is to ensure overall funding, or 'Core Spending Power', which includes estimated receipts from Council Tax, Business Rates and New Homes Bonus, in 2021/22 is no lower than funding available for 2020/21. This grant was not anticipated prior to the Settlement announcement and is therefore additional to the funding estimates provided in the Draft Budget Report 2021/22, presented to Cabinet in December.
- 8.8. Outside of core spending power consideration, it was announced in the Spending Review that £2.2bn of funding would be provided to Local Government in 2021/22 to help authorities mitigate the financial impact of the Covid-19 pandemic. Further details have now been released by Government and the additional financial support that the Council will receive next year is comprised of;
- Non-ringfenced grant to support services – Based on a relative needs formula devised by MHCLG, the Council will receive a grant allocation of £558k in April 2021 to manage pressures in 2021/22. This amount had not been anticipated and is therefore additional to previous funding estimates for 2021/22.
 - Council Tax support grant – This funding is intended to recognise the additional costs associated with increases in local council tax support caseloads in 2021/22. The indicative allocation for the Council is £230k and it is non-ringfenced funding. The impact of the reduced Council Tax base (due to increased Council Tax Reduction Scheme eligibility) is already reflected in the Council Tax income estimate, so this funding will be applied to the General Fund. The impact detailed in paragraph 8.5 is £140k, but in a usual year the Council would also expect growth in the tax base of around 1% (equivalent to over £100k of additional income). Some of this growth has been suppressed by the increase in Council Tax support. It is therefore considered reasonable to apply the whole balance.

- 8.9. Supplementary to the additional grant funding above, the Government has also announced a 'Local Tax Income Guarantee' for 2020/21, with the government compensating local authorities for 75% of irrecoverable losses in Council Tax and business rates income in respect of 2020-21. The current estimate is that this could mean the Council receiving a total of around £350k, with £120k relating to Council Tax and £230k in respect of Business Rates lost. The actual value to the Council of the Local Tax Income Guarantee will not be known until after the Collection Fund accounts for 2020/21 are finalised and the relevant returns to Government are submitted. Whilst the compensation receipts are expected to be received in January 2022, as the compensation relates to activity in 2020/21 the calculated eligible amounts will be accounted for in the 2020/21 accounts. The benefit from the scheme will therefore be an increase in reserve balances at the start of the next financial year.
- 8.10. As a further response to the impact of the Covid-19 pandemic on Local Government finances, the Government has legislated that the repayment of the Business Rates and Council Tax Collection Fund deficits for 2020/21 be spread over three years from 2021/22, rather than full repayment in 2021/22 as would have been required under the previous legislation. In terms of the Council Tax Collection Fund, the estimated impact of the spreading on projected General Fund balances is shown in table 1 below, based on the current projection of the 2020/21 year-end position. In respect of the Business Rates Collection Fund, the Council funds annual deficits from grant held in an earmarked reserve. The spreading of the repayment of the deficit therefore simply changes the projected amounts required to be drawn down from the earmarked reserve over the next three years and hence has no impact on the funding estimates in table 1.
- 8.11. The above results in the following forecasts of funding for 2021/22 onwards. The forecasts in table 1 are shown for five years on the basis that the Council should be balancing net expenditure and funding within the medium-term:

Table 1 – Estimated General Funding

£000 Funding	2021/22	2022/23	2023/24	2024/25	2025/26
Council Tax	11,862	12,252	12,501	12,751	13,005
Council Tax Collection Fund Deficit	(77)	(54)	(54)	0	0
Negative RSG (or equivalent)	0	(1,159)	(1,182)	(1,206)	(1,230)
Business Rates baseline	2,726	2,780	2,836	2,893	2,951
Compensation for not increasing the Business Rates multiplier	142	142	145	148	151
New Homes Bonus	392	131	0	0	0
Lower Tier Services Grant	116	0	0	0	0
Council Tax support to Parishes	(39)	(23)	(23)	(23)	(23)
	15,122	14,069	14,223	14,563	14,854
Covid-19: Emergency Grant Funding	558	0	0	0	0
Covid-19: Council Tax Support Grant	230	0	0	0	0
	15,910	14,069	14,223	14,563	14,854
<i>Additional funding if a £10 band D Council Tax increase was allowed (for 2021/22 only)</i>	247	250	250	254	259
Revised Total	16,157	14,319	14,473	14,817	15,113

- 8.12. The Council also receives grants for specific purposes. Generally these grants are built in to service budgets and have therefore already been taken in to account when determining spend forecasts, so can not be used towards funding the base budget. These grant amounts are often uncertain, and reductions in the amount can result in spending pressures that would need to be met from the General Fund.

Table 2 – Forecasts in relation to Grant Income

Grant	2020/21 Amount £'000	Expectation for 2021/22
Housing Benefit Subsidy	24,340	Initial estimate will be available late January 2021, so budget expectation for 2021/22 is based on the 2020/21 mid-year estimate of £24.340million.
Discretionary Housing Payments	247	An announcement is expected in January 2021. Expectation is that the grant level will be similar to 2020/21.
Benefits Administration and Fraud Initiative	419	Notification of a Housing Benefit Administration grant of £274k was received in January. Council Tax administration grant is still to be announced. The expectation is that the grant amount will be similar to 2020/21, meaning a total for next year of around £400k.
Section 31 Grants	10,877	These grants compensate the Council for the impact of Business Rate reliefs and caps (which create a deficit on the Collection Fund). Values for next year will be determined by MHCLG after submission of the business rates return in January. Based on the estimates provided for the assessment of Business Rates Pooling options next year, LG Futures have calculated an estimate of S31 reliefs for 2021/22 of £2.282million
NNDR Administration Grant	175	The cost of collection will not be known until the central government return for business rates is finalised in January 2021. Assuming a similar level to the 2020/21 total of £175k.
Healthy Hub Grant	40	Hertfordshire County Council are providing total funding of £100k for a two year Healthy Hub project. £40k is projected to be drawn down this year and a further £40k is anticipated in 2021/22
Syrian refugee resettlement grant	190	There are no new families expected in 2021/22, so the grant funding next year will be to support existing families living in the District. Estimated to be £127k.
Flexible homelessness support grant	173	MHCLG announced in December that the two grants would be replaced by a new Homelessness Prevention Grant for 2021/22, with NHDC receiving a grant allocation of £340k.
Homelessness Reduction Grant	84	
Waste minimisation – HCC contribution via the Alternate Financial Model.	572	While some reduction was expected in 2021/22 (as detailed in PE3 in Appendix B), the Covid-19 pandemic has impacted on the Council's recycling performance during 2020/21 to the extent that the Council's eligible share is projected by HCC to be zero in 2021/22, compared to the budget assumption of £481k. While £122k of the £481k total expected was earmarked for waste awareness activities, the remaining £359k had been anticipated as a contribution to the cost of Waste Services. The resulting pressure is itemised in Appendix B and is included in the calculation of the net budget estimate in Appendix C.
Total Revenue Grants	36,545	

Business Rates and Council Tax Collection Funds

- 8.13. NHDC is required to maintain a Collection Fund to account for the income received and costs of collection for Council Tax and Business Rates. Estimates of the net income are made at the start of the year and based on this money is transferred out of the Collection fund to the NHDC General Fund and other precepting bodies. The Fund is required to break even over time and any surplus or deficit is transferred to the NHDC General Fund and other precepting bodies.
- 8.14. The total amount of Council Tax that is collected is dependent on the actual number of properties, eligibility for paying a reduced amount (Council Tax Reduction Scheme) and the success in collecting what is owed. An estimate is made of the cumulative impact of this and converted in to an equivalent number of band D properties. This is known as the Council Tax Base. The amount of Business Rates that are collected is dependent on the number and type of business premises in the area, the success in collecting what is owed, eligibility for relief and the number and value of successful appeals. Assumptions on these factors are made in forecasting the level of income from Council Tax and Business Rates in future years.
- 8.15. It is currently forecast (at the end of month 8) that the Council Tax collection fund will have a deficit at the end of the year, due to an increase in the amount of Council Tax reduction awarded, of which the Council's share is projected to be £185k. A contribution from the General Fund to the Collection Fund is therefore required to make up the shortfall. £23k of the projected deficit relates to the deterioration in the position in the final quarter of 2019/20 and this amount will be repaid in 2021/22.

The repayment of the remainder (£162k) will now be spread over the next three years. The contribution required from the General Fund therefore reduces the total funding amount available in each of the next three years, as shown in table 1 above and appendix C. The compensation received from the Local Tax Guarantee will increase the funding reported for 2020/21 and therefore increase the General Fund balance available at the start of 2021/22.

- 8.16. The current forecast for the Business Rates collection fund is that there will be a deficit at the end of the year, of which the NHDC share will be around £8m. Much of the deficit is due to the additional business rate reliefs introduced by government in response to the Covid-19 pandemic. NHDC has received compensation in this financial year from Government, in the form of section 31 Grants, for the impact of the additional reliefs introduced, as detailed in table 2 above. The element of the deficit relating to the additional reliefs is still required to be repaid in full in the following financial year. The section 31 grant amounts received this year have therefore been transferred to an earmarked reserve for this purpose.
- 8.17. As highlighted in the funding section above, the repayment of the element of the business rates deficit for 2020/21 relating to lost business rates income in the year, as a result of business closures etc., will now be spread over the next three financial years. The current estimate is that the NHDC share of the lost rates income will be around £300k. The repayment over the next three years will be funded from the grant held in an earmarked reserve. The introduction of the Local Tax Income guarantee will also mean that the Council receives additional section 31 grant, accounted for in the current year, equivalent to 75% of this amount (based on current estimate, approximately £230k). This amount will be added to the reserve and used to fund the repayment of the deficit.

- 8.18. A Business Rates Pool application for 2021/22 has been accepted for Hertfordshire County Council and five other Districts (including North Hertfordshire). As detailed in the Business Rates Pooling 2021/22 report presented to Cabinet in October, the Pool has been formed with the expectation that this will reduce the business rates levy amount otherwise payable at the end of next year, as has been the case in prior years. The initial estimate was a reduction in levy of around £400k. The achievement of this pooling gain next year is however not guaranteed and will be dependent on the actual value of business rates collected in the year. As the levy payable will be funded from grant held in reserve, any pooling gain that does materialise next year will not increase the General Fund balance, but instead reduce the drawdown on the grant held in reserve. The Council (and other Local Authorities in the Pool) have until mid-January to determine if they want to continue with the planned pooling arrangement.

Review of balances and reserves

- 8.19. In setting its budget, the Council needs to consider the level of its reserves. This determines the extent to which the current budget can be supported by the use of reserves, or requires a budget to be set that includes an allowance for increasing reserves. In addition to the General Fund balance, NHDC has specific reserves and provisions. Specific reserves are amounts that are set aside for a determined purpose. This purpose can arise from a choice made by the Council, or where it is felt that there is an obligation.

Provisions are where there is a requirement on the Council to meet future expenditure, and a reasonable estimate can be made of the amount and timing. In determining the risks that may need to be met from the General Fund, it is important to know which risks will already be covered by amounts that are set aside as a specific reserve or provision.

- 8.20. A full list of specific reserves and estimated balances is shown in table 3 below.

Table 3 – Specific Reserves

Name of Reserve	Purpose of Reserve	Balance at 1 April 2020	Estimated Balance at 31 March 2021	Estimated Balance at 31 March 2022
Funding Equalisation Reserve	Where anticipated annual revenue funding has exceeded estimated net expenditure, the Council has opted to contribute the surplus amount to the Funding Equalisation Reserve, rather than raise Council Tax by less than the maximum amount allowed. The reserve balance will now be used to mitigate the impact on the General Fund of pressures anticipated for next year.	68	397	0
Cemetery Mausoleum Reserve	Held to cover the Authority's obligation to supply Mausoleum niches at the Wilbury Hills Cemetery and is funded from the sale of currently available niches. Still available niches so not expected to be used in the short-term.	167	167	167
Childrens Services Reserve	Used to help fund Active Communities projects in the district funded from grant income and/or external contributions. Expected to be fully utilised next year.	57	49	0

Name of Reserve	Purpose of Reserve	Balance at 1 April 2020	Estimated Balance at 31 March 2021	Estimated Balance at 31 March 2022
Climate Change Grant Reserve	Grant awarded to help combat the effect of climate change. Being used for the additional costs (above available establishment) of employing a Trainee Policy Officer working on Climate Strategy. Will be fully used by the end of 2024/25.	26	22	17
Growth Area Fund Reserve	Holds the revenue grant awarded. To be used once the Local Plan is in place.	53	53	53
Homelessness Grants Reserve	To help prevent homelessness in the district. The entire grant is earmarked for different homelessness projects or resources.	413	461	323
Housing & Planning Delivery	Hold unspent Housing & Planning Delivery grant to fund Cabinet approved spending plans in subsequent years. The Authority has also made a commitment to the Local Development Framework and funds are held in this reserve for this purpose. Additional income from the 20% increase in statutory planning fees is also transferred here to fund the development of Planning Services. Future balances will depend on timing of spend and fees received in relation to the 20% increase.	1,091	1,489	Unknown
Information Technology Reserve	To ensure the Authority has adequate resources to purchase hardware and software items when they are required. Reserve balance now committed to fund a Uniform software upgrade with improved functionality.	78	35	0
Insurance Reserve	Used to finance potential claims for risks that are not covered by external policies together with higher excesses currently being borne by the Authority. It is good financial practice to have an insurance reserve. The future balances will depend on the claims received and the level of relevant insurance.	34	Unknown	Unknown
Land Charges Reserve	Reserve originally established to help meet the potential cost should the financial risk of the repayment of personal search fees occur. Being used for additional administration costs and software upgrades over 3 years.	94	65	36
Leisure Management Maintenance Reserve	To cover the cost of any future significant repairs liabilities on the leisure facilities. The Leisure Contract requires a contribution from the Council for maintenance items over £5k, so therefore if funds are not available in the reserve then this would impact on the general fund. Use of the reserve depends on what arises and is therefore unknown.	77	Unknown	Unknown
MHCLG Grants Reserve	Balance of unapplied Section 31 business rate relief grants and pooling gains. Used to fund NNDR Collection Fund deficit contributions and levy payments in future years. Pooling gain of £368k to be released to the General Fund in 2020/21. In 2019/20 participation in the Business Rates Pilot resulted in total business rates related income (including pilot gain and s31 grant receipts) of £5.2m, exceeding the original budget amount of £2.7m by £2.5m, and reduced the draw down required on this reserve, resulting in a net contribution to this reserve in 2019/20 of £1.9m. It is considered that £2.5m can be released from the reserve and used to cushion the impact on the General Fund of the anticipated funding shortfall from 2022/23, as shown in Appendix C.	3,741	13,896	Unknown
Museum Exhibits Reserve	Funds the purchase of museum exhibits and is funded from donations. Use of reserve will depend on donations and opportunities for acquisitions.	13	Unknown	Unknown

Name of Reserve	Purpose of Reserve	Balance at 1 April 2020	Estimated Balance at 31 March 2021	Estimated Balance at 31 March 2022
Neighbourhood Plan Reserve	Funds received for neighbourhood Plans from the MHCLG have been transferred. The funding has been provided to authorities who received neighbourhood plans as funding will be needed in future years as plans are developed and public examinations and public referendums are required.	78	78	78
Paintings Conservation Reserve	Used to help restore paintings. This is funded through donations and publication income. To be used against a list of items that require conservation.	11	Unknown	Unknown
S106 Monitoring Reserve	To cover the cost of monitoring s106 obligations in future years. Ring-fenced. Future balances are unknown as not known what new funding will be received.	19	Unknown	Unknown
Special Reserve	This reserve is maintained for any special financial pressures such as pump priming for initiatives for shared services, changes in working practice, major contract renewals, unexpected contract variation, support the response to and reduce the impact of major incidents and other financial pressures. As detailed in the Covid-19 Financial Impacts report (on the Council agenda in September 2020) the Special Reserve will be released in to General Fund balances. The balance of £716k will be transferred in 2022/23.	1,175	821	716
Street Name Plates	To fund Street Name Plates as and when required. To maintain until Local Plan is adopted and then review.	16	Unknown	Unknown
Syrian Refugee Project	The council has agreed to house 50 Syrian Refugees over five years under the government's resettlement scheme. The scheme is fully funded by the government and the reserve enables the multiple year funding for each household to be maintained for future expenditure associated with their placement in the district, such as housing and support costs.	272	458	585
Taxi Reserve	Any surplus from the taxi service will be transferred to the earmarked reserve where it can be used to offset any future deficit or to fund investment in the taxi service.	15	13	11
Town Centre Maintenance	For the implementation of the Town Wide Reviews and ad hoc town centre maintenance.	53	61	69
Traffic Regulation Orders	An audit was done to identify TRO work to be carried out in the district. However due to other priorities this work was delayed and the budget has been transferred to a reserve, to be drawn down as and when the work is done.	346	346	346
Waste Reserve	AFM monies are transferred to help mitigate any potential risk to the waste service.	730	749	749
Waste Vehicles Reserve	As repayment of the finance lease principal embedded within the waste contract is funded from the Council's cash reserves, the saving on the revenue account is transferred to this reserve to fund the purchase of vehicles when they next need to be replaced.	554	913	1,340
Welfare Reform Grants Reserve	Awarded to the Authority for different initiatives or changes relating to Housing & Council Tax benefit scheme. These grants will be used when the initiatives or changes are carried out, and therefore the exact timing of usage is unknown.	185	134	Unknown

- 8.21. As at the 31 March 2020 there was a total of £882k held as provisions. These are comprised of:
- Business Rates appeals - £842k - the NHDC estimated share of outstanding business rates appeals
 - Insurance - £40k - covers the uninsured aspect of outstanding insurance claims.
- 8.22. NHDC operates with a reserve balance for General Fund activities in order to provide a cushion against unexpected increases in costs, reductions in revenues and expenditure requirements. Guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) suggests that the revenue balances should be set at no less than 5% of net revenue expenditure, having taken account of the risks faced by the Authority in any particular year. As net expenditure is anticipated to be around £16million, this means a minimum balance of about £800k. As the Council has become more reliant on generating income to set a balanced budget, an additional 3% of budgeted income (excluding Housing Benefit, grants and other contributions) will also be included in determining the minimum level. Income from fees, charges, interest and rentals is forecast to be £11.2m and therefore an additional allowance of £335k will be added. Furthermore, a significant proportion of Council expenditure, approximately £10m per annum, is for goods and services procured via contract. Considering the potentially significant, but still unknown, impact of Brexit and / or Covid-19 on contract prices for outsourced goods and services, it would be prudent to incorporate 5% of this expenditure in the minimum balance calculation. Therefore £500k will also be added to the minimum level.

This minimum figure represents the cushion against unforeseen items. When setting the level of balances for any particular year, known risks which are not being budgeted for should be added to this figure, according to risk likelihood.

- 8.23. An assessment of the risks has been compiled for the coming year based on risks identified by each Service Director and cross-referenced to the risk register. The identified areas are where the financial impact is not wholly known, but an estimate can be made. The amount allocated is based on the forecast likelihood of occurrence. Where there is a high likelihood, 50% of the estimated financial impact is allowed for. For medium likelihood, it is 25%. For low likelihood, it is 0%. Table 4 summarises the risks, the forecast impact and the risk allowance to be made. A full list of these risks is shown in Appendix A.

Table 4- Budget Risks in 2021/22

Category	Number of Risks	Forecast Value of Impact (£000)	Risk Allowance (£000)
Low	17	5,368	0
Medium	17	3,075	768
High	17	2,665	1,333
Total	51	11,108	2,101

- 8.24. Combining the risk allowance for specific risks and unknown risks means that a General Fund balance of at least £3.7million should be maintained. This is what is recommended by the s151 Officer (Chief Finance Officer).

Expenditure Forecasts

- 8.25. The starting point for forecasting net expenditure for future years is the previous year's budget, as set in February 2020. The budget adjustments identified subsequently are itemised in Appendix B, including those changes recommended following the budget review undertaken at the end of November, details of which are included in table 5 below.
- 8.26. Table 5 provides explanations for the variances identified at the end of November that are greater than £25k, as well as any budgets where there are carry-forward requests. All other variances are included within the 'other minor variances' line at the bottom of the table.

Table 5- Summary of forecast variances (amounts £000)

Budget Area	Current Working Budget	Forecast Outturn	Variance	Explanation for variance	Carry-Forward requested	2021/22 Budget impact
Court Summons Income	(102)	(41)	+61	Due to the timing of the national lockdown in November, no further action was taken to recover unpaid Council Tax and Business Rates amounts after statutory reminder notices were issued in September.	0	0
Area Committee Grants	72	59	(13)	The underspend requested to be carried forward comprises £3.7k for Letchworth, £2k for Hitchin, £4.2k for Baldock and £3k for Southern Rural. This is largely due to fewer grant applications than anticipated being received and also represents grants awarded but not yet released pending evidence of criteria being met.	13	0
Paper Recycling						
Income from sale of paper	(112)	(92)	+20	Ongoing trend of falling paper tonnages, with volumes collected in April to November 2020 22% less than the equivalent period in 2019. This is attributed to consumers switching from print media to digital media. The reduction in tonnages reduces the incentive income eligible from Hertfordshire County Council.	0	20
HCC Recycling Credit Income	(111)	(87)	+24		0	24
Total	(223)	(179)	+44		0	44

Budget Area	Current Working Budget	Forecast Outturn	Variance	Explanation for variance	Carry-Forward requested	2021/22 Budget impact
Electric Vehicle Charging	35	20	(15)	This budget was an investment bid to engage consultants to undertake a study to review and consider opportunities from Electric Vehicle Charging. Officers have prepared a Scoping Document and undertaken a consultation to define the extent of a Strategy and agreed action plan for adoption. Work on the Strategy was underway prior to the pandemic and will now continue into 21/22. The requested carry forward of the unspent budget will fund any specialist advice required.	15	0
Community Infrastructure Levy (CIL)	87	0	(87)	The publication of a government white paper is awaited prior to reporting on the review of the feasibility of introducing a CIL for residential sites. It is requested that the unspent budget is carried forward into 2021/22 to cover any costs arising from this review or its recommendations.	87	0
Single Issue Local Plan Review	52	12	(40)	An investment bid was approved for the delivery of a single issue local plan review to incorporate any emerging Council priorities. However, due to the delay in the adoption of the local plan, this will be delayed until at the earliest 2021/22, hence the request for this budget to be carried forward into 2021/22.	40	0
Street names, lines and signs	63	23	(40)	Due to the national lockdowns planned works have been delayed and/or deferred. The unspent budget is requested to be carried forward to fund those works that will now be carried out in the next financial year.	40	0
Waste and Street Cleansing Contract	5,236	5,191	(45)	Application of the negative indexation rate of 0.89% to contract prices for services delivered in 2020/21.	0	(45)

Budget Area	Current Working Budget	Forecast Outturn	Variance	Explanation for variance	Carry-Forward requested	2021/22 Budget impact
Grounds Maintenance – Income from Services provided to settle	(199)	(171)	+28	Reduction in income follows a dispute raised by settle in respect of the level of service received not meeting that outlined in the service level agreement in the first half of the year. A refund has now been agreed in respect of services in Quarter One, with discussions ongoing to resolve any residual issues.	0	0
Transport Users Forum	50	3	(47)	£50k of funding has been allocated to set up a Transport Users Forum. This Forum has now been set-up and requires minimal ongoing funding. The funding will therefore be used on initiatives that promote use of public transport in the District. Initiatives will only be funded where they provide value for money and are supported by the Forum. £3k of this funding will be spent in 2020/21 on a bus service amalgamation project, while the remainder is requested to be carried forward to 2021/22.	47	0
Support for Leisure Facilities	992	tbc	tbc	An update on the financial position of the Leisure Facilities will be presented to Council in January. The financial implications of recommendations approved by Council will be reflected here via an addendum report. This will ensure that the financial position, upon which the budget for 2021/22 will be approved in February, is as accurate as possible.		
Hitchin Market Management Contract	(24)	0	+24	Cabinet approved an eight-month contract extension from August to the end of March 2021 at zero cost to the Council. The proposal presented to Cabinet is for the cost neutral arrangement with Hitchin Market Ltd to continue into the next financial year (and potentially beyond).	0	28
Total of Explained Variances	6,039	5,909	(130)		242	27
Other Minor Variances	13,291	13,292	+1		0	(2)
Total General Fund	19,330	19,201	(129)		242	25

- 8.27. Budget proposals were put forward for discussion at Group workshops in November. Comments on the proposals made by the Groups were outlined in the draft budget report presented at the December meeting of Cabinet. The lists of savings and investments proposals is attached at appendix B.
- 8.28. Appendix B to this report includes two changes to those proposals agreed by Cabinet at the December meeting. The first relates to anticipated investment interest income. An additional pressure (R11) has been added to the list, with the budgeted level of interest income over the period revised in line with the returns detailed in the Investment Strategy (Capital and Treasury Combined) for 2021-31. The second is a revision to the timing of the biannual investment (PI2) for the local housing market analysis, as this will not now be undertaken in 2021/22 as originally planned.

Revenue effects of capital

- 8.29. The Council incurs some interest costs in relation to historic borrowing for capital purposes. The small cost of this is reflected in budget estimates. If the Council was to take out new borrowing for capital purposes then it would incur revenue costs in relation to interest payments and Minimum Revenue Provision (MRP). MRP is explained in the Investment Strategy report.

As identified in the Investment Strategy report, the Council does not need to borrow to fund core capital spend, as it is forecast that this can be funded from existing capital reserves and the generation of new capital receipts. For capital spend that is line with the property acquisition and development strategy, no income generation or borrowing costs are assumed. This is considered to be a prudent approach in the absence of any specific opportunities at this stage, as the initial income generation would be required to exceed any borrowing costs

Reliability of estimates

- 8.30. As part of the budget setting process, the Chief Finance Officer is required to comment on the reliability of the estimates made. A prudent approach has been adopted, especially in relation to income where it is only included where there is a high degree of certainty over it being achieved.
- 8.31. In addition to those factors already highlighted in this report that may affect estimates, a further significant area of uncertainty is in relation to pay inflation, which has been assumed to be 2.25% across the period. This assumption is in line with the majority of Councils, and the allowances made are a factor in where the negotiations will end up. The Chancellor however announced a public sector pay freeze in the November Spending Review. This does not directly apply to Local Government pay but may be considered as part of pay negotiations. The pay awards that the Council actually pays will be unchanged by this, as they would still be based on the results of national pay bargaining.

- 8.32. The impact of Covid-19 remains a significant uncertainty. The funding towards expenditure pressures and the Council Tax support grant have been incorporated in to the budget. No significant expenditure pressures in relation to Covid-19 have been assumed. The decision made by Full Council in January will result in an update to this budget to reflect the expected cost of supporting leisure provision in both the current year and 2021/22. It is currently assumed that income levels will return to normal by 202/23, but there is a risk that they will not. The unknown duration of the current period of restrictions makes it very difficult to estimate the impact on key income sources (e.g. parking) in 2020/21 and 2021/22. Following the previous easing of restrictions, parking income has bounced back towards normal levels quite quickly. The commitment from Government to Sales, Fees and Charges compensation also mitigates the majority of the financial pressure. The most significant issue will be if income levels do not substantially recover before the end of June, and the compensation scheme is not extended. There are also income sources (e.g. garden waste charges) that are not covered by the income compensation scheme. Overall it is very difficult to forecast and the increased minimum level of General Fund Balance highlights the need to create a cushion to protect from this uncertainty.
- 8.33. Overall it is considered by the Chief Finance Officer that the estimates made are as reliable as they reasonably can be. They will be subject to risk and this is the reason for setting a minimum General Fund balance and carrying out budget monitoring throughout the year.

Cumulative impact

- 8.34. The cumulative impact of all the estimates described in the previous sections is provided at Appendix C. This shows a forecast of funding and net expenditure for the next five years, including the impact on the General Fund balance. Appendix D is also provided to provide a summary in the event that a £10 Council Tax increase (band D equivalent) is allowed without the need for a referendum.
- 8.35. Appendix C also includes a forecast of the remaining savings that the Council still needs to deliver by 2025/26. Savings totalling £2m are estimated to be required in order for the Council to balance income and expenditure by the end of the period. Furthermore, with the proposed phasing of these savings, there would be a need to use more than £4m of reserves. These amounts could also be significantly affected by future changes to Local Government funding, with the introduction of the fairer funding formula and a proposed business rates reset potentially from 2022/23, ongoing impacts on expenditure and income from the Covid-19 pandemic, while they are also dependent on the successful delivery of the efficiencies identified in Appendix B. Appendix D shows that in the event of a £10 Council Tax (band D equivalent) increase for 2021/22, the savings that will need to be identified and delivered will be reduced to £1.75m. The use of reserves will reduce to around £3.5m.
- 8.36. This level of savings still required to be identified assumes that the Council will continue to increase Council Tax at the maximum level permitted without the need for a referendum. Any increase in Council Tax below this level would further increase the savings required to balance the budget over the period and require greater drawdown on reserves. As shown in Appendix C and D a deficit is anticipated for 2021/22 (before use of reserve balances). The proposal is therefore that Council Tax should be increased by the maximum allowed.

- 8.37. In response to the significant challenges indicated in this report, a budget review/ challenge process has been started. This will highlight opportunities for savings (including efficiencies, service changes and income generation) in future years. Some of those opportunities will need to be taken forward in advance of next year's budget e.g. where they primarily relate to efficiencies. For the majority of those savings, which relate to service changes, these will need to be prioritised so that they can start to be developed and included in next year's budget. This will demonstrate that, whilst the exact value of the savings that the Council needs to deliver is unknown, the Council is committed to the work and decisions that will need to be taken in the medium-term. As set out in the Medium Term Financial Strategy it is expected that the Council will adopt a phased approach to balancing savings, and achieve an in-year balanced budget by 2025/26. Reserves will be used to balance the budget in intervening years.

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. Cabinet's terms of reference include recommending to Council the annual budget, including the capital and revenue budgets and the level of council tax and the council tax base. Council's terms of reference include approving or adopting the budget.
- 9.3. Members are reminded of the duty to set a balanced budget and to maintain a prudent general fund and reserve balances

10. FINANCIAL IMPLICATIONS

- 10.1. These are covered in the body of the report.

11. RISK IMPLICATIONS

- 11.1. As outlined in the body of the report.
- 11.2. There are significant uncertainties and risks with regard to the funding of NHDC over the medium term. In particular the impact from the outcomes of the Fairer Funding review and 75% Business Rates retention.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. For any individual proposal comprising either £50k growth or efficiency, or affecting more than two wards, an equality analysis is required to be carried out; this has either taken place or will take place following agreement of efficiencies or growth.

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to this report.

15. HUMAN RESOURCE IMPLICATIONS

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

16. APPENDICES

- 16.1. Appendix A – Financial Risks 2021/22
- 16.2. Appendix B – Revenue Budget Savings and Investments
- 16.3. Appendix C – Budget Summary 2021 – 2026
- 16.4. Appendix D – Budget Summary 2021 – 2026 (£10 Council Tax increase 2021/22)

17. CONTACT OFFICERS

- 17.1. Ian Couper, Service Director – Resources
ian.couper@north-herts.gov.uk; ext 4243
- 17.2. Antonio Ciampa, Accountancy Manager
antonio.ciampa@north-herts.gov.uk; ext 4566
- 17.3. Jo Keshishian, Acting Human Resources Services Manager
Jo.Keshishian@north-herts.gov.uk; ext 4314
- 17.4. Isabelle Alajooz, Legal Commercial Team Manager and Deputy Monitoring Officer
isabelle.alajooz@north-herts.gov.uk; ext 4346
- 17.5. Reuben Ayavoo, Policy and Community Engagement Manager
reuben.ayavoo@north-herts.gov.uk; ext 4212

18. BACKGROUND PAPERS

- 18.1. None.

Appendix A - Financial Risks 2021/22

Service Directorate	Financial Risk Ref. No.	Risk	High/ Medium/ Low	Risk Value £	%	Total Risk Assessment £
Commercialisation	FR1	Adverse possession of land/buildings (litigation costs). Protection of "Village Greens". Signs/fences need to be constructed to avoid residents claiming ownership rights.	M	35,000	25%	8,750
	FR2	Contamination clear-up costs for disposal/vacant sites	M	500,000	25%	125,000
	FR3	Deterioration in the financial position of Hitchin Market increases the cost to the Council of maintaining the market provision.	L	20,000	0%	0
	FR4	Lower income generated from Community Facilities (Hitchin Town Hall and Brotherhood Hall) as the demand for bookings takes time to fully recover following the lifting of Covid-19 pandemic restrictions.	H	100,000	50%	50,000
	FR5	Lower income generated from Hitchin Town Hall Café and Museum Shop as footfall takes time to fully recover following the impact of the Covid-19 pandemic and the associated economic downturn.	H	25,000	50%	12,500
	FR6	Increase in rent defaults on the Council's existing Investment Properties due to the economic downturn.	H	200,000	50%	100,000
Customers	FR7	Fines for breaches of the EU General Data Protection Regulation by the Council or by NHDC outsourced providers when handling and storing data originally collected by NHDC	L	500,000	0%	0
	FR8	Bad Debt Provision may need to increase in light of the roll-out of Universal Credit and in particular the managed migration of working age housing benefit clients to Universal Credit.	M	70,000	25%	17,500
	FR9	Ransomware attack results in the write-off of IT hardware and infrastructure.	L	200,000	0%	0
	FR10	Failure to meet projected Careline sales income as a result of the loss of a corporate client or fall in the number of private clients.	H	50,000	50%	25,000
Legal & Community	FR11	District by-election	L	4,000	0%	0
	FR12	Legal team resources - requirement due to recruitment/retention issues to use temp. staff or outsource work. Additional external expertise for assistance with the delivery of key Corporate projects or Governance issues	M	100,000	25%	25,000
	FR13	Legal expertise related to employment cases	M	50,000	25%	12,500
	FR14	The Council is required to meet the cost of any award from new or ongoing judicial reviews.	H	100,000	50%	50,000

Service Directorate	Financial Risk Ref. No.	Risk	High/ Medium/ Low	Risk Value £	%	Total Risk Assessment £
	FR15	Possible procurement challenge. Legal costs and costs of re-tendering if necessary.	L	100,000	0%	0
	FR16	Costs incurred from an increased number of prosecutions pursued in court, for example due to persistent flytipping.	M	50,000	25%	12,500
	FR17	Domestic Homicide Review – requirement for additional resources to respond	H	15,000	50%	7,500
Place	FR18	The council is forced to re-tender a major contract if a contractor is unable to deliver a contract for any reason .	L	300,000	0%	0
	FR19	Increase in the net cost of recycling services due to either or all of ; adverse changes in the market prices for commodities; a reduction in the volume of recyclates collected; a change in the material composition of the recyclates collected	H	500,000	50%	250,000
	FR20	Reduction in funding from third party agency agreements for contracted grounds and/or tree maintenance works.	M	50,000	25%	12,500
	FR21	Costs resulting from a localised flooding event that is associated with water courses within the responsibility of NHDC to maintain.	L	50,000	0%	0
	FR22	Cost of felling and destroying trees as a result of pests and tree disease.	L	75,000	0%	0
	FR23	Cost of maintaining service provision in the event of major contract failure.	M	1,000,000	25%	250,000
	FR24	Income from Trade Refuse is adversely affected by economic downturn.	M	300,000	25%	75,000
	FR25	Lack of resilience in delivering key statutory services, such as Environmental Health, Planning and Parking, when staff absence occurs (other than normal leave) e.g. medium/long term sickness, staff resignations, redeployment to other duties etc, increases expenditure on agency staff and / or consultancy advice to maintain service provision.	H	40,000	50%	20,000
	FR26	Increase in net cost of measures to address homelessness/rough sleeping and meeting obligations/projects as a result of for example: absence of government funding / reduced government funding, national and local situations etc.	M	250,000	25%	62,500
	FR27	Dangerous structures - where the Council is unable to recover either or both of; the costs incurred in making the structures safe because, for example, the owner of the property is not known or the land/building is unregistered; the costs involved in seeking to recover the expenditure incurred.	L	50,000	0%	0
	FR28	Specialist advice required with regard to planning applications, e.g. town centre schemes and "hostile applications"	M	100,000	25%	25,000
	FR29	Costs associated with a challenge to a decision of the Council, for example an appeal against a planning decision, judicial review or threat in advance of a planning decision, Secretary of State call in or holding direction.	H	500,000	50%	250,000

Service Directorate	Financial Risk Ref. No.	Risk	High/ Medium/ Low	Risk Value £	%	Total Risk Assessment £
Regulatory	FR30	Enforcement – costs in relation to enforcement for example: investigations to enable consideration of enforcement action, specialist legal or other advice, direct action / appeal processes, recovery of illegal earnings.	M	100,000	25%	25,000
	FR31	New duties and obligations associated with government policy, e.g. Brexit, requiring additional training or additional and/or specialist staff or consultancy support to deliver.	M	100,000	25%	25,000
	FR32	Local Plan: additional costs associated with progressing the Local Plan.	H	250,000	50%	125,000
	FR33	Local Plan: costs associated with a challenge to the Local Plan either from the Council or another stakeholder/authority	H	450,000	50%	225,000
	FR34	Theft of, or damage to, parking pay & display equipment	M	20,000	25%	5,000
	FR35	Income related to planning applications is lower than the budget expectation as a result of a delay to Local Plan progress or the economic impact of Brexit.	H	250,000	50%	125,000
	FR36	Hertfordshire Home Improvement Agency fail to recover sufficient fees, based upon application throughput, resulting in additional payment requested by HCC to cover costs.	H	15,000	50%	7,500
Resources	FR37	Assumed vacancy saving within staffing payroll budgets does not materialise as a slim staffing structure reduces both employee turnover and the capacity to hold posts vacant for any significant period of time.	L	300,000	0%	0
	FR38	Breach of partial-exemption calculation for VAT	L	300,000	0%	0
	FR39	Reactive maintenance required in the year exceeds the allocated budget provision.	M	50,000	25%	12,500
	FR40	Localisation of Business Rates – The council is directly exposed to a range of risks including; business rates levy, safety net.	L	130,000	0%	0
	FR41	Member/Officer Indemnity Agreement is called upon	L	100,000	0%	0
	FR42	Further payments are required under MMI scheme of arrangement	L	20,000	0%	0
	FR43	Treasury Management - potential default by a counter party	L	3,000,000	0%	0
	FR44	Difficulty in recruiting Facilities Assistants results in higher expenditure on agency staff	L	10,000	0%	0

Service Directorate	Financial Risk Ref. No.	Risk	High/ Medium/ Low	Risk Value £	%	Total Risk Assessment £
	FR45	Employment related risks related to outsourcing, shared services and restructuring	M	250,000	25%	62,500
	FR46	Reduced staffing capacity means that the delivery of efficiency proposals or investment projects is delayed and / or additional staffing resource must be hired externally at a cost premium to the Council.	M	50,000	25%	12,500
	FR47	Alternative arrangements are required to secure the outcomes expected from the corporate compliance contract.	H	75,000	50%	37,500
	FR48	Alternative arrangements are necessary to secure the outcomes expected from the corporate occupational health contract.	H	20,000	50%	10,000
	FR49	Relates to an environmental warranty that was provided to North Herts Homes on the transfer of the Housing stock.	L	209,000	0%	0
	FR50	The outcome of the negotiations between the Council's External Auditor and the Public Sector Audit Appointments is an increase to the annual external audit fee.	H	25,000	50%	12,500
	FR51	Cost of annual Housing Benefit Subsidy Certification is higher than budgeted due to additional audit fieldwork required.	H	50,000	50%	25,000

11,108,000

2,101,250

Appendix B - Revenue Budget Savings And Investments

New Efficiency Proposals

Ref No	Service Directorate	Description of Proposal	Budget Impact	Net Efficiency				
				2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
E1	Commercial	Commercial rents income. Efficiency associated with the capital scheme proposal for the replacement of Newark Close, Royston. Replacing and improving the condition of Newark Close should support NHDC in securing greater rent uplifts during rent reviews of those NHDC investment properties served by the road because access is a material factor in the properties' rent reviews.	Additional Income	(3)	(3)	(3)	(3)	(3)
E2	Commercial	Property management costs and commercial rents income. Efficiencies associated with the capital scheme proposal in respect of Thomas Bellamy House, Hitchin. The capital project will significantly raise the prospects of NHDC securing tenants for Thomas Bellamy House and generating a commercial rental income stream for the Council. Further, by securing tenants, NHDC will be in a position to pass on the costs of holding this property, such as energy and maintenance costs, to those tenants by way of leases or other occupational agreements. NHDC currently bears most/all of the holding costs as the building is largely vacant.	Additional Income	(18)	(27)	(46)	(46)	(46)
E3	Customers	IT Software License Costs. NHDC will not be renewing the SOPHOS Mobile Device Management Software (MDM) or Blackberry Works (Enterprise Software). From 31 March 2021 this software will be replaced with Microsoft In-Tune solution, which is provided as part of the Corporate Microsoft Enterprise Agreement.	Expenditure Reduction	(23)	(23)	(23)	(23)	(23)
E4	Legal & Community	Environmental Crime and Licensing overtime budgets. Reduction of £1k in each budget for weekend and out-of-hours working after reviewing levels of spend in recent years.	Expenditure Reduction	(2)	(2)	(2)	(2)	(2)
E5	Legal & Community	Independent Remuneration Panel (IRP) expenses. Proposed that the Members' Allowances Scheme is reviewed every four years, subject to the scheme making a provision for an annual adjustment of allowances by reference to an indexation. Each person on the Independent Remuneration Panel is paid an honorarium of £500 plus expenses incurred, e.g. mileage. If the scheme provides for an indexation there would be no need for the IRP to meet annually unless there was a change in circumstance, in which case the Council could request the IRP to convene.	Expenditure Reduction	(2)	(2)	(2)	-	(2)
E6	Legal & Community	Council meeting refreshments. £790 was spent in 2019/2020 on food and beverages for Council meetings . Holding virtual meetings provides an opportune time for refreshments to cease going forward. It would also save the Committee Team the time spent on sourcing and physically purchasing refreshments. Meetings that are all day where there is no opportunity for a lunch break would continue to have provision made.	Expenditure Reduction	(1)	(1)	(1)	(1)	(1)
E7	Legal & Community	Legal Consultancy. Legal consultancy has been used to support specific projects and service activities. It is proposed that the ongoing budget is removed and instead any potential liability for external legal advice is identified as a financial risk by service managers and factored into business cases.	Expenditure Reduction	(10)	(10)	(10)	(10)	(10)
E8	Legal & Community	Policy and Community Engagement overtime budget. Reduction in budget based on reducing staffing support to meetings, such as Councillor Surgeries / Town Talks / Cabinet Panels, to one officer where possible.	Expenditure Reduction	(2)	(2)	(2)	(2)	(2)
E9	Place	Reduction in street cleansing contract expenditure through a phased reduction in the number of street litter bins, by up to a quarter in number. Litter bins are currently emptied through the contract on an as required basis. An audit of litter bins would be undertaken by the Waste Client Team to determine any which are under utilised or in close proximity to other bins with low usage and therefore could be removed without significant adverse consequence. A phased approach is suggested to allow impacts to be measured. Efficiency value is net of the cost of removal. Also potential for some of these savings to be delivered through bin sponsorship.	Expenditure Reduction	-	-	-	-	-
E10	Place	Transfer of NHDC Public Conveniences. This would include the full time Public Conveniences at; - Howard Park, Letchworth - The Arcade, Hitchin - Fish Hill Royston The summer opening public conveniences at; - Bancroft Gardens, Hitchin - Avenue Park, Baldock Current cost is £63k per year, so that would be the maximum potential saving. Any saving would be part year only in first year. Would need to determine that there was a third party willing to take on before savings could be assumed.	Expenditure Reduction	-	-	-	-	-
E11	Regulatory	Planning Technical Support staffing costs. Deletion of a part-time Assistant Technical Support Officer post. This post is currently vacant. The change in working practises prompted by the flu pandemic, which are expected to continue ongoing, have removed the need for some of the duties undertaken as part of the role. For example, no further printing of plans will be required as officers will be provided with laptops.	Expenditure Reduction	(13)	(13)	(13)	(13)	(13)
E12	Resources (Regulatory)	Cease funding (either through grants or direct provision) of Christmas Trees to the four towns and the Letchworth Hospice	Expenditure Reduction	-	-	-	-	-
E13	Resources	Continued reduction in audit days (Shared Internal Audit Service- SIAS). Previous savings to reduce from 350 days down to 300 days. This proposal is for a further reduction down to 270 days (15 day reduction in 2022/23 and a further 15 days in 2023/24). It is still believed that this will provide sufficient coverage for the Council and to provide the required assurance from the Head of SIAS.	Expenditure Reduction	-	(5)	(9)	(9)	(9)
E14	Customers	Revenue savings associated with the proposed capital investment to facilitate the provision of laptops for all officers for use at home and in the office. Savings anticipated would include a reduction in telephone call charges, as the laptops would facilitate soft-telephony. The reduced office footprint required may also allow income generation from the renting of floor space at DCO. 'Green' benefits may also materialise in the form of reduced travel and energy consumption. Work is ongoing to quantify the financial impact.	Expenditure Reduction	tbc	tbc	tbc	tbc	tbc

E15	Legal and Community	Increase charges for Chair's reception to make it self-financing, stop having a Chair's reception or look at other options to make it zero net cost.	Expenditure Reduction	(4)	(4)	(4)	(4)	(4)
E16	Managing Director	Reduce frequency of Outlook from 3 editions per year to 2 editions per year.	Expenditure Reduction	-	(8)	(8)	(8)	(8)
E17	Regulatory	Remove Neighbourhood Planning Budget and use accrued specific reserve funding and funding from MHCLG (assuming that continues to be provided).	Expenditure Reduction	(10)	(10)	(10)	(10)	(10)
E18	Regulatory	Remove funding for Local Plan work post-2031, known as new settlement work. Rely on accrued specific reserves and future grant funding.	Expenditure Reduction	(30)	(30)	(30)	(30)	(30)
E19	Regulatory	Reduce Area Wide Parking Review budget from £65k to £15k. Royston review and remaining other work would be funded from accrued specific reserve.	Expenditure Reduction	(50)	(50)	(50)	(50)	(50)
Total Net Budget Reduction from new efficiency proposals			Total Expenditure Reduction	(147)	(159)	(164)	(162)	(164)
			Total Additional Income	(21)	(30)	(49)	(49)	(49)
			Total Expenditure Reduction	(168)	(189)	(213)	(211)	(213)

New Revenue Pressures and Investment Proposals

Ref No	Service Directorate	Description of Proposal	Budget Impact	Investment				
				2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
R1	Commercial	Employment of a temporary Estates Surveyor from an employment agency based on average required working pattern of 23 hours per week over a 48-week period, in lieu of a permanent appointment. NHDC has attempted to recruit a permanent Estates Surveyor on several occasions during 2020 without success. Despite the intention to carry out further recruitment attempts, it is considered prudent to request budget provision for a temporary position in order to have proper resource to carry out NHDC's estates management role, part of which has statutory function and basis. The investment value is net of the saving from the permanent post vacancy.	Additional Expenditure	12	-	-	-	-
R2	Customers	As part of the IT Strategy to move Council data to the cloud, there is a requirement to have a backup service of the data within the cloud to enable restores of data from Exchange and OneDrive. A recent SIAS audit of IT Disaster Recovery has recommended that NHDC invest in a SAAS (software as a service) to enable restores as part of their findings.	Additional Expenditure	20	20	20	20	20
R3	Place	Planting of 10,000 trees. At the request of the Executive Member, the development of a communications plan, including public events, to distribute small trees for residents to plant in their own gardens	Additional Expenditure	25	-	-	-	-
R4	Regulatory	Creation of a five-year Project Officer post to support delivery of the Local Plan targets, e.g. Town Centre Reviews. The estimated annual cost of £50k will be fully funded through existing permanent budget for planning development initiatives and the use of the Planning and Housing Delivery earmarked reserve. While this means there is a net zero impact on General Fund estimates, the proposal is highlighted here as there is an opportunity cost attached to the use of resource.	Additional Expenditure	-	-	-	-	-
R5	Regulatory	Use of the Town Wide Area Parking Review earmarked reserve over the next three years to fund additional responsibility payments to an existing planning officer to deliver area wide parking reviews, on-street charging (additional income) and replacement of lines and signs for enforcement initiatives. The additional cost currently anticipated over the three years is £16k, though the continuation of the ARP will be reviewed annually. While the use of the reserve mitigates the impact on the General Fund, the proposal is highlighted here as there is an opportunity cost attached to the use of the resource.	Additional Expenditure	-	-	-	-	-
R6	Resources (Managing Director)	Increase in costs of the subscription to the East of England Local Government Association, due to a requirement to fund their inherited past pension costs	Additional Expenditure	2	2	2	2	2
R7	Resources (Managing Director)	Subscription to the Co-operative Councils Innovation Network	Additional Expenditure	1	1	1	1	1
R8	Resources	Repairs and maintenance works to Council property assets. A review of works required has identified that the central budget of £185k is not sufficient to cover all necessary maintenance in 21/22. The additional investment value is after deferring where possible maintenance works into future years and is calculated on the assumption that, based on the experience of the prior year, approximately 50% of the annual budget will be required to fund reactive maintenance works during the year.	Additional Expenditure	122	-	-	-	-
R9	Managing Director	Council website development and maintenance costs. Rebuild of website due to end of life of the web platform, Drupal 7, in November 2021 plus ongoing development, support and hosting costs. Investment value is estimated cost based on some soft market testing undertaken - this work will be subject to a tender process and so final cost and profile of expenditure will depend on the outcome of the procurement exercise.	Additional Expenditure	83	18	18	18	18

R10	Managing Director	With reference to earmarked investment PI12 below, appointment of a Digital Media and Engagement Officer on a permanent basis. The current temporary post has had a significant impact on the level of engagement with the Council, with the ability to create more interactive content, e.g. videos, picture stories etc. NHDC now has 5,000 fans on Facebook, 11,200 followers on Twitter and 1,500 followers on Instagram. Engagement on Facebook more than doubled to 30,000 engagements (likes, shares or comments) from April 2019 – March 2020, compared to 14,000 between April 2018 – March 2019. It is therefore proposed that the post is incorporated into the Council's permanent staffing structure.	Additional Expenditure	-	32	32	32	32
R11	Managing Director	Investment interest income. Budget estimate adjusted in line with anticipated cash balances and interest returns, as detailed in the Council's Investment Strategy (Combined Capital and Treasury) for 2021-31.	Income Reduction	64	65	70	71	75
Total Net Budget Increase from new pressures and investment proposals			Total Additional Expenditure	265	73	73	73	73
			Total Income Reduction	64	65	70	71	75
			Total Investments	329	138	143	144	148

Efficiencies earmarked in 2021/22 (and/or beyond) resulting from previous decisions

	Service Directorate	Description of Proposal	Budget Impact	Efficiency				
				2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
PE1	Place	Provision of a Crematorium at Wilbury Hills. Delivery of the crematorium and any revenue efficiency is dependent on a successful planning application. The planning application was refused by Central Bedfordshire Council, but NHDC has submitted an appeal against this decision. Whilst the Council feels that there is a good chance of success in the appeal, the process has delayed the achievement of any savings. The timing and value of savings is based on the Council making a prompt decision to appoint a new partner to deliver the Crematorium. The estimated efficiency value is based on the proposed terms of the original lease, with NHDC receiving an annual base rent of £10k (indexed annually by RPI) plus a percentage (up to a maximum of 10%) of the turnover generated from the Crematorium. The eligible percentage of turnover would be linked to the number of cremations that take place over a 12 month period. If however the Council decided to build the Crematorium itself then the savings could be greater, but would probably take longer to achieve and would require funding to be allocated through the capital budget.	Additional Income	-	(50)	(100)	(100)	(100)
PE2	Legal & Community	Cease MOU and contractual payments to identified Community Groups. Baldock Town Centre Partnership. Grant ceasing at the end of 2020/21.	Expenditure reduction	(2)	(2)	(2)	(2)	(2)
PE3	Legal & Community	Removal of budget provision for District Council elections in 2021/22 as no elections are scheduled to be held. Efficiency value includes both the £25k increase in estimated cost of elections reported at Q2 2019/20, which is attributed to rising venue hire prices and higher numbers of postal votes requested, and the £1k saving from integrating elections payroll onto the new Council payroll system. UPDATE CBP 2021/22: Removal of budget provision in 2025/26.	Expenditure reduction	(117)	-	-	-	(117)
PE4	Place	AFM income from Herts County Council. The efficiency proposal in setting the budget for 2020/21 was to adjust the budget estimates to better reflect the Council's current performance (annual income budget increased by £156k). The reduction in anticipated income beyond 20/21 is due to the HCC proposal to reduce the total amount allocated to collection authorities by 12.5% per annum (approximately £500k per year) for the next three years (impacting receipts from 2021/22). The actual impact will however depend on the Council's recycling performance relative to other Hertfordshire authorities, as well as the overall performance of Hertfordshire collection authorities in diverting waste from landfill and reducing associated costs incurred by HCC.	Additional Income	69	130	156	156	156

Total Net Budget Reduction from earmarked efficiencies	Total Expenditure reduction	(119)	(2)	(2)	(2)	(119)
	Total Additional Income	69	80	56	56	56
	Total Efficiencies	(50)	78	54	54	(63)

Investments earmarked in 2021/22 (and/or beyond) resulting from previous decisions

	Service Directorate	Description of Proposal	Budget Impact	Investment				
				2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
PI1	Regulatory	Review of Social Housing stock- On a four yearly basis, procure consultants to analyse the condition of housing stock in North Herts and/or support activity on measures aimed at resultant findings/current priorities (e.g. helping residents introduce energy efficiency measures). UPDATE CBP 2021/22: Earmark £20k investment in 2024/25	Additional Expenditure	(20)	(20)	(20)	-	(20)
PI2	Regulatory	Local housing market analysis- Appoint consultant biannually to provide information and analysis on the local housing market in order to inform the development of housing policies and strategies. UPDATE CBP 21/22: Due to Covid-19, the planned analysis will not be completed in 2020/21. It is therefore proposed that the exercise is conducted in 2021/22 and the biannual budget profile realigned accordingly.	Additional Expenditure	-	(8)	-	(8)	-
PI3	Commercial	To pay for the salaries of the Commercial Manager and Commercial Officer, as when this structure was approved it was agreed that the Special Reserve could be used to fund the first two years. This will allow the Council to continue to deliver the Commercial Strategy. UPDATE CBP 2021/22: Investment value updated to reflect estimated staffing cost based on current pay scale points. Original investment figure of £125k based on maximum value approved to be drawn down from Special Reserve.	Additional Expenditure	98	98	98	98	98

PI4	Regulatory	The undertaking of town centre strategy reviews, which form part of the documents supporting the Local Plan. It is proposed that the investment will be required in each of the next four years to cover all four towns.	Additional Expenditure	40	40	40	40	-
PI5	Place	Introduction of a discounted annual rate of £20 for garden waste collection for eligible customers from 20/21. Investment value in 2021/22 and beyond is the additional amount to reflect the full year impact of the discount (estimated to be £70k). The discount is offered to residents who are in receipt of housing benefit or universal credit (approx. 7000 properties), with the estimated value assuming a 50% take-up.	Income Reduction	23	23	23	23	23
PI6	Resources	Hitchin Fountain. Lady Dixon has agreed to pay for a new floating fountain to go in front of the church in Hitchin. It is believed that this will provide a more reliable water flow than the old pump. The supplier is prepared to provide free maintenance for the first 2 years if the Council agrees to put up an in keeping plaque near to the fountain. The quote for this maintenance after the first 2 years is just under £3k per year.	Additional Expenditure	2	3	3	3	3
PI7	Chief Executive	Triennial Pension Scheme Valuation. Increases in annual lump sum [fixed] contribution recommended by the actuary over the three year period from April 2020.	Additional Expenditure	28	57	57	57	57
PI8	Legal & Community	Provide inflationary increase (2%) for MOUs with CVC and Citizens Advice North Herts. Inflation increases beyond 2023/24 included within estimated inflation total.	Additional Expenditure	4	8	12	12	12
PI9	Regulatory	Delivery of a single issue Local Plan review to incorporate any emerging Council Priorities re. Climate Change Emergency into formal planning policy for the District. Dependent on the outcome of current Council Priorities work, the estimated two-year programme (2020/21 & 2021/22) would include commissioning of evidence and examination.	Additional Expenditure	-	(40)	(40)	(40)	(40)
PI10	Regulatory	Continuation of the Electric Vehicle strategy to incorporate any emerging Council Priorities re: the Climate Change Emergency / air quality. While details are not yet known, future implementation may require accompanying capital expenditure.	Additional Expenditure	-	-	(20)	(20)	(20)
PI11	Regulatory	To extend the joint Economic Development Officer post (shared with East Herts) for a further 2 years to the end of 2021/22.	Additional Expenditure	-	(26)	(26)	(26)	(26)
PI12	Managing Director	Extension of the employment of a Digital Media and Engagement Officer to end of 2021/22. The initial two year fixed term post was funded from the Corporate Strategic Priorities Fund, with appointment to the role in March 2019. Council agreed to a proposal last year to extend funding for the post for a further two years (2020/21 and 2021/22).	Additional Expenditure	-	(32)	(32)	(32)	(32)

Total Net Budget Increase from earmarked investments	Total Additional Expenditure	152	80	72	84	32
	Total Income Reduction	23	23	23	23	23
	Total Investments	175	103	95	107	55

Savings incorporated since 2020/21 Budget approved by Council in February 2020

Report	Service Directorate	Description of Saving	Budget Impact	Saving				
				2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Q3 2019/20	Commercial	Rental Income for Phone Masts on DCO. Vodafone lease part of the DCO roof top for their phone mast. Following a landlord and tenant dispute, the annual rent agreed is now just over £8k; however, legislation may result in a reduction in the future rental value.	Additional Income	(8)	(8)	(8)	(8)	(8)
Q1 2020/21	Managing Director	Senior Management Tier 1 Restructure. The estimated net saving from the restructure of senior management approved by Full Council in April and implemented from 18th July 2020. The ongoing saving is from deleting the Chief Executive and Deputy Chief Executive posts, and creating a single Managing Director post. This saving is reduced by the additional payment made to the Service Director designated as Deputy to the Managing Director, equivalent to 10% of current salary.	Expenditure Reduction	(130)	(130)	(130)	(130)	(130)
Q1 2020/21	Resources	Human Resources staffing costs. The permanent saving from deleting the Corporate HR Manager post following the voluntary redundancy package approved by Full Council in July. This saving is net of the financial impact from the subsequent reconfiguration of HR Services staffing arrangements.	Expenditure Reduction	(50)	(50)	(50)	(50)	(50)
Q1 2020/21	Customers	Outbound Mail contract expenditure. The renegotiation of the Outbound Mail contract, effective from 1st August 2020, has enabled the Council to realise further savings from the lower than originally estimated volumes of outbound post being processed by the contractor. The saving has been partially offset by an increase in Royal Mail charges. The ongoing saving is anticipated until the contract ends in November 2023.	Expenditure Reduction	(52)	(52)	(52)	(52)	(52)
Q1 2020/21	Place	Contribution to operational costs at Fearnhill Sports Hall. The school has undertaken significant work on the sports hall in recent years, which has reduced the annual contribution required from the Council to the cost of maintenance and repairs at the facility.	Expenditure Reduction	(18)	(18)	(18)	(18)	(18)
Q2 2020/21	Place	Waste and Street Cleansing Contract Expenditure. Removal of the provision for indexation in the 20/21 budget.The budget for 20/21 assumed a contract indexation of 1.28%, based on the respective indices at that time. Due primarily to a subsequent fall in the fuel price index the calculation of the actual indexation rate for 20/21, as defined in the terms of the contract, resulted in a deflationary value of -0.89%.	Expenditure Reduction	(65)	(65)	(65)	(65)	(65)
Q2 2020/21	Resources	District Council Offices (DCO) Energy Costs. There is now sufficient consumption data to establish ongoing energy needs following the refurbishment of DCO and the switch to electric heating.	Expenditure Reduction	(13)	(13)	(13)	(13)	(13)
Q2 2020/21	-	Net total of minor permanent budget adjustments requested at Quarter Two 2020/21 (included in 'other minor variances' total in table 3)	Expenditure Reduction	(4)	(4)	(4)	(4)	(4)

Budget Report 2021/22	Place	Waste and Street Cleansing Contract Expenditure. Application of the negative indexation rate of 0.89% to contract prices for services delivered in 2020/21.	Expenditure Reduction	(45)	(45)	(45)	(45)	(45)
Budget Report 2021/22	-	Net total of minor permanent budget adjustments requested at Quarter Two 2020/21 (included in 'other minor variances' total in table)	Expenditure Reduction	(3)	(3)	(3)	(3)	(3)

Total Savings incorporated since 2020/21 budget agreed in February 2020			Total Expenditure Reduction	(380)	(380)	(380)	(380)	(380)
			Total Additional Income	(8)	(8)	(8)	(8)	(8)
			Total Efficiencies	(388)	(388)	(388)	(388)	(388)

Budget Pressures and Investments incorporated since 2020/21 Budget approved by Council in February 2020

Report	Service Directorate	Description of Pressure	Budget Impact	Pressure				
				2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Q3 2019/20	Customers	Net cost of the Careline Service. An increase in maintenance costs is not being fully funded by the service users due to restrictions placed on increasing the weekly service user charge by HCC.	Additional Expenditure	19	19	19	19	19
Q3 2019/20	Regulatory	Net cost of providing temporary accommodation based on estimated annual spend of £80k. NHDC receives subsidy from the DWP for any households in temporary accommodation that receive housing benefit. The £10k pressure is due to not all households in sheltered accommodation qualifying for housing benefit, while there is also a cap on how much can be claimed.	Additional Expenditure	10	10	10	10	10
Q3 2019/20	Commercial	Rental income from Thomas Bellamy House. The lease with the Hitchin Christian Centre has come to an end and was not renewed by the tenant . The space is now being held vacant pending refurbishment of the entire building and future re-letting (included within other minor variances total in table 3).	Income Reduction	6	6	6	6	6
Q3 2019/20	-	Net total of minor permanent budget adjustments requested at quarter 3 2019/20 (included in 'other minor variances' total in table 3)	Additional Expenditure	6	6	6	6	6
Outturn 2019/20	Customers	Council Tax Summons Income. Reduction in forecast income followed the closure of the Court in response to the COVID-19 pandemic.	Income Reduction	57	57	57	57	57
Outturn 2019/20	Place	Income from the sale of textiles collected for recycling. Both the volume of materials collected, and the price received for textiles, have fallen significantly. As such, officers are now investigating the viability of the service.	Income Reduction	11	11	11	11	11
Outturn 2019/20	Customers	Careline alarms equipment costs. Careline are purchasing and installing digital alarms when an alarm requires replacement. The digital alarm costs twice as much as the analogue product previously installed but can be used up to three times, whereas the old analogue equipment could only be used once. Once there is sufficient turnover of the new alarm, annual equipment costs should reduce as alarms returned from former clients can be used for new installations.	Additional Expenditure	78	78	78	78	78
Outturn 2019/20	-	Net total of minor permanent budget adjustments requested at Outturn 2019/20 (included in 'other minor variances' total in table 3)	Additional Expenditure	3	3	3	3	3
Q1 2020/21	All	Staff Payroll Costs. The assumption in the original budget estimates was a staff pay award for 20/21 of 2%. The National Employer pay offer to Trade Unions in April was an increase to all salary points of 2.75%. The budget pressure is therefore the additional resource required for the increase in pay over and above the original 2% estimate.	Additional Expenditure	95	95	95	95	95
Q1 2020/21	Customers	Careline Service Overtime costs. The ongoing adjustment is to recognise the level of staff turnover apparent in recent years and the impact on overtime spend. The cost impact is particularly acute for Careline as a new member of staff requires training by an existing colleague, the hours of whom must then be backfilled either through overtime or the hiring of agency staff.	Additional Expenditure	12	12	12	12	12
Q1 2020/21	Customers	Benefit Overpayments Income. Forecast income reduction is attributed to the ongoing transfer of working age benefit claimants to Universal Credit, which is administered by the DWP. Since October 2018 the Council has not accepted Housing Benefit claims from new working age claimants or from existing claimants whose circumstances have changed, as housing costs are now part of Universal Credit. The benefit caseload has since dropped by 28%, from 6,426 to 4,614, with the reduction in activity therefore helping to reduce the incidence and value of benefit overpayments. The apparent downturn in the economy and reduction in individual incomes, from associated job losses or furlough, has also contributed to reducing the occurrence of benefit overpayments and accelerated the migration to Universal Credit.	Income Reduction	163	163	163	163	163
Q1 2020/21	Resources	Insurance premiums. There have been increases across a number of policy renewals, indicative of both the general climate in the insurance market and the fact that there were a couple of substantial claims relating to Development Control submitted in the past year.	Additional Expenditure	18	18	18	18	18
Q1 2020/21	Place	Bin stickers. The previous Waste Contractor would commission the Council to produce hangers and stickers for bins to show the collection dates during Easter and Christmas. Urbaser has since made alternative arrangements and this income will no longer be achieved (included in 'other minor variances' total at Q1).	Income Reduction	6	6	6	6	6
Q1 2020/21	Customers	Income from other Local Authorities for IT services. The shared support service contract for the Local Land and Property Gazetteer database has not been renewed by Hertsmere Borough Council (included in 'other minor variances' total in table 3).	Income Reduction	9	9	9	9	9
Q1 2020/21	-	Net total of minor permanent budget adjustments requested at Quarter One 2020/21 (included in 'other minor variances' total in table 3)	Additional Expenditure	5	5	5	5	5
Q2 2020/21	Regulatory	Stray Dog Contract costs. Increase in annual cost of the stray dog collection and kennelling service, provision of which is a statutory requirement, follows the outcome of the recent procurement exercise and the award of a new three-year contract to the successful supplier (included in 'other minor variances' total in table 3).	Additional Expenditure	9	9	9	9	9
Budget Report 2021/22	Place	Income from the sale of paper collected for recycling. Ongoing trend of falling tonnages, with volumes collected in April - November 2020 22% less than the equivalent period in 2019, attributed to consumers switching from print media to digital media.	Income Reduction	20	20	20	20	20

Budget Report 2021/22	Place	Recycling Credit Income. Falling paper tonnages collected for recycling reduces the incentive income eligible from Hertfordshire County Council.	Income Reduction	24	24	24	24	24
Budget Report 2021/22	Commercial	Hitchin Market Management Contract. Cabinet approved an eight-month contract extension from August to the end of March 2021 at zero cost to the Council. The proposal presented to Cabinet is for the cost neutral arrangement with Hitchin Market Ltd to continue into the next financial year (and potentially beyond).	Income Reduction	28	28	28	28	28
Budget Report 2021/22	Place	Alternative Financial Model Income from Hertfordshire County Council. The Covid-19 pandemic has impacted on the Council's recycling performance during the year, to the extent that the Council's eligible share was projected by HCC in October 2020 to be zero. The pressure value is after mitigating the impact with the removal of the expenditure budget that would have been funded by AFM (highlighted in Table 2 in the budget report).	Income Reduction	359	-	-	-	-

Total pressures and investments incorporated since 2020/21 budget agreed in February 2020	Total Additional Expenditure	255	255	255	255	255
	Total Income Reduction	683	324	324	324	324
	Total Pressures Arising	938	579	579	579	579

Previously agreed changes, including updates to amounts

Reference	Service Directorate	Description	Budget Impact	Pressure / Saving				
				2021/22	2022/23	2023/24	2024/25	2025/26
				£'000	£'000	£'000	£'000	£'000
-	Managing Director	Reduction in annual interest payments relating to outstanding loans with Public Works Loans Board. The annual interest payments reduce as the loan principal is repaid. UPDATE CBP 2021/22: Estimates updated and extended to 2025/26	Saving	(1)	(2)	(4)	(5)	(7)
Council 31st August 2017	Managing Director	Annual interest (fixed at 3.5%) receivable from NHDC loan to SLL for purchase of gym and fitness equipment at Hitchin and Royston Leisure Centres, approved by Council in August 2017, decreases as the loan principal is repaid. Loan principal is scheduled to be fully repaid by the end of March 2023.	Pressure	3	7	10	10	10
-	Managing Director	District Wide Survey (estimated cost £18k) takes place in alternate years. UPDATE CBP 2021/22: Remove budget in 2024/25 and reinstate in 2025/26	Pressure	18	-	18	-	18

Total Net Budget Impact	Total Pressures	21	7	28	10	28
	Total Savings	(1)	(2)	(4)	(5)	(7)
	Net Budget Impact	20	5	24	5	21

All amounts £000	2021/22	2022/23	2023/24	2024/25	2025/26
Net expenditure brought forward	14,902	16,390	15,696	15,635	15,417
Planned delivery of savings previously identified	-51	128	-24	0	0
Planned Investments previously approved	194	-56	-24	0	0
Other previously identified adjustments in future years	20	-15	19	-2	0
Ongoing impact of variances reported in year and CBP updates	532	-374	15	-5	-153
New savings proposals	-168	-22	-23	2	-2
New investment proposals	329	-191	5	1	4
Net pay increments	37	50	50	50	50
Pay inflation	304	300	300	300	300
Forecast Contractual Inflation	80	300	300	325	325
Forecast Income Inflation	-129	-273	-280	-288	-296
Investment allowance in future years	0	0	0	0	0
2020/21 Budgets Carried Forward	340	-340	0	0	0
Further savings tbc	0	-200	-400	-600	-800
Total Net Expenditure	16,390	15,696	15,635	15,417	14,845
Council Tax Income	-11,862	-12,252	-12,501	-12,751	-13,005
Council Tax Collection Fund (Surplus) / Deficit	77	54	54	0	0
(Negative) Revenue Support Grant	0	1,159	1,182	1,206	1,230
Business Rates	-2,726	-2,780	-2,836	-2,893	-2,951
Business Rates - Under-indexing of multiplier compensation	-142	-142	-145	-148	-151
New Homes Bonus	-392	-131	0	0	0
Lower Tier Services Grant	-116	0	0	0	0
Coronavirus (COVID-19): emergency grant funding	-558	0	0	0	0
Coronavirus (COVID-19): Council Tax Support Grant	-230	0	0	0	0
Other	39	23	23	23	23
Total Funding	-15,910	-14,069	-14,223	-14,563	-14,854
Net funding position (use of reserves)	480	1,628	1,411	854	-9

General Fund b/f	7,812	7,730	7,730	7,730	7,090
Funding Equalisation Reserve	-398	0	0	0	0
Special Reserve transfer	0	-716	0	0	0
MHCLG Grants Transfer	0	-912	-1,411	-214	0
General Fund c/f	7,730	7,730	7,730	7,090	7,099

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All amounts £000	2021/22	2022/23	2023/24	2024/25	2025/26
Net expenditure brought forward	14,902	16,390	15,696	15,685	15,467
Planned delivery of savings previously identified	-51	128	-24	0	0
Planned Investments previously approved	194	-56	-24	0	0
Other previously identified adjustments in future years	20	-15	19	-2	0
Ongoing impact of variances reported in year and CBP updates	532	-374	15	-5	-153
New savings proposals	-168	-22	-23	2	-2
New investment proposals	329	-191	5	1	4
Net pay increments	37	50	50	50	50
Pay inflation	304	300	300	300	300
Forecast Contractual Inflation	80	300	300	325	325
Forecast Income Inflation	-129	-273	-280	-288	-296
Investment allowance in future years	0	0	0	0	0
2020/21 Budgets Carried Forward	340	-340	0	0	0
Further savings tbc	0	-200	-350	-600	-600
Total Net Expenditure	16,390	15,696	15,685	15,467	15,095
Council Tax Income	-12,109	-12,501	-12,751	-13,005	-13,264
Council Tax Collection Fund (Surplus) / Deficit	77	54	54	0	0
(Negative) Revenue Support Grant	0	1,159	1,182	1,206	1,230
Business Rates	-2,726	-2,780	-2,836	-2,893	-2,951
Business Rates - Under-indexing of multiplier compensation	-142	-142	-145	-148	-151
New Homes Bonus	-392	-131	0	0	0
Lower Tier Services Grant	-116	0	0	0	0
Coronavirus (COVID-19): emergency grant funding	-558	0	0	0	0
Coronavirus (COVID-19): Council Tax Support Grant	-230	0	0	0	0
Other	39	23	23	23	23
Total Funding	-16,157	-14,318	-14,473	-14,817	-15,113
Net funding position (use of reserves)	233	1,378	1,211	650	-18

General Fund b/f	7,812	7,812	7,812	7,812	7,812
Funding Equalisation Reserve	-233	-165	0	0	0
Special Reserve transfer	0	-716	0	0	0
MHCLG Grants Transfer	0	-497	-1,211	-650	0
General Fund c/f	7,812	7,812	7,812	7,812	7,830

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**CABINET
26 JANUARY 2021**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: INVESTMENT STRATEGY (INTEGRATED CAPITAL AND TREASURY)

REPORT OF THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: FINANCE AND I.T.

CURRENT COUNCIL PRIORITY: RESPONSIVE AND EFFICIENT

NEW COUNCIL PRIORITY: ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY

1. EXECUTIVE SUMMARY

1.1 The Investment Strategy provides the following key information:

- A capital programme of £14.718m in 2021/22 and £25.074m for the period 2022/23 to 2025/26.
- Recommendations on the Prudential and other Treasury indicators that will be monitored and reported on during the year (2021/22)
- As the Council has identified a need to borrow for capital purposes, a borrowing and Minimum Revenue Provision (MRP) policy
- The scope of treasury investments where the Council will invest any surplus cash.

2. RECOMMENDATIONS

- 2.1. That Cabinet recommend to Council the adoption of the Investment Strategy (as attached at Appendix A), including the capital programme and prudential indicators.
- 2.2. That Cabinet recommend to Council the adoption of the four clauses in relation to the Code of Practice on Treasury Management (as detailed in paragraphs 8.12 to 8.17).

3. REASONS FOR RECOMMENDATIONS

- 3.1 To ensure that the capital programme meets the Council's objectives and officers can plan the implementation of the approved schemes
- 3.2 To ensure the Council's compliance with CIPFA's code of practice on Treasury Management, the Local Government Act 2003, statutory guidance from the Ministry of Housing, Communities and Local Government and the CIPFA Prudential Code. As well as determining and managing the Councils risk appetite in respect of investments.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Each proposed service related capital scheme is the result of consideration of options for the best way of continuing service delivery by the relevant Service Director in consultation with the relevant Executive Member. The capital schemes relating to District investments (rather than directly service related) will primarily consider the benefits to the District and residents, as well as a risk-based yield.
- 4.2 The primary principle governing the Council's investment criteria is the security and liquidity of its investments. After this the return (or yield) is then considered, which provides an income source for the Council. In general, greater returns can be achieved by taking on greater risk.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 All Members were given opportunity to comment on all new Capital investment proposals, as well as existing projects earmarked in future years, at the Member Budget Workshops held in November 2020. Notes of the comments raised at the workshops were provided to Cabinet in December.
- 5.2 Members will be aware that consultation is incorporated into project plans of individual capital schemes as they are progressed.
- 5.3 There is ongoing dialogue with the Authority's Cash Manager, Tradition and regular meetings with Treasury advisors (Link).

6. FORWARD PLAN

- 6.1 This report does not contain a recommendation on a key Executive decision, as the ultimate decision is made by Full Council.

7. BACKGROUND

- 7.1 The Corporate Business Planning Process begins each year with consideration of policy priorities and the Council's Priorities for the District and a review of the Medium Term Financial Strategy. Finance and other resources are aligned to the strategic priorities as set out in the Council Plan.
- 7.2 Cabinet receives quarterly updates on the delivery and funding of the Council's capital programme, with the report presented at the December meeting of Cabinet providing estimates as at the end of the second quarter of 2020/21. The report advised that total expenditure of £46.119m would be required to deliver the current capital programme for 2020-2030, with £3.937m forecast to be spent in 2020/21. Table 1 below details the changes to the existing capital programme reported to Cabinet since the Capital Programme was approved by Full Council in February 2020. In December, Cabinet approved a referral to Council for the reprofiling of IT budgets to allow the purchase of laptops. These will be subject to approval by Full Council in January but are included in the table below to provide a complete picture of the current anticipated position.

Table 1

	2020/21 £M	2021/22 £M	2022/23 to 2029/30 £M
Original Estimates approved by Full Council February 2020	9.357	5.405	26.650
Changes approved by Cabinet in 3rd Qrt 2019/20	3.801	0	0
Changes approved by Cabinet in 2019/20 Capital Outturn report	0.277	0	0
Revised Capital estimates at start of (2020/21)	13.435	5.405	26.650
Changes approved by Cabinet in Covid-19 Financial Impacts report 21/07/20	-2.809	1.713	1.096
Executive Member – Finance and I.T. approved additional Expenditure on 4 schemes	0.180	0	0
Changes at Q1	-0.287	0.296	0
Executive Member – Finance and I.T. approved additional Expenditure on 4 schemes	0.458	0	0
Changes at Q2	-7.040	7.022	0
Proposed reprofiling of IT budgets to allow the purchase of laptops (subject to Full Council approval in January)	0.050	0.030	0.169
Executive Member – Finance and I.T. request to approve additional Expenditure on Council Chamber to enable an improved layout	0.021	0	0
Current Capital Estimates	4.008	14.466	27.915

- 7.3 The Treasury Strategy Statement for 2020/21 was approved by Council in February 2020. A mid year review of the Treasury Strategy will be provided to Council in January 2021. There have been no changes made to the Strategy during the course of 2020/21.

8. RELEVANT CONSIDERATIONS

- 8.1 The proposed Investment Strategy is attached at Appendix A. Council are asked to approve this strategy, which includes the following:
- New capital investment proposals totalling £1.348m
 - A total capital programme for the period of 2021/22 to 2025/26 of £39.792m.
 - Adoption of a treasury strategy that covers borrowing and investment forecasts and limits, including prudential indicators
- 8.2 The following are provided as appendices to Investment Strategy, and are also appendices to this report:
- Appendix A1- A full list of planned future capital expenditure (2021/22 onwards)
 - Appendix A2- A list of new capital schemes and schemes planned to commence from 2021/22

- 8.3 The format of the Investment Strategy is described in the introduction section (pages 2 and 3). The following sections highlight the significant considerations in relation to this version of the Strategy.
- 8.4 In general the capital programme detailed in tables 6 and 7 on pages 13 and 14 is what was presented to the budget workshops (as referenced in paragraph 5.1). The two exceptions to this are:
- The proposed changes to the IT budgets for purchase of laptops as detailed in paragraph 7.2. The detail presented to the budget workshop did detail a shift from desktop to laptop PCs, but the amounts and profiling has changed since then. Full details are provided in the separate report to Cabinet and Council.
 - The addition of a £27k budget for the purchase of 76 election polling booths and ballot boxes. A number of the booths are coming to end of their useful life. This purchase is for a new type of more portable booth that should make transit and storage easier, and hopefully less expensive. It is also possible to reclaim a proportion of the costs when we carry out elections on behalf of others (e.g. County Council, Police and Crime Commissioner and Parliamentary). The opportunity to progress with this purchase this year was only identified after the budget workshops.
- 8.5 As detailed in table 7 on page 14, there is an allocation of £20m that is aligned to the Property Acquisition and Development Strategy. In addition, there is an allocation for spend on residential property that is funded from capital reserves and has been reprogrammed in to 2021/22. Table 8 (on page 16) provide an assessment of the Security, Liquidity and Yield of the projected spend on these assets. Table 9 (on page 16) details that the assessment of the expected risk of loss will be carried out as part of individual business cases. The paragraph at the bottom of page 24 details the changes to the rules for accessing Public Works Loan Board borrowing, and why it has been necessary to shift the focus of the residential property investment to development and conversion.
- 8.6 As detailed in table 11 (on page 17) based on forecasts of capital receipts and spend, the Council will have a need to borrow to fund the capital programme. This will require £5.2m of borrowing in 2021/22, rising to £6.3m in 2023/24, £13.0m in 2024/25 and up to £18.2m by the end of 2030/31. As detailed on page 19, the Council can consider whether to borrow internally or externally. The advantages and disadvantages of each are also considered on pages 19 and 20. Based on this, and the uncertainty over value and timing of capital receipts it is considered that the Council should assume that it will need to borrow externally. This will be given further consideration at the time that any borrowing is needed. If the forecast is that the need is more likely to just be for a short period (e.g. there is greater certainty over capital receipts) or there is a clearer indication over future interest rates (e.g. they are not likely to rise) then internal borrowing will be reconsidered. It is also possible that there will not be the need to borrow that is identified if there is slippage on the capital programme, this is particularly likely in relation to the investments described in paragraph 8.4 above as they are dependent on there being the right opportunities.
- 8.7 Where the Council has a need to borrow then it incurs a revenue charge known as a Minimum Revenue Provision (MRP). For external borrowing there is also a need to pay interest costs. The need to borrow in effect comes from the decision that has been made to invest £20m in line with the Property Acquisition and Development Strategy. The primary reason for any such investment is for the purposes of the Council's functions or the benefit, improvement or development of the area. However, investments will only be taken forward if they generate a return above the cost of capital (based on prevailing

interest costs and estimated MRP). This reflects suitable compensation for the risks of property investment. This return has not been factored in the revenue budgets and nor will the costs of capital (interest charges and MRP). This is considered to be a prudent net approach to take. The totals for Treasury Indicator 6 on page 24 are based on existing investment assets and spend in line with the capital programme on residential property and investments in line with the Property Acquisition and Development Strategy. The annual income is based on forecasts for the existing investments and an assumed return of 6% for new investments (2.5% MRP + 2% interest + 1.5% margin). The loans are in accordance with the identified need to borrow and the cost of borrowing is assumed at 4.5% (2.5% MRP and 2% interest).

- 8.8 The Council also needs to determine a MRP policy. The current capital programme is a combination of spend on service provision and investments that should generate a consistent return over time. Therefore, it is considered appropriate to use adopt an equal instalment MRP policy. This can be reviewed in future if the Council ever looked at an investment with a return profile that increased over the life of the asset.
- 8.9 Table 17 on page 29 details where the Council can invest its surplus cash. This sets limits to ensure appropriate diversification. The following changes are proposed compared to last year:
- Increase investment limit with other individual Local Authorities from £3m per Authority to £5m. This is based on increasing the percentage that can be invested from 10% to 15%. This reflects that other Local Authorities are relatively low risk due to their tax raising powers, and that a number of other Local Authorities will now only look at borrowing £5m or more.
 - Increase overall Building Societies limit from £16m to £17m. This change applies the same percentage as last year, but the forecast year end total investment balance is slightly higher.
 - Increase the limit with the same banking group from £4m to £5m and increase the total limit with banks from £20m to £21m. This change applies the same percentages as last year, but the forecast year end total investment balance is slightly higher.
 - To reduce the amount that can be invested in Property Funds to £2m. This uses the same percentage but applies it to the forecast balance at the end of 2025/26. This reflects that this should be considered to be a long term investment.
 - To add the option to invest in UK multi-asset funds. These funds invest in a range of assets to achieve diversification. These assets include equities, bonds and cash and are can be spread over a broad range of strategies, styles, sectors and regions. These should be considered to be longer-term investments and are expected to provide a greater return (over time) that is commensurate with the increased liquidity risk. The proposed limit is set at £2m in line with the rationale for Property Funds (above).
- 8.10 In relation to the Property Funds and Multi-asset Funds mentioned above it is important to invest in a fund that is appropriate for the Council (e.g. considering types of investments, level of risk, balance between income and capital growth, approach to ethical and green investments). The treasury budget will be used to procure professional advice in respect of this. It should also be noted that the fees involved will be very small in comparison to the potential differentials in yields between the various funds.

- 8.11 The Code of Practice on Treasury Management requires that a report be submitted to Full Council setting out four clauses which should be formally passed in order to approve adoption of the code. The four clauses are detailed below, including how they are met by the Council. As recommended by CIPFA, where appropriate these are included within the Council's Constitution and Financial Regulations.
- 8.12 Clause 1 relates to creating and maintaining a Policy and practices as a cornerstone for effective treasury management.
- 8.13 Full Council are asked to approve the adoption of the following Treasury Management Policy Statement, which is the same as in previous years:
- This organisation defines its treasury management activities as: "The management of the authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".
 - This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
 - This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
- 8.14 The Council has adopted treasury management practices (TMPs) which set out how the Council will carry out, manage and control the achievement of the policy above in practice. These TMPs are substantially unchanged from last year and follow the recommendations contained within the Code, subject only to amendment where necessary to reflect the particular circumstances of the Council. Such amendments are minor and do not result in any material deviation from the Code's key principles. The TMPs are operationally focused and therefore the themes covered are detailed below, rather than providing the full document. Where relevant the detail is already covered in the Investment Strategy (e.g. approved instruments):
- TMP1- Risk Management
 - TMP2- Performance Measurement
 - TMP3- Decision making and analysis
 - TMP4- Approved instruments, methods and techniques
 - TMP5- Organisation, clarity and segregation of responsibilities, and dealing arrangements
 - TMP6- Reporting requirements and management information arrangements
 - TMP7- Budgeting accounting and audit arrangements
 - TMP8- Cash and cash-flow management
 - TMP9- Money laundering
 - TMP10- Staff training and qualifications
 - TMP11- Use of external service providers
 - TMP12- Corporate Governance
- 8.15 Clause 2 relates to the reporting on treasury activities. These are set out in the Investment Strategy on page 3.

- 8.16 Clause 3 relates to the delegation of responsibility for the implementation and regular monitoring of its treasury management policies. The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Cabinet (Constitution 5.6.9) and for the execution and administration of treasury management decisions to the Service Director: Resources (Constitution 14.6.12 (a) (iii) and Financial Regulations section 13) who will act in accordance with the Council's policy statement and treasury management practices and the CIPFA Standard of Professional Practice on Treasury Management.
- 8.17 Clause 4 relates to the scrutiny of treasury management strategy and policies. The Council nominates the Finance, Audit and Risk Committee to be responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies (Constitution 10.1.5 (c)).

9. LEGAL IMPLICATIONS

- 9.1 Full Council will decide the overall capital budget (Constitution 4.3) and approve the treasury management strategy statement (Constitution 4.4.1 (dd)).
- 9.2 Cabinet will recommend to Full Council the annual capital budget (Constitution 5.6.38) and treasury management strategy statement (Constitution 5.6.39).
- 9.3 The Finance, Audit and Risk Committee will consider the Council's policy in relation to Treasury Management and make recommendations on the Annual Treasury Management and Investment Strategy, and Treasury Management Code of Practice (Constitution 10.1.5 (c)).
- 9.4 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." That officer is the Service Director- Resources.
- 9.5 The proposed Prudential Indicators contained within the Investment Strategy comply with the Local Government Act 2003. The Investment Strategy has been developed to comply with the statutory guidance from the Ministry of Housing, Communities and Local Government and the CIPFA Prudential Code.

10. FINANCIAL IMPLICATIONS

- 10.1 These are covered in section 8.

11. RISK IMPLICATIONS

- 11.1 Capital investment is sometimes needed to mitigate against a risk to the Council. This is detailed to Members when a new investment comes forward. The risk implications of each individual scheme are considered in project plans as the schemes are progressed. The capital programme assumes a level of third party contributions and grants towards the cost of the schemes. There is a risk that not all the contributions are forthcoming.
- 11.2 Investment risks in relation to treasury management are covered in this report and the Investment Strategy. The TMPs (see 8.13) and Financial Regulations provide controls to manage other risks

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 There are no direct equalities implications directly arising from the adoption of the Capital Programme for 2021/22 onwards. For any individual new capital investment proposal of £50k or more, or affecting more than two wards, an equality analysis is required to be carried out. This will take place following agreement of the investment proposal.

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to recommendations of this report. The projects at section 8.4 may have impacts that contribute to an adverse impact. As these projects go forward, an assessment will be made where necessary.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are no direct human resources implications arising from this report.

16. APPENDICES

- 16.1 Appendix A - Investment Strategy
- 16.2 Appendix A1 - A full list of planned capital expenditure (2021/22 onwards)
- 16.3 Appendix A2 - A list of new capital schemes and schemes planned to commence from 2021/22

17. CONTACT OFFICERS

- 17.1 Ian Couper, Service Director- Resources, Ext: 4243, E-mail: ian.couper@north-herts.gov.uk
- 17.2 Dean Fury, Corporate Support Accountant, Ext 4509, dean.fury@north-herts.gov.uk
- 17.3 Reuben Ayavoo, Policy and Community Engagement Manager, Ext 4212, reuben.ayavoo@north-herts.gov.uk

18. BACKGROUND PAPERS

- 18.1 None

Appendix A

Investment Strategy (Integrated Capital and Treasury Strategy)

Part 1- Overview

Introduction

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's risk appetite, providing adequate security and liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending plans. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses.

The Chartered Institute of Public Finance and Accountancy (CIPFA) define treasury management as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

This strategy now provides an integrated view of capital spend and income, alongside treasury management. This is because long-term Treasury management is inextricably linked to the funding of the capital programme. There is also a requirement to apply treasury management principles to any capital spend that is not related to service provision.

The format of this strategy is as follows:

Part 2- Capital Spend

- A summary of the Council's current capital assets. For those assets that are not held for service provision, an assessment against the principles of Security, Liquidity and Yield.
- Forecasts of the capital and revenue spend required to maintain those assets.
- Planned spend on new capital assets, with the additional assessment of risk, security, liquidity and yield for those assets that are not being acquired for service provision.
- This part of the strategy therefore gives a complete picture of forecast capital spend.

Part 3- Capital balances, receipts and the Capital Financing Requirement (CFR)

- Forecasts of expected receipts from the sale of surplus capital assets.
- Comparing capital spend forecasts with capital reserve balances and forecast future receipts gives the Capital Financing Requirement, which is the Council's need to borrow.

Part 4- Borrowing Strategy and Minimum Revenue Provision (MRP)

- This leads to the setting of a borrowing strategy which sets out how to borrow, when to borrow and for how long.
- Where the Council has a borrowing requirement, then it is required to set a policy on Minimum Revenue Provision.

Part 5- Investment Strategy

- This is then all combined to determine the levels of cash that the Council will have available for investment. This leads to an investment strategy that determines where to invest any balances, including limits on types of investments.

Part 6- Overall Risk considerations

- To consider the cumulative risks that the Council faces that arise from the totality of this strategy.

Part 7- Glossary of terms

- To explain the various terms used in this strategy.

The strategy sets a number of prudential and treasury indicators. A prudential indicator is one which is required by statutory guidance, whereas a treasury indicator is one that is set locally to provide information on performance.

Reporting requirements

Full Council will receive and approve three reports during the year:

- The Integrated Capital and Treasury strategy (this report)
- A mid-year review
- An annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation's treasury management strategy

Each of these reports will be reviewed by the Finance, Audit and Risk (FAR) Committee and Cabinet. The FAR Committee and Cabinet will also receive reports on the position as at the end of the first (to end of June) and third (to end of December) quarters. The FAR Committee undertakes an oversight role.

These reports will provide relevant updates on performance against the prudential and treasury indicators.

Basis of Estimates

The estimates contained within this strategy are based on the best information that can reasonably be obtained. For forecasts of spend on assets (revenue maintenance, capital maintenance and capital acquisitions) this is based on a combination of previous experience, indicative quotes, condition surveys and professional advice. The estimates of capital receipts are provided by the Council's Senior Surveyor and are prudent estimates based on expected use, type of sale, market conditions and (where applicable) the status of negotiations to date.

The Council has experienced some cost increases on capital projects in the past. These have generally arisen from delays in the start of the project and subsequent inflation rather than incorrect estimates. Budget Holders have been asked to be as realistic as they can be about the timing of projects and ensure that forecast costs are aligned to the expected timing. There will also be external factors that affect estimates, particularly the impacts of the United Kingdom's withdrawal

from the European Union and ongoing uncertainty over Covid-19. For capital projects, there is some flexibility to the extent to which they can overspend without further approval (ranging from 5% to 20% dependant on value) and this is considered in setting this overall strategy and in the quarterly monitoring.

Treasury Management Policy and Treasury Management Practices

In line with guidance from the Chartered Institute of Public Finance and Accountancy, the Council sets the following treasury management policy:

1. This Council defines its treasury management activities as: The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
2. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
3. The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

The Council also has treasury management practices (TMPs) which set out how the Council will carry out, manage and control the achievement of the policy above in practice. These TMPs follow the recommendations contained within the Code of Practice on Treasury Management (published by CIPFA), subject only to amendment where necessary to reflect the particular circumstances of the Council. Such amendments are minor and do not result in any material deviation from the Code's key principles. The TMPs cover the following areas:

- TMP1- Risk Management
- TMP2- Performance Measurement
- TMP3- Decision making and analysis
- TMP4- Approved instruments, methods and techniques
- TMP5- Organisation, clarity and segregation of responsibilities, and dealing arrangements
- TMP6- Reporting requirements and management information arrangements
- TMP7- Budgeting accounting and audit arrangements
- TMP8- Cash and cash-flow management
- TMP9- Money laundering
- TMP10- Staff training and qualifications
- TMP11- Use of external service providers
- TMP12- Corporate Governance

Treasury Consultant

The Council renewed its contracted with Link Asset Services to provide treasury management advice for the three year period October 2019 – September 2022. It is recognised that the responsibility for treasury management decisions remains with the Council at all times and the Council will ensure

that undue reliance is not placed upon Link. However, there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented.

The performance of the treasury consultant is assessed through regular meetings and the justifications for the advice provided.

Skills and culture

It is important that decision makers are given the information that they need to make those decisions. Given that treasury and risk management can be a complex area; this should be accompanied by the availability of appropriate training. To address the availability of information, all Council, Cabinet and Committee reports include sections on both financial and risk implications. Where a decision is more financial in nature then these considerations will be detailed throughout the report. Table 1 details the key groups in relation to decision making and the training that has been made available. This strategy is required to disclose the steps that have been taken to provide training, and it is up to individual members of those groups to ensure that they take advantage of the opportunities offered.

Table 1

Group	Reason for training	Training that has been made available
Full Council (All Councillors)	Required to formally adopt this Strategy. Required to approve any capital purchase over £2.5m.	Annual training that provides an introduction to Local Authority funding and accounting did not take place due to Covid-19 and that there were no elections, so no new Councillors. To be reinstated during 2021. Training session in 2018/19 provided by Link (the Council's treasury advisors) on risk and how it can be assessed, particularly in relation to capital investment. To review when to re-run this session.
Finance, Audit and Risk Committee	To review the Council's policies on Treasury, Capital and the Medium-Term Financial Strategy. To monitor the effective development and operation of risk management.	Members of the Committee (and substitutes) are encouraged to complete a skills self-assessment. This allows the targeting of specific training. Regular reporting to the Committee on Capital, Risk and Treasury provides the opportunity to ask questions.
Chief Finance Officer and Finance Team	Responsibility for the financial management of the Council (under s151 of Local Government Act, 1972), including capital and treasury management. Provide advice to Budget Holders in respect of financial management. Responsible for reviewing and amending the financial implications sections of reports.	Ongoing Continuing Professional Development for all qualified members of the finance team, including focused training for specific areas of responsibility.
Senior Management Team (SMT)/ Officer Leadership Team (LT)	Individual Service Directors will be responsible for putting forward proposals. Proposals will be reviewed by the Senior Management Team prior to taking through the Committee process. Members of SMT are likely to be involved in negotiating commercial deals.	Training session on risk, risk appetite and assessing risk. Regular updates on the Council's funding and finances, including significant changes in regulations. Training on the core principles of the prudential framework.
Political Liaison Board (Joint Member and Officer Leadership Team)	Cabinet makes recommendations to Council on the policy direction and budget for the Council. Approves capital spend up to £2.5m.	Presentations on the implications of the CIPFA Financial Management Code to help ensure effective financial governance and sustainability.

Part 2- Capital Spend

Current Capital Assets

As at 31st March 2020, a summary of the capital assets owned by the Council is shown in table 2 below.

Table 2

Asset Type	Asset	Reason for ownership	Value (£000)
Investment Properties	Various	Retained to generate income	17,785
Surplus Land and buildings	Various	Held for future sale or development	17,307
Offices and Storage	DCO	Staff offices, customer service centre and democratic facilities	5,075
Offices and Storage	Unit 3	Off-site storage, back-up IT and emergency planning	400
Leisure Facilities	Hitchin Swim Centre / Archers	Service use	7,021
Leisure Facilities	Letchworth Outdoor Pool	Service use	2,605
Leisure Facilities	North Herts Leisure Centre	Service use	12,109
Leisure Facilities	Royston Leisure Centre	Service use	7,172
Leisure Facilities	Pavilions	Service use	1,676
Leisure Facilities	Recreation Grounds / Play Areas / Gardens/Allotments	Service use	5,978
Community Centres and Halls	Various	Community facilities, generally operated by third parties	11,259
Markets	Hitchin Market	To provide a market	134
Museums and Arts	Hitchin Town Hall and District Museum	District-wide museum and community facility	12,254
Museums and Arts	Letchworth and Hitchin museums, Burymead store	Museum storage	1,398
Cemeteries	Various	Service use	1,419
Community Safety	Various CCTV cameras	Service use	23
IT	Various computer equipment and software	To enable the delivery of other services	240
Parking	Various car parks	Service use	9,368
Waste Collection	Bins	Service use	509
Waste Collection	Vehicles	Service use	2,270
Public Conveniences	Various	Subject to leases/ management arrangements	503
Other	Various	Various	436
Total			116,941

Table 3 shows the capital expenditure that has been incurred during the year, or is forecast to be spent in the remainder of the year:

Table 3

Asset Type	Asset	Reason for purchase/ expenditure	Value (£000)
Investment Properties	Residential Housing	To enable the conversion of Harkness Court to increase housing provision in the District	30
IT	Various computer equipment and software	To maintain IT service and provision of equipment in the Council Chamber	694
Various	Various	Capital maintenance of Council buildings/land	668
Leisure Facilities	Hitchin Swim Centre / Archers	Replace Outdoor Boiler	40
Leisure Facilities	Letchworth Outdoor Pool	Replace Outdoor Boiler	40
Leisure Facilities	North Herts Leisure Centre	Refurbish Members Changing room and upgrade Circulation Pipe work	259
Leisure Facilities	Leisure Condition Survey	Improvements to various Leisure sites	87
Leisure Facilities	Recreation Grounds / Play Areas / Gardens	Refurbishment of play areas.	147
Cemeteries	Various	St Johns and Wilbury Hills Path enhancement	20
Museums and Arts	Hitchin Town Hall and District Museum	Mainly works to the Town Hall	188
Museums and Arts	Museum storage	Museum storage solution	100
Parking	Multi-storey car parks	Lighting at Letchworth Multi-storey, wall works at Lairage Car Park, lift refurbishment at Lairage, resurfacing Lairage.	871
Parking	Off Street	Upgrade pay and display machines and resurfacing	53
Community Centres and Halls	Various	Grants for refurbishment of community facilities. Relates to properties that are not owned by the Council (REFCUS).	572
Grants	Various	Disabled Facilities Grants and private sector housing grants S106 Grants (REFCUS)	239
Total			4,008

Capitalisation Policy:

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classed as Property, Plant and Equipment.

Expenditure, above the de-minimis level, on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis provided that it is probable that the future economic benefits or service potential associated with the item will flow to the authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) or is below the de-minimis level, is charged as an expense when it is incurred.

The Authority's de-minimis level is £20,000 for property and £10,000 for vehicles, plant and equipment.

The Council will provide grants that fund works on assets that it does not own. This expenditure can be treated as capital expenditure, even though it does not create an asset that the Council would then own or recognise. This is known as revenue expenditure allowed to be funded by capital under statute (or REFCUS).

For the assets that the Council owns (or plans to purchase in the year) that are **not** for service delivery, the security, liquidity and yield in relation to these have been considered. For these assets it is up to the Council to determine how it balances these, and this will depend on its risk appetite. This analysis is shown in Table 4. In most cases, assets are grouped together by type. Assets that are held for income generation purposes are revalued annually. This valuation is on a fair value basis. Unless detailed below the asset is considered to provide sufficient security.

Definitions:

Security- In traditional treasury terms, this is the possibility that other parties fail to pay amounts due to the Authority. For commercial investments it relates to how susceptible they are to changes in value and market conditions.

Liquidity- This is the possibility that the Authority may not have funds available to meet its commitments to make payments. In general it relates to how easy it is to sell an asset.

Yield- The income return on an investment or asset, such as the interest received or rental income from holding a particular investment or asset.

Table 4

Asset (or type of asset)	Security	Liquidity	Yield
Ground leases- mainly of commercial premises in Royston, Letchworth and Hitchin (£15.6m by value)	Generally subject to long leases where the land has been built on. The building would become owned by the Council if there was a default on the lease agreement. Therefore, high security.	It is possible that the Council could try and sell to the leaseholder. Otherwise low liquidity in common with commercial premises.	The assets have been owned for a number of years. Valuations are based on the yield generated.
Churchgate Shopping Centre, Hitchin-ground lease (value £1.8m)	A long lease with upward only rent reviews. However, this is dependent on amounts due being paid. The Covid-19 restrictions mean that amounts are currently overdue.	On the basis that it generates a reasonable rental stream, likely to be some interest as an investment. Current rental stream is affected by the current Covid-19 restrictions. Therefore, low liquidity, which may improve when Covid-19 restrictions cease.	Valuations are based on the yield generated.
Letchworth Town Hall (value £0.6m)	25 year lease (from 2012) where the tenant has provided significant investment.	Very low liquidity as would require someone to be interested in this type of building. Listed so would limit redevelopment.	Valuations are based on the yield generated.
Beverley Close Store, Royston (value £0.1m)	15 year lease from 2017	Low liquidity in common with commercial premises.	Valuations are based on the yield generated. Previously used as a Council store and a decision was made to retain for rental income.
Residential housing (Harkness Court)	The demand for housing is considered to be greater than an office building. Therefore, the expenditure on a conversion scheme is expected to increase the security of the asset.	The liquidity of the asset increased with the granting of planning permission and building regulation approval. Will continue to increase as conversion works progress. On completion will have quite high liquidity.	Not currently generating any income. The conversion will increase the capital value / enable generation of rental income.
Other assets valued at less than £0.1m (£0.3m in total)	Not fully assessed	Not fully assessed	Not fully assessed

Definitions:

Fair Value: The price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

For each of the assets in table 4, there is also a requirement to carry out a fair value assessment that demonstrates that the underlying assets provide security for the capital invested. There is a further requirement to carry out an assessment of the risk of loss. This assessment generally relates to investments in commercial activities so includes items that may be less relevant to the majority of our assets. In total the risk assessment covers:

- Assessment of the market that competing in, including nature and level of competition, market and customer needs including how these will evolve over time, barriers to entry and exit, and ongoing investment required.
- Use of external advisers and how the quality of these is monitored
- Whether credit ratings are used and how these are monitored
- Any other sources of information that are used

The assessments described above are shown in table 5. In most cases the assets are grouped together by type.

Table 5

Asset (or type of asset)	Fair value assessment	Assessment of the risk of loss
Ground leases- mainly of commercial premises in Royston, Letchworth and Hitchin (£15.6m by value)	Valued on a fair value basis. The valuation is based on rental yields.	Subject to competition from other sites within the same industrial areas and other locations. Difficult (uneconomic) for current lessees to exit due to lease terms and investment in the site. Any maintenance is the responsibility of the leaseholder.
Churchgate Shopping Centre, Hitchin-ground lease (value £1.8m)	Valued on a fair value basis. The valuation is based on rental yields.	External valuations have been commissioned in recent years. These have highlighted the difficulties that face retail and shopping centres in particular. These difficulties have been heightened by the current Covid-19 restrictions. It is unclear whether this additional impact will be ongoing when restrictions are lifted. Whilst, the freehold that the Council has is on beneficial terms which would usually provide investment returns, these returns are uncertain when the leaseholder is unable to generate income to afford to pay them. Whilst maintenance is the responsibility of the leaseholder, this will be impacted by availability of funds. Valuation reports have been checked and challenged by the Council's chartered surveyors.
Letchworth Town Hall (value £0.6m)	Valued on a fair value basis. The valuation is based on rental yields.	The building has some unique features in relation to its prominence and location. However, overall, there currently is an over-supply of office accommodation in Letchworth. Difficult (uneconomic) for current lessees to exit due to lease terms and investment in the building. Any maintenance during the lease term is the responsibility of the leaseholder.

Asset (or type of asset)	Fair value assessment	Assessment of the risk of loss
Beverley Close Store, Royston (value £0.1m)	Valued on a fair value basis. The valuation is based on rental yields.	Subject to competition from other sites within the same industrial areas and other locations. Currently let to a company with significant property interest nearby. Might be difficult to re-let.
Other assets valued at less than £0.1m (£0.3m in total)	Not fully assessed	Not fully assessed

Under the 'Use of Capital Receipts Direction', the Council can treat certain specified revenue spend as capital. Further details of the direction are shown below. Where this direction is used, the spend is included in the capital forecasts in tables 3, 6 and 7.

Use of Capital Receipts Direction:

The Capital Receipts direction has been used to fund the decommissioning of pavilions and play areas in 2018/19. There are no plans to make further use of the Direction in the period 2021/22– 2025/26.

For all assets the future capital cost of maintaining those assets has been considered, and gives the following future capital spend requirements (table 6).

Table 6

Asset	Description of future capital expenditure	Forecast Capital Expenditure (£000)					
		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 to 2030/31
Existing Capital Programme-schemes 2021/22 onwards							
Various	Capital maintenance based on condition surveys	255	0	0	0	0	0 (tbc)
Cemeteries	Ickneild Way, St Johns and Wilbury Hills - Enhance Footpaths	60	0	10	50	0	30
Computer Software & Equipment	To maintain IT services	87	492	133	458	494	1,174
Lairage Multi-storey car park		111	0	0	0	0	0
Hitchin Swim Centre	Refurbishment / Boiler Replacement	0	30	40	200	300	605
Letchworth Outdoor Pool	Boiler Replacement	0	0	40	0	0	0
North Herts Leisure Centre	Various Refurbishments	50	330	250	0	0	270
Royston Leisure Centre	Various Refurbishments	0	255	0	150	0	300
Various	Growth Fund Projects	713	0	0	0	0	0
Various	Private sector housing grants (REFCUS)	60	60	60	60	60	300
Various Leisure Facilities	Condition Survey enhancements	0	0	107	0	0	0
Various Off-Street Car Parks	Resurfacing / Lighting	163	56	8	0	0	0
Various Parks and Playgrounds	Enhancements	180	270	435	215	180	900
New Capital Programme							
Coombes Community Centre	Improve Underground Drainage	25	0	0	0	0	0
Computer Software & Equipment	To maintain IT services	90	0	60	55	40	230
Hitchin Swim Centre	Replacement of Domestic Hot Water Calorifer	25	0	0	0	0	0
Lairage Multi-storey car park	Cosmetic coating to four stairwells and replacement windows and doors	75	0	0	0	0	0
Newark Close	Road Replacement	65	0	0	0	0	0
North Herts Leisure Centre	Replacement of Sport Hall heating system	30	0	0	0	0	0
Royston Leisure Centre	Solar Thermal Installation	50	0	0	0	0	0
Thomas Bellamy House	Structural and roof enhancements	65	0	0	0	0	0

Asset	Description of future capital expenditure	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 – 2030/31
Various Parks and Playgrounds	Enhancements	45	10	0	0	0	0
Reprogramming (as at Quarter 2)							
Various off-street car parks	Resurfacing / Lighting	75	0	0	0	0	0
Total		2,224	1,503	1,143	1,188	1,074	3,809

The totals for 2026/27 to 2030/31 are estimates only and could be subject change. These should be treated as early indications only, and formal approval of these amounts is not required.

The revenue maintenance of these assets has also been considered. The Council has chosen to allocate a central budget of £185k per year for this purpose. For 2021/22 there is a recommendation in the revenue budget that this is increased by £122k for one year, before returning back down to the previous level. This increase will allow a number of proactive maintenance works to be carried out, whilst maintaining provision for reactive works.

New Capital Assets

There are also proposals for the following capital expenditure on new capital assets and expenditure on existing assets that is not related to capital maintenance (table 7).

Table 7

Asset	Reason for capital expenditure	Forecast Capital Expenditure (£000)					
		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 to 2030/31
Existing Capital Programme-schemes 20120/21 onwards							
Property acquisition and development	As per property acquisition and development strategy	4,000	4,000	4,000	4,000	0	0
NH Museum and Community Facility	Museum Storage Solution	1,100	0	0	0	0	0
On-Street Parking	Parking Charging, Payment & Management	285	0	0	0	0	0
Walsworth Common Pavilion	New pavilion	0	300	0	0	0	0
Royston Leisure Centre	Extension to provide a new multi-functional room and increase size of fitness room	0	1,000	0	0	0	0
John Barker Place	Contribution to redevelopment	0	1,096	0	0	0	0
Waste and Recycling	Vehicles	0	0	0	0	4,000	0

Waste and Recycling	Northern Transfer Station	0	0	0	1,600	0	0
New Capital Programme							
Electric Vehicle Charging	Provision of On-Street Electric Vehicle charging	100	0	0	0	0	0
Elections	Polling Booths / Boxes	27	0	0	0	0	0
Off-Street Parking	Parking Machines Upgrade - Contactless Payment Facility Installation	36	20	0	0	0	0
Off-Street Parking	Parking Machines Replacement	0	0	0	0	150	150
Reprogramming (as at Quarter 2)							
Property acquisition and development	As per property acquisition and development strategy	4,000	0	0	0	0	0
Develop housing at market rents	Increase provision of housing at market rents	2,946	0	0	0	0	0
Total		12,494	6,416	4,000	5,600	4,150	150

Below is an estimate of the total capital expenditure to be incurred in the years 2021/22 to 2025/26. This is based on tables 6 and 7. This is a Prudential Indicator and the Council is required to set a target for it and monitor against it during the year.

Prudential Indicator 1: Estimate of total capital expenditure to be incurred in years 2021/22 to 2025/26

Year	£m
2021/22	14.718
2022/23	7.919
2023/24	5.143
2024/25	6.788
2025/26	5.224

A full list of planned future capital expenditure (2021/22 onwards) is provided as Appendix A1. A list of new capital schemes and schemes planned to commence from 2021/22 is provided in Appendix A2.

Where this proposed expenditure does not relate to service delivery, the security, liquidity and yield in relation to this spend has been considered (table 8).

Table 8

Asset (or type of asset)	Security	Liquidity	Yield
Residential Property	<p>The underlying value of residential property generally appreciates over the medium term due to the overall shortage of supply. The focus on developing new properties or converting existing properties to residential will also help to ensure security due to the expected uplift in value. Individual market factors will be considered prior to acquisition.</p> <p>Where retained it is likely that the property will be held through a company. The Council's interest will therefore be secured via a loan or equity holding. Any loan can be secured against property. Any equity interest does not offer the same security, but it may be required due to HMRC rules on the funding of companies or for another commercial reason.</p>	Property is a medium to long-term asset due to the costs of buying and selling. However, it is generally possible to sell residential property within a reasonable time-frame if priced accordingly.	The expected rental yield will be compared to the costs of acquisition or construction as part of the business case.
Investments in line with the Property Acquisition and Development Strategy (£20m)	As detailed in the Property Acquisition and Development Strategy, the security of investments will be given a high weighting in determining which ones to take forward. However there will always be some risk relating to both general market conditions and specific factors relevant to individual properties. Spreading the total investment over a number of properties will help mitigate the second of these.	Property is a medium to long-term asset due to the costs of buying and selling, and that property markets can be cyclical in nature. The Property Acquisition and Development Strategy targets those properties that are considered to be more liquid e.g. they have a wider range of tenants and/ or uses.	To reflect the risk of property investment a net surplus of 1-1.5% (above borrowing, administration and acquisition costs) will be targeted as a minimum. Any target surplus will be commensurate with the level of risk.

For these assets, table 9, also details an assessment of the risk of loss. This covers the same factors that have been detailed previously. Where relevant, assets have been grouped together.

Table 9

Asset (or type of asset)	Assessment of the risk of loss
Residential Property	This will be fully assessed as part of the business case for the acquisition of any properties.
Investments in line with the Property Acquisition and Development Strategy	This will be fully assessed as part of the business case for the acquisition of any properties.

Part 3- Capital balances, receipts and the Capital Financing Requirement (CFR)

Capital Funding

The Council forecasts the following additions to its capital receipts (table 10). All the planned disposals are surplus land that is being sold to generate capital receipts. The disposals will also reduce the risks and costs of holding the land. Due to the potential impact on negotiations over disposal values, individual values are not detailed.

Table 10

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 to 2030/31
Forecast Receipts (£000)	4,173	11,200	0	Tbc	Tbc	Tbc

The above timing and values are an estimate only. Actual timings will depend on market conditions and time taken for planning permission to be granted (where sales values are subject to planning). The Council will seek to maximise the sales values it can achieve.

As a result of planned expenditure in 2020/21 and future years, the Council forecasts the following use of funding for capital (table 11).

Table 11

Funding Source	Brought forward (at 31/3/20)	Forecast expenditure and funding sources (£000)						
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 to 2030/31
Capital Expenditure		4,008	14,718	7,919	5,143	6,788	5,224	3,959
Less: Set-aside receipts used	5,514	891	4,554	0	0	55	0	0
Less: Capital receipts used	1,941	2,833	4,067	7,342	4,043	104	0	0
Less: Grant funding used		50	813	0	0	0	0	0
Less: IT Reserve used		0	0	0	0	0	0	0
Less: S106 receipts used		148	0	307	0	0	0	0
Less: Funding from revenue		0	0	0	0	0	4,000	0
Less: Other Capital Contributions		86	36	270	0	0	0	0
Borrowing requirement		0	5,248	0	1,100	6,629	1,224	3,959

Definitions:

Capital receipts- money received from the sale of surplus assets.

Set-aside receipts- previously money generated from the sale of surplus assets was not defined as capital receipt. The residual funding that the Council has (which is mainly from the sale of its housing stock to North Herts Homes) is treated as a set-aside receipt. In essence these are treated in the same way as capital receipts.

The borrowing requirement is the balancing item. It is also known as the Capital Financing Requirement (CFR). This is a Prudential Indicator and the Council is required to set a target for it and monitor against it during the year.

Prudential Indicator 2: Capital Financing Requirement

Year	£m
As at 31 st March 2020 (actual)	-5.6
As at 31 st March 2021 (forecast)	-4.7
As at 31 st March 2022 (forecast)	5.1
As at 31 st March 2023 (forecast)	5.1
As at 31 st March 2024 (forecast)	6.2
As at 31 st March 2025 (forecast)	12.9

Where the Council has a Capital Financing Requirement (i.e. the borrowing requirement is positive) then it:

- Must make a charge to revenue for a Minimum Revenue Provision.
- Can choose whether to borrow internally or externally.

Part 4- Borrowing Strategy and Minimum Revenue Provision (MRP)

Borrowing strategy

Definitions:

Internal Borrowing- Even when the Council has no capital reserves, it can borrow internally against its revenue balances and reserves. This uses the cash that is available and is different to funding capital from revenue. The Council is still required to have a Minimum Revenue Provision but does not incur any external interest costs. Interest income from investing the revenue balances and reserves would be lost.

External Borrowing- Borrowing from a third party (e.g. Public Works Loans Board, a Local Authority or a financial institution). Interest costs would be incurred, as well as having to make a Minimum Revenue Provision.

Based on Prudential Indicator 2 (page 19) the Council has a Capital Financing Requirement from 2021/22 onwards and therefore does have a need to borrow.

If the Council had a borrowing requirement, then in order to determine whether to borrow internally or externally, it must consider the level of revenue reserves and provisions that it has, and when it expects that these will be spent. Forecasts of the revenue budget give the following estimates (table 12). These totals are also used in determining the cash that it has available for investment.

Table 12

Revenue balance	Brought forward (at 31/3/20)	Forecast balance at year end						
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 to 2030/31
General Fund ¹	9,378	7,562	6,973	5,527	4,515	4,192	4,846	4,846
Add back MRP	0	0	0	0	0	0	0	0
Revenue Reserves ²	9,344	9,844	10,344	10,844	11,344	11,844	7,844	7,844
S106 balances	3,741	3,779	3,779	3,779	3,779	3,779	3,779	3,779
Provisions	882	882	882	882	882	882	882	882
Outstanding Debt	423	405	5,635	5,353	6,170	12,494	13,047	12,846
Total	23,768	22,472	27,613	26,385	26,690	33,191	30,398	30,197

1 Based on General Fund forecasts as per 'Revenue Budget 2021/22' report.

2 Revenue Reserve balance as at 31/3/20. Then increases in line with contributions to waste vehicle reserve at £500k per year for 7 years. At end of 7 years assumed that this funding will be used to fund new waste vehicles. For simplicity this ignores some of the fluctuations in reserve balances that are detailed in the 'Revenue Budget 2021/22' report.

MRP is added back as it is not an outflow of cash and can be used for internal borrowing. The cash outflow happens when the borrowing is repaid. As explained in the Revenue Budget report, MRP has not been reflected in the revenue budgets so there is not a need to add it back.

As well as the availability of revenue funding, the Council would also need to consider the advantages and disadvantages of external borrowing. Interest rates are at very low levels and may stay at the current level for some time. Even if the Bank of England base rate went to zero or negative, it seems unlikely that Council borrowing rates would fall any further. There has recently

been a reduction in the Public Works Loan Board (PWLB) rates (by 1%) that reverses the increase applied in October 2019. The increase was designed to prevent Councils from using the PWLB for commercial investments and has been replaced by restrictions of when the PLB can be used. So whilst it may not be some time, the cost external borrowing will increase in the future. Whilst unlikely at the moment, it may become possible to generate higher returns from investing revenue reserves than the interest costs that would be saved. However, this has to be balanced against the certainty of interest costs that will be incurred as soon as borrowing is taken out. There is also a need for the Council to retain a certain buffer of revenue reserves as cash to manage the peaks and troughs in its cash balances. Whilst the Council can borrow for short-term cash-flow needs, this can become expensive. Whatever strategy is adopted, it should be prudent.

Without the forecast capital receipts income, the Council's borrowing need would be a lot higher. These receipts are subject to estimates both in terms of value and timing. Given this uncertainty it is considered that the Council should assume that it will need to borrow externally. This will be given further consideration at the time that any borrowing is needed. If the forecast is that the need is more likely to just be for a short period (e.g. there is greater certainty over capital receipts) or there is a clearer indication over future interest rates (e.g. they are not likely to rise) then internal borrowing will be reconsidered. It is also possible that there will not be the need to borrow that is identified if there is slippage on the capital programme.

Table 13

	Brought forward (at 31/3/20)	Forecast amount of borrowing in year (£000)							Carried forward (at 31/3/31)
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 to 2030/31	
Total borrowing requirement	423	0	5,248	0	1,100	6,629	1,224	3,959	0
Made up of:									
Internal borrowing	0	0	0	0	0	0	0	0	0
External borrowing	423	0	5,248	0	1,100	6,629	1,224	3,959	12,848

The brought forward borrowing total is made up of historic borrowing that it is not cost effective to pay off. This is because the interest that would be payable over the course of the remaining loan has to be paid upfront instead. The reduction is due to these being loans that are repaid in instalments.

Definitions:

Operational Boundary: This is the limit beyond which external debt is not normally expected to exceed.

Authorised Limit: This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

Prudential Indicator 3: External Debt

Year	Forecast Borrowing £m	Forecast other long- term liabilities¹ £m	Forecast Total External Debt £m	Operational Boundary £m	Authorised Limit £m
As at 31 st March 2020 (Actual)	0.423	2.125	2.548	3.7	9
As at 31 st March 2021 (forecast)	0.405	1.622	2.027	3.2	9
As at 31 st March 2022 (forecast)	5.635	1.119	6.754	7.9	12
As at 31 st March 2023 (forecast)	5.353	0.616	5.969	7.1	11
As at 31 st March 2024 (forecast)	6.170	0.113	6.283	7.4	12
As at 31 st March 2025 (forecast)	12.460	0	12.460	13.6	18
As at 31 st March 2026 (forecast)	13.015	0	13.015	14.2	19

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

The external borrowing forecast can be used to give an indication of the borrowing that may be required, which is combined with outstanding existing borrowing (table 14). The Council will also borrow for short-term cash-flow needs if required. The actual borrowing that is taken out will depend on the latest forecasts and the offers that are available at the time that it is required. There will also be a consideration of when any other borrowing becomes due, with the aim of achieving a spread of these dates. This is to try and avoid refinancing risk. The Council is required to set indicators for the maturity structure of its borrowing. Given the low level of borrowing that the Council currently has and is forecast to have, it is considered appropriate to maintain full flexibility as to the exact duration of any borrowing undertaken. This is reflected in the indicators set out as Treasury Indicator 4 below.

Table 14

Loan Type	Start date	Duration (years)	Maturity date	Amount Borrowed (£)	Balance Outstanding 31/03/21 (£)	Interest Rate (actual or forecast) (%)	Current Annual interest cost (£)
PWLb	08/01/49	80	Oct 2025	5,346	837	3.125	30
	16/09/49	80	Jul 2029	380	41	3.0	1
	10/05/46	80	Jan 2026	10,150	1,520	3.125	54
	12/11/48	80	Jul 2028	13,885	3,061	3.0	100
	18/08/61	60	Jul 2021	13,817	474	7.0	81
	28/07/64	60	Jul 2024	15,801	3,041	6.0	217
	02/03/65	60	Jan 2025	19,558	4,240	6.0	296
	01/10/65	60	Jul 2025	33,976	8,171	6.0	560
	05/07/66	60	Jan 2026	35,000	9,222	6.0	623
	02/08/66	60	Jul 2026	50,000	14,290	6.0	954
	18/03/68	60	Jan 2028	40,000	16,115	7.375	1,283
	03/01/69	60	Jul 2028	53,027	24,048	8.125	2,092
	06/03/70	60	Jan 2030	20,100	10,862	8.75	1,001
	24/11/70	60	Jul 2030	18,714	11,007	9.5	1,095
	26/01/71	60	Jan 2031	25,000	15,397	9.75	1,566
	05/03/71	60	Jan 2031	12,500	7,468	9.25	722
	05/03/71	60	Jan 2031	25,0000	14,941	9.25	1,444
	31/05/46	80	Jan 2026	9,570	1,500	3.125	53
	28/02/47	80	Jan 2027	5,832	936	2.5	26
	18/10/46	80	Jul 2026	1,527	226	2.5	6
	20/02/48	80	Jan 2028	14,952	3,099	3.0	102
	22/09/50	80	Jul 2030	654	177	3.0	6
	27/08/82	60	Jul 2042	250,000	250,000	11.5	28,750
	07/12/45	80	Sep 2025	1,500	227	3.125	8
	16/09/49	80	Sep 2029	640	158	3.0	5
	20/03/53	80	Mar 2033	1,020	418	4.125	18
	23/10/53	80	Sep 2033	750	299	4.0	9
	20/11/53	80	Sep 2033	420	171	4.0	7
	25/04/52	80	Mar 2032	480	183	4.25	8
	30/01/48	80	Sep 2027	1,560	303	3.0	10
	20/09/45	80	Sep 2025	16,690	2,602	3.125	96
Total					405,034		

Definitions:

Refinancing Risk (or Maturity Risk): The risk that if all borrowing becomes due for repayment at the same time that this will be at a time when the costs for taking out new borrowing (refinancing) are very high.

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

Treasury Indicator 4: Maturity Structure of Fixed Interest Rate Borrowing

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

The Council does not place any restrictions on where it can borrow from. This is because the Council will hold the money and therefore there is not a risk around the security of the funds. In practice any borrowing is likely to come from the Public Works Loan Board, UK banks, UK building societies and other Local Authorities. All borrowing will be denominated in GBP Sterling. The decision on any borrowing will be made by the Chief Finance Officer and reflect the advice of the Council's treasury advisers.

The Council can enter in to borrowing arrangements at both fixed and variable rates. Variable rate borrowing has a greater risk and so therefore Treasury Indicator 5 limits the amount of borrowing that can be at a variable rate. To aid administration and monitoring, the limits are shown as £ values but are based on percentages of the Operational Boundary. Borrowing at fixed rates can be up to 100% (inclusive) of the Boundary, and variable rate borrowing can be up to 30% of the Boundary.

Definitions:

Fixed Rate: The rate of interest is set at the point the borrowing is taken out and remains at the same percentage rate for the full term of the loan.

Variable Rate: The rate of interest varies during the term of the loan and usually tracks prescribed indicator rate (e.g. Bank of England base rate)

Treasury Indicator 5: Fixed and Variable Borrowing Rate Exposure

Year	Operational Boundary relating to borrowing excluding long term liabilities £m	Limit on Fixed Rate borrowing £m	Limit on Variable Rate borrowing £m
2020/21	1.6	1.6	0.5
2021/22	6.8	6.8	2.0
2022/23	6.5	6.5	1.9
2023/24	7.3	7.3	2.2
2024/25	13.6	13.6	4.1
2025/26	14.2	14.2	4.3

There is a requirement for the Council to consider the proportionality of the income that it generates from its non-service (investment) assets and how this compares to any borrowing that is linked to those assets. Current and planned investment assets were detailed in table 3 and table 8. Treasury indicator 6 shows the capital value and expected income from these assets, alongside any borrowing that is attached to those assets and the expected cost of that borrowing.

The totals below are based on existing investment assets and spend in line with the capital programme on residential property and investments in line with the Property Acquisition and Development Strategy. The annual income is based on forecasts for the existing investments and an assumed return of 7% for new investments (2.5% MRP + 2% interest + 1.5% margin). The loans are in accordance with the identified need to borrow and the cost of borrowing is assumed at 5.5% (2.5% MRP and 2% interest).

Treasury Indicator 6: Income from investment assets and the costs of associated borrowing

Year	Capital value of investment assets £m	Expected annual income from investment assets £m	Loans linked to investment assets £m	Expected annual borrowing costs for loans linked to investment assets £m
2021/22	29.376	1.177	4.6	0.207
2022/23	33.376	1.997	4.6	0.207
2023/24	37.376	2.327	5.7	0.257
2024/25	41.376	2.607	9.7	0.437
2025/26	41.376	2.887	9.7	0.437

The Council would not borrow money in advance of need or at a low rate to try and reinvest that money to earn a higher interest rate, and profit from the margin between the two rates. However, the new waste contract requires the use of vehicles that are provided by the contractor. The Council has taken the view that it receives the risks and rewards of those vehicle assets. Under accounting regulations, it is therefore required to treat this as a finance lease embedded within the contract. This requires the Council to recognise the vehicle assets as belonging to it, alongside a liability. The liability is effectively repaid through the contract sums over the seven years of the contract.

The extended definition of borrowing in advance of need now covers borrowing for capital investments where they are acquired purely to generate profit. The change to the PWLB rules also means that this borrowing cannot be accessed if there is any capital spend that is primarily to generate income, even if that spend was intended to be financed from reserves. The capital programme item in respect of housing had previously encompassed the purchase of existing housing. This has been in the capital programme for a few years and is funded from capital receipts, so would not breach the "borrowing in advance of need" rules. However, it could be considered to be in breach of the PWLB borrowing restrictions. The focus of this funding has therefore been changed to cover the development and conversion of new housing. As detailed in the property development and acquisition strategy the primary purpose of the £20m investment is for the

purposes of the Council's functions or the benefit, improvement or development of the area. Any surplus is necessary to justify this investment but is not the primary purpose.

Minimum Revenue Provision

When the Council has a Capital Financing Requirement (CFR) it is required to make a charge to the General Fund (revenue budget) called a Minimum Revenue Provision (MRP). Subject to guidelines, the Council sets its MRP policy, which is detailed below:

Minimum Revenue Provision:

The Council is required to have a Minimum Revenue Provision (MRP) policy, and when required make charges to revenue in accordance with that policy.

The Council will use the asset life method. The MRP amount will be spread over the estimated life of the assets, in accordance with the regulations. The Council will apply one of the two approaches below based on the project(s) that the borrowing is used for and the benefits derived from the project(s).

- Equal instalments – The principal repayment made is the same each year.
- Or
- Annuity – the principal repayments increase over the life of the asset. This has the advantage of linking MRP to the benefits arising from capital expenditure, where these benefits are expected to increase over the life of the asset.

The Council will have a need to borrow in 2021/22 if the Capital programme is fully spent and will therefore need to apply a Minimum Revenue Provision (MRP). The current capital programme is a combination of spend on service provision and investments that should generate a consistent return over time. Therefore, it is considered appropriate to adopt an equal instalment MRP policy. This can be reviewed in future if the Council ever looked at an investment with a return profile that increased over the life of the asset.

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

Treasury Indicator 7: Cost of borrowing (interest and MRP) as a % of the net revenue budget 2021/22 to 2025/26

Year	Estimated cost of borrowing (£m)	Forecast net revenue budget (£m)	Estimated cost of borrowing as a % of net revenue budget (%)
2021/22	0.276	15.755	1.75
2022/23	0.275	15.499	1.78
2023/24	0.323	15.448	2.09
2024/25	0.619	15.458	4.00
2025/26	0.67	15.287	4.41

Part 5- Investment Strategy

Based on the assumptions above the following available investment balances are assumed. This includes a forecast of revenue reserves, capital reserves, capital financing requirement and external borrowing (table 15).

Table 15

Balances	Brought forward (at 31/3/20)	Forecast balance at year end (£000)					
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Revenue balances (including MRP added back)	23,768	22,472	27,613	26,385	26,690	33,191	30,398
Capital Receipts	1,941	213	319	4,164	121	17	17
Capital Grants Unapplied	938	938	225	225	225	225	225
Add: Long-term liabilities ¹	2,125	1,622	1,119	616	113	0	0
Less: Capital Financing Requirement	-5,594	-4,704	5,098	5,094	6,194	12,912	14,136
Less: Borrowing repayments	17	18	18	282	282	339	671
Total forecast of available for investment	34,349	29,931	24,160	26,014	20,673	20,182	15,833

1 The net position of money owed by the Council or to the Council can lead to increased or decreased cash available for investment. The short-term position is assumed to be net zero. Long-term liabilities are included as the expenditure has been assumed to have been incurred, but the cash has not yet been paid. This primarily relates to the waste vehicles.

The Council needs to consider the following in determining how long it will invest any surplus cash for:

- The period that any particular cash balance is available for. If a balance is expected to be available over a long period then it is possible to invest it over a long period.
- How much might be required to cover short term variations in cash. For example, it could be forecast that the cash at the start and end of the month will be the same. But if there is a need to pay out half that cash at the start of the month before getting an equivalent amount just before the end, then there is a need to plan.
- The risk of investing for longer periods as it increases the chance that the counterparty could have financial problems and therefore not pay back the principal invested and/ or the interest due.
- The risk of investing for longer periods as it could lead to a lost opportunity. If the investment is at a fixed rate and then there is a general rise in rates available (e.g. due to an unexpected Bank of England base rate rise) then it would not be possible to take advantage of the new improved rates until the investment matures.

Before considering where the Council will invest any surplus cash in treasury investments, it firstly needs to consider any loans that it may want to make for other purposes. A local authority can choose to make loans to local enterprises, local charities, wholly owned companies and joint ventures. These loans can relate to service provision or to promote local economic growth. These loans may not seem prudent when considered purely in relation to security and liquidity. Table 16 details current and planned loans and shows the reasons for these loans, how their value is proportionate, the risk of loss and credit control arrangements that are in place.

Table 16

Loan	Amount	Reason for Loan	Proportionality of value	Expected Credit Loss model and credit control
Building Control	Currently £107k, provision for it to increase up to £172k	To support the formation of the company. The Council is also a shareholder in the company, owning 1/7 th of the shares.	Insignificant in the context of overall cash balances. Around 0.4% of total investments.	Regular monitoring of financial forecasts and business plans. The continuation of the company to provide Building Control services is more significant than the value of the loan.
Wholly owned Property Company	Tbc, up to £3m	To provide the company with finances to purchase and develop property assets. These properties will then be let or sold to generate income and profit. It is also possible that any investment could be in the form of equity.	Based on investment limits in table 17 below, it could be the equivalent of one investment in a bank or building society. Also included within treasury limits to ensure diversification in relation to residential property.	Any loan could be secured against the property assets of the company. An equity investment would provide less security and increase expected credit loss. However, it may enable the company to be more profitable, and therefore increase returns. Expected credit loss would be looked at in more detail in advance of any investment being granted and linked to the planned use of those funds.

When the Council invests its surplus cash, it seeks to find reliable counterparties to ensure that the amount invested (and the interest earned) is returned. The Council has decided that it is prepared to take on a higher level of risk than recommended by its treasury advisers in relation to unrated Building Societies and the duration of its investments. This risk is mitigated by reviewing published information in relation to unrated Building Societies (i.e. "Pillar 3" reports and reports by accountancy firm KPMG). Whilst the Council has in the past been fairly highly exposed to Building Societies, it has rebalanced this exposure during the last couple of years to make greater use of other investment types.

The following criteria are used to determine the list of counterparties:

- UK Local Authorities- as they are able to raise additional funds from taxation
- UK Government- Debt Management Office provides highly liquid investments at the lowest risk as backed by the UK Government
- UK Banks and Building Societies with a Fitch Credit rating of BBB (long-term)/ F3 (short-term) or greater- as they have been subject to UK 'stress tests' and also have a high credit rating
- Part-nationalised UK banks- as they have been subject to UK 'stress tests' and the UK government has an increased interest in not allowing them to fail.
- The Council's own banker (Lloyds) that it uses for transactional purposes. Although if its credit rating falls below BBB then any balances will be kept to a minimum (i.e. for cashflow purposes only)
- Non-UK banks with a UK subsidiary that have a Fitch Credit rating of BBB (long-term)/ F3 (short-term) or greater, and are subject to the same stress tests as UK banks
- Non-UK banks where the Country has a AAA rating and the institution has a AA-and above rating.
- Unrated UK Building Societies- as organisations have to pay to obtain a rating; most Building Societies do not get one. They do produce annual reports known as Pillar 3 reports, and these will be used to assess their credit worthiness. Furthermore the Council will only invest in Building Societies that have assets of at least £300m, which limits the potential exposure.
- Money Market funds that are AAA rated.
- Property funds that hold property within the UK.
- Ultra Short Dated Bond Funds- These funds invest in fixed income instruments with very short maturity dates, usually up to one year. This generally provides better returns than money market funds. Whilst this does introduce some capital risk, this is minimised by the short-term nature of such investments. Where AAA rated.
- Multi-asset Funds- These funds invest in a variety of assets including equities, bonds and cash and are can be spread over a broad range of strategies, styles, sectors and regions. Risk is diversified by the spread of investments held.

All investments will be denominated in Sterling.

The Council will seek to appropriately diversify its investments across a range of types and counterparties. This means that if there were any security or liquidity issues with a particular type of investment or counterparty, the Council would still have access to the majority of its funds. The limits are initially based on a percentage of total funds but are converted to actual values to make the administration of investments more efficient. The values are calculated by applying the percentages to the expected balance at the end of the year (2021/22)* and then rounded up to the nearest £1m. If these limits are set too low then it limits the investment opportunities available and also increases the administration as there is then a need to find more places to invest available funds. The limits are shown in table 17 below.

* This is the balance taken from table 15 above of £24.2m but adjusted for the £3m potential capital investment in residential investment. This is included as the £3m investment and is included within the limits to ensure diversification.

Table 17

Investment Type	Maximum amount in that type of investment (£m)	Maximum amount in group (£m)	Maximum amount with any individual counterparty (£m)	Rationale and details
Debt Management Office (UK Government)	No limit			Short-term investment with UK Government that is therefore the lowest possible risk
UK Local Authorities	No limit	n/a	5	15% with any one counterparty, no limit on total with Local Authorities due to tax raising powers
UK Banks and UK subsidiaries of foreign banks that are subject to the same stress tests as UK banks (excluding Lloyds current account)- includes Deposits and Certificates of Deposit	21	5	3	Rating F3 or above (short-term) or BBB or above (long-term) and part nationalised banks. 10% with any one counterparty, 15% with institutions in the same banking group, 75% with banks in total
Lloyds Current Account		n/a	5	Used for cashflow purposes
Non-UK banks- includes deposits and Certificates of deposit		7	3	AAA Country rating and AA-and above institution rating. Maximum of 10% with any one counterparty. Maximum of 25% in non-UK banks. 75% in banks in total.
UK Building Societies- assets of £300m to £1bn	n/a	17	2	Review of Pillar 3 reports and KPMG report on comparative profits. 10% with any one counterparty subject to maximum of £2m. Maximum of 60% with UK Building Societies and Property Funds combined.
UK Building Societies- assets of over £1bn			3	As above, but £3million
Rated UK Building Societies			3	Rating F3 or above (short-term) or BBB or above (long-term). 10% with any one counterparty.
Residential Property Investment			N/A	Up to £3M in line with Capital Programme. Maximum of 60% in Residential Property Investments and Building Societies combined.
UK Property Funds	2		2	Due to long-term nature of investment 10% of 2025/26 year end cash balance to be invested in any one fund or combination of funds. No durational limits.
Money Market Funds	7	n/a	3	AAA rated. Maximum of 25% in MMFs and 10% with any one fund.

Ultra-Short Dated Bond Funds	3		1	AAA rated. Maximum of 10% in USDBFs and £1M with any one fund.
UK Multi-Asset Funds	2		2	Due to long-term nature of investment 10% of 2025/26 year end cash balance to be invested in any one fund or combination of funds. No durational limits.

The Council will primarily limit its liquidity risk by only investing money until it thinks it will next need it. On top of this it will also have a general limit on investments that are greater than 1 year (365 days). This limit is based on 40% of total investments but is again reflected as an absolute value of **£11m**, which is based on 40% of the expected level of investments at the end of the year. Investments with a set term of greater than 2 years will be subject to approval by the Chief Finance Officer, which will include a consideration of how much the investment will be as a percentage of total funds at the date it matures. It will be ensured that this is less than 40% of the estimated balance. No investment term will exceed 5 years.

Investment funds (money market funds, multi-asset funds and property funds) do not have a set term and funds can be requested to be withdrawn at any time. Investment balances will be kept under review to ensure that they do not exceed the maximum amount set by this or subsequent treasury strategies. However, there is no time limit on the period that funds can be held invested for. For property funds there are both up-front set up and exit costs. Furthermore, the capital value of these funds also fluctuates over time. So, whilst in general it is possible to exit these funds at any time, there are likely to be more optimum times to do so. Therefore, it is expected that the period of investment could exceed 5 years. For multi-asset funds, the capital value of these funds also fluctuates over time. So, whilst in general it is possible to exit these funds at any time, there are likely to be more optimum times to do so. Therefore, it is expected that the period of investment could exceed 5 years

Within the investment market, the opportunity for 'green' investments is starting to emerge. These are offering returns that are similar to, or the same as, non-green alternatives for the same level of risk. Subject to these investments being compliant with other aspects of the treasury strategy, then these investments will be prioritised over non-green alternatives.

In general, the Council will access treasury deals directly, rather than using a cash manager. In the current market, the Council is able to get the same (or very similar) rates as a cash manager and this therefore avoids the fees charged by the cash manager. However, the Council will use a cash manager (Tradition) where it provides access to a better investment rate after accounting for the fees. As the actual investment will be with a counterparty, the Council will not set any limits on the number or value of deals that are accessed via Tradition.

Where the Council makes use of credit ratings these will be assessed immediately prior to placing an investment. The Council then receives alerts whenever ratings change and will monitor these alerts to see if an investment has fallen below the minimum criteria. For fixed term investments, it generally will not be possible to do anything in relation to a rating change. Although for a significant drop, enquiries will be made as to the exit costs involved. If these are not significant then the Council will end the investment early. For open term investments, the Council will seek to disinvest, although it will consider any exit costs.

The Council maintains a treasury risk on its risk register.

There is some link between the interest rates that the Council can expect to achieve on its investments and the Bank of England base rate. Our treasury advisors (Link) have provided the following forecasts of base rates over the next 3years. Using this and the investment limits above, we have estimated an average interest rate that the Council will achieve on its investments in each year.

Table 18

Year	Forecast of Bank of England Base Rate as at end of the year (%)	Forecast of average interest earned on investments (%)
2020/21	0.1	0.1
2021/22	0.1	0.1
2022/23	0.1	0.1
2023/24	0.1	0.1

Combining these average interest rates with expected balances, gives a forecast of the interest that will be earned in each year. However, the Council is planning on investing in longer term Property and Multi-asset funds. By taking on greater liquidity risk, a higher medium-term return could be expected. The table below makes an estimate of £4m invested in these funds and a return of 2%. This will be accompanied by a financial risk as returns are very uncertain, particularly on a short-term basis.

Table 19

	2021/22	2022/23	2023/24	2024/25	2025/26
Forecast of average balance available for investment (£m)- short to medium term	23.2	22.0	16.7	16.2	11.9 Forecast
Forecast of average interest earned on investments (%)- short to medium term	0.1	0.1	0.1	0.1	0.1
Forecast of balance available for investment (£m)- longer-term	4	4	4	4	4
Forecast of average interest earned on investments (%)- longer-term	2	2	2	2	2
Forecast of interest earned (£m)*	0.103	0.102	0.097	0.096	0.092
Current interest assumed in the revenue budget.	0.167	0.167	0.167	0.167	0.167

*Due to current economic uncertainty Interest estimates in the revenue budget are higher than those forecast from multiplying the average balance by forecast interest rates. These will be reassessed each year. For 2021/22 it will be necessary to revise the budget down to £104k (a pressure of £63k.

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

Prudential Indicator 8: Forecast of Financing Costs as a percentage of net revenue budget

Year	Cost of borrowing £m	Less: Forecast of interest earned £m	Net Financing costs £m	Net Revenue Budget £m	Financing Costs as a % of Net Revenue Budget £m
2020/21	0.041	0.185	-0.144	15.889	-0.906
2021/22	0.276	0.103	0.173	15.755	1.098
2022/23	0.275	0.102	0.173	15.499	1.117
2023/24	0.323	0.097	0.226	15.448	1.463
2024/25	0.619	0.096	0.523	15.458	3.382
2025/26	0.674	0.092	0.582	15.287	3.808

Part 6- Overall Risk Considerations

The risk exposures for each of the elements of this strategy are generally independent, and therefore can be considered in isolation.

The Council's investments assets generally comprise of ground leases on commercial properties that are all within North Hertfordshire. The main exception to this is the freehold of the Churchgate Shopping Centre in Hitchin. A property fund generally invests in building (and land) assets that provide higher yields, and also diversifies across the United Kingdom. They also currently tend to focus on industrial, warehouses and office buildings. This means that there is limited cross-over in risk exposure, and before investing in a property fund (current investments are zero) the Council would review the current investments of the selected fund. Furthermore, this strategy limits any investment in a property fund to a maximum of £3m.

The capital programme includes an allocation of £3m for investments in market housing within North Hertfordshire. This will expose the Council to a similar risk to Building Society investments, in that they will both be influenced by the UK housing market. This is part of the rationale for reducing the amounts that can be invested in Building Societies. In general, Building Societies will have a much more diversified risk exposure e.g. by location and number of properties.

Part 7- Glossary

A number of definitions are included in the strategy when they are first referenced. These are not duplicated here. This part provides list of other terms used in this report, as well as those used in the statutory guidance.

Borrowing- a written or oral agreement where the Council temporarily receives cash from a third party (e.g. a Bank, the Public Works Loan Board or another Local Authority) and promises to return it according to the terms of the agreement, normally with interest.

Investment: This covers all of the financial assets of the Council as well as other non-financial assets that the Council holds primarily or partially to generate a profit; for example, investment property portfolios. This will include investments that are not managed as part of normal treasury management processes or under treasury management delegations. Furthermore, it also covers loans made by the Council to one of its wholly-owned companies or associates, to a joint venture, or to a third party. The term does not include pension funds or trust fund investments, which are subject to separate regulatory regimes.

Within this strategy, the term investment is used in the following contexts:

- Capital investment- expenditure to acquire or improve a capital asset.
- Investment properties- assets that are held for the purpose of generating an income.
- Cash/ treasury investments- the cash that the Council has, which is made up of revenue reserves, capital reserves and the effects of cashflow timings. These amounts are invested to manage the risks of holding cash and to generate investment income.

Financial investments: These are made up of Cash/ Treasury investments and loans. This term is defined within the statutory guidance (as specified investments, loans and unspecified investments) but has not been directly used in this strategy. Part 5 of the Strategy is focused on these investments.

Specified Investment: These are essentially short-term Cash/ Treasury investments. To be a specified investment, it needs to meet the following criteria:

- The investment is denominated in sterling and any payments or repayments in the respect of the investment are payable only in sterling.
- The investment is not a long term investment. This means that the local authority has contractual right to repayment within 12 months, either because that is the expiry term of the investment or through a non-conditional option.
- It is not capital expenditure.
- The investment is considered to be high quality or is with the UK Government, another Local Authority or a Parish/ Community Council.

High Quality investment: These are investments (specified and non-specified) which are assessed on the priority basis of security, liquidity and yield. Where relevant they make use of relevant additional information, such as credit ratings. The investments set out in part 5 are considered by the Council to be 'high quality'.

- The investment is denominated in sterling and any payments or repayments in the respect of the investment are payable only in sterling.
- The investment is a long term investment. This means that the local authority has contractual right to repayment in greater than 12 months.
- It is not capital expenditure.

- The investment is considered to be high quality or is with the UK Government, another Local Authority or a Parish/ Community Council.

Unspecified investment: In the statutory guidance, these are financial assets that are not specified investments or loans. This creates a circular definition. The Council considers that they meet the following definition:

Loan: a written or oral agreement where the Council temporarily transfers cash to a third party, joint venture, subsidiary or associate who promises to return it according to the terms of the agreement, normally with interest. This definition does not include a loan to another local authority, which is classified as a specified investment. The Council will meet the following conditions when providing such loans:

- Total financial exposure to these type of loans is proportionate;
- An allowed “expected credit loss” model has been used as set out in Accounting Standards
- Appropriate credit control arrangements are in place to recover overdue repayments; and
- The total level of loans by type is in accordance with the limits set out in this Strategy.

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Priority	2020/21 Estimate £	2021/22 Estimate £	2022/23 Estimate £	2023/24 Estimate £	2024/25 Estimate £	2025/26 Estimate £	2026/27 - 30/31 Estimate £
Advances & Cash Incentives							
John Barker Place, Hitchin	0	0	1,096,000	0	0	0	0
Advances & Cash Incentives Total	0	0	1,096,000	0	0	0	0
Asset Management							
Access Bury Mead Road	84,000	0	0	0	0	0	0
Acquisition of Property Investments	0	8,000,000	4,000,000	4,000,000	4,000,000	0	0
Alteration & improvement to underground drainage at Coombes Community Centre	0	25,000	0	0	0	0	0
Council Chamber Lay Out	21,000	0	0	0	0	0	0
Council property improvements following condition surveys	472,200	255,000	0	0	0	0	0
Energy efficiency measures	8,500	0	0	0	0	0	0
Land Purchase Adj Grange CC	20,000	0	0	0	0	0	0
Provide housing at market rents	30,000	2,946,700	0	0	0	0	0
Replacement of Newark Close, Royston.	0	65,000	0	0	0	0	0
Thomas Bellamy House, Hitchin	0	65,000	0	0	0	0	0
Asset Management Total	635,700	11,356,700	4,000,000	4,000,000	4,000,000	0	0
Community Services							
Baldock Town Hall project	48,800	0	0	0	0	0	0
Refurbishment and improvement of community facilities	522,900	0	0	0	0	0	0
S106 Projects	128,800	0	0	0	0	0	0
Community Services Total	700,500	0	0	0	0	0	0
Computer Software and Equipment							
40 KVA UPS Device or Battery Replacement	7,000	11,000	0	12,000	0	14,000	16,000
Additional PC's - Support Home Working/OAP	11,000	0	0	0	0	0	0
Alternative to safeword tokens for staff/members working remotely	16,000	0	12,000	0	18,000	0	33,000
Back-up Diesel 40 KVA Generator (DCO)	0	0	0	25,000	0	0	0
Cabinet Switches - 4 Floors	0	18,000	0	0	18,000	0	18,000
Cadcorp Local Knowledge & Notice Board Software	5,400	0	0	0	0	0	0
CCTV at DCO & Hitchin Town Hall	15,000	0	0	15,000	0	0	0
Conference Calling Solutions in Large Meeting Rooms at District Council Offices	0	35,000	0	0	0	0	0
Cyber Attacks - Events Monitoring Software Solution	30,000	0	0	0	0	0	0
Data Switch upgrade	0	0	15,000	0	18,000	0	41,000
DR Hardware Refresh Inc UPS Battery Pk (unit 3)	0	0	0	55,000	0	0	60,000
Email / Web Gateway with SPAM Filtering Software Solution - Licence 3 Year Contract	39,000	0	0	0	0	0	0
Email Encryption Software Solution	45,000	0	0	0	0	0	0
Infrastructure Hardware	284,600	0	28,000	0	278,000	25,000	348,000
Laptop Purchases for Officers	0	55,000	0	0	55,000	0	110,000
Laptops - Refresh Programme	109,600	30,000	7,000	7,000	80,000	5,000	70,000
Member Laptops - Refresh Programme	0	0	0	60,000	0	0	120,000
Microsoft Enterprise Software Assurance	0	0	390,000	0	0	426,000	462,000
PC's - Refresh Programme	30,500	13,000	8,000	7,000	13,000	7,000	34,000
Security - Firewalls	14,000	0	14,000	0	16,000	0	36,000
Tablets - Android Devices	12,900	15,000	18,000	12,000	17,000	17,000	56,000
Voice Recorders Careline	28,500	0	0	0	0	0	0
WiFi Upgrade	0	0	0	0	0	40,000	0
WiFi Upgrades for DCO & Hitchin Town Hall	35,000	0	0	0	0	0	0
Computer Software and Equipment Total	683,500	177,000	492,000	193,000	513,000	534,000	1,404,000
Corporate Projects							
Elections Equipment	0	27,000	0	0	0	0	0
Telephony system	10,600	0	0	0	0	0	0
Corporate Projects Total	10,600	27,000	0	0	0	0	0
Growth Fund Projects							
Cycle Strategy implementation (GAF)	0	278,000	0	0	0	0	0
Green Infrastructure implementation (GAF)	0	185,000	0	0	0	0	0
Transport Plans implementation (GAF)	0	250,000	0	0	0	0	0
Growth Fund Projects Total	0	713,000	0	0	0	0	0
Leisure Facilities							
Allotments Water Supply Improvements	0	0	10,000	0	0	0	0
Avenue Park Splash Park	0	0	0	70,000	0	0	0
Bancroft & Priory Splash Pads	0	0	0	0	35,000	0	0
Bancroft Lighting	0	0	0	45,000	0	0	0
Bancroft Recreation Ground, Hitchin, Multi Use Games Area (MUGA)	19,400	0	0	0	0	0	0
Decommissioning of Play Areas	5,000	0	0	0	0	0	0
Football Goal Replacement Programme	0	0	15,000	0	0	0	0
Great Ashby District Park safety and security	0	20,000	0	0	0	0	0
Howard Gardens Splashpad	0	0	35,000	0	0	0	0
HSC Boiler Replacement	0	0	0	0	200,000	0	0
HSC Future Refurbishment	0	0	0	0	0	300,000	605,000
HSC Outdoor Pool Boiler Replacement	40,000	0	0	40,000	0	0	0
HSC Reception Toilet Refurbishment	0	0	30,000	0	0	0	0
Ickneild Way Cemetery Footpaths	0	50,000	0	0	0	0	0
Ivel Springs Footpaths	0	0	10,000	0	0	0	0
Leisure Condition Survey Enhancements	87,000	0	0	107,000	0	0	0

	2020/21 Estimate £	2021/22 Estimate £	2022/23 Estimate £	2023/24 Estimate £	2024/25 Estimate £	2025/26 Estimate £	2026/27 - 30/31 Estimate £
Priority							
Letchworth Outdoor Pool Boiler Replacement	40,000	0	0	40,000	0	0	0
Mrs Howard Hall Replacement Boiler & Windows	63,000	0	0	0	0	0	0
Newmarket Road Royston Skatepark & Access	0	0	0	90,000	0	0	0
NHLC Boiler Replacement	0	0	200,000	0	0	0	0
NHLC Dryside Changing Area	0	0	100,000	0	0	0	0
NHLC Interactive Water Feature	0	0	0	0	0	0	120,000
NHLC Pool Flume Replacement	0	0	0	0	0	0	150,000
NHLC Reception Toilet Refurbishment	0	0	30,000	0	0	0	0
NHLC Refurbish Gym Floor	0	50,000	0	0	0	0	0
NHLC Refurbishment of Gym Members Changing Rooms	200,000	0	0	0	0	0	0
NHLC Replace Circulation Pipework	58,700	0	0	0	0	0	0
NHLC Replacement of Sport Hall heating system	0	30,000	0	0	0	0	0
NHLC Sauna Steam Refurbishment	0	0	0	250,000	0	0	0
Norton Common Footpaths	0	0	0	10,000	0	0	0
Norton Common Wheeled Sports improvements	7,100	0	0	0	0	0	0
Oughtonhead Common Footpaths	0	0	0	20,000	0	0	0
Park Recycling Litter Bins	0	25,000	0	0	0	0	0
Playground Renovation District Wide	0	180,000	180,000	180,000	180,000	180,000	900,000
Ramsoms Rec Footpaths, Gates and Railing	0	0	10,000	20,000	0	0	0
Renovate play area Howard Park, Letchworth	75,000	0	0	0	0	0	0
Renovate play area King George V Recreation Ground, Hitchin	800	0	0	0	0	0	0
Renovate play area, District Park, Gt. Ashby	800	0	0	0	0	0	0
Replace items of play equipment Holroyd Cres, Baldock	10,000	0	0	0	0	0	0
Replace items of play equipment Wilbury Recreation Ground, Letchworth	10,000	0	0	0	0	0	0
Replacement of Domestic Hot Water Calorifer at HSC	0	25,000	0	0	0	0	0
RLC Changing Village Refurbishment	0	0	225,000	0	0	0	0
RLC Dry Side Toilet Refurbishment	0	0	30,000	0	0	0	0
RLC Future Refurbishment	0	0	0	0	0	0	300,000
RLC Members Change Refurbishment	0	0	0	0	150,000	0	0
Royston Leisure Centre extension	0	0	1,000,000	0	0	0	0
Solar Thermal Installation at Royston Leisure Centre	0	50,000	0	0	0	0	0
St Johns Cemetery Footpath	10,000	0	0	0	40,000	0	0
Walsworth Common Pavilion - contribution to scheme	0	0	300,000	0	0	0	0
Walsworth Common Pitch Improvements	18,900	0	0	0	0	0	0
Weston Hills LNR Footpath Renovation	0	0	20,000	0	0	0	0
Wilbury Hills Cemetery Footpaths	10,000	10,000	0	10,000	10,000	0	30,000
Leisure Facilities Total	655,700	440,000	2,195,000	882,000	615,000	480,000	2,105,000
Museum & Arts							
Hitchin Town Hall Additional Bar & Glassware Infrastructure	25,000	0	0	0	0	0	0
Hitchin Town Hall Sprung Floor Replacement	75,000	0	0	0	0	0	0
Museum Storage Solution	100,000	1,100,000	0	0	0	0	0
NH Museum & Community Facility	48,300	0	0	0	0	0	0
NH Museum Platform Lift Solutions	40,000	0	0	0	0	0	0
Museum & Arts Total	288,300	1,100,000	0	0	0	0	0
Parking							
Hitchin Lairage car park - cosmetic coating to four stairwells and replacement windows and doors	0	75,000	0	0	0	0	0
Installation of trial on-street charging (GAF)	0	50,000	0	0	0	0	0
Lairage Multi-Storey Car Park - Structural wall repairs	10,000	110,700	0	0	0	0	0
Letchworth Multi-Storey Car Park - parapet walls, soffit & decoration	133,800	0	0	0	0	0	0
Letchworth Multi-Storey car park - lighting	18,000	0	0	0	0	0	0
Match funding for Electric Vehicle charging	0	100,000	0	0	0	0	0
Off Street Car Parks resurfacing and enhancement	15,000	178,000	56,100	8,000	0	0	0
Parking Charging, Payments & Management	0	235,000	0	0	0	0	0
Parking Machines Replacement	0	0	0	0	0	150,000	150,000
Parking Machines Upgrade - Contactless Payment Facility Installation	38,000	36,000	20,000	0	0	0	0
Refurbishment of lifts at Lairage Car Park	359,300	0	0	0	0	0	0
Replace and enhance lighting at St Mary's Car Park	0	60,000	0	0	0	0	0
Resurface Lairage Car Park	350,000	0	0	0	0	0	0
Parking Total	924,100	844,700	76,100	8,000	0	150,000	150,000
Renovation & Reinstatement Grant Expenditure							
Mandatory Disabled Facility Grants	50,000	0	0	0	0	0	0
Private Sector Grants	60,000	60,000	60,000	60,000	60,000	60,000	300,000
Renovation & Reinstatement Grant Expenditure Total	110,000	60,000	60,000	60,000	60,000	60,000	300,000
Waste collection							
Recyclable material transfer facility, vehicle depot and offer facility co-located with a residual waste transfer facility	0	0	0	0	1,600,000	0	0
Waste and Street Cleansing Vehicles	0	0	0	0	0	4,000,000	0
Waste collection Total	0	0	0	0	1,600,000	4,000,000	0
Grand Total	4,008,400	14,718,400	7,919,100	5,143,000	6,788,000	5,224,000	3,959,000

CAPITAL INVESTMENT PROPOSALS

Ref No	Responsible Service Director	Description of Proposal	Total Project Investment 2021/22 onwards	Total Anticipated Funding from Grants or Other Contributions	Proposed Investment in 2021/22	Proposed Investment in 2022/23	Proposed Investment in 2023/24	Proposed Investment in 2024/25	Proposed Investment in 2025/26	Proposed Investment 2026 - 2031	Revenue Implication	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation/Revenue Budget etc.)
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Asset Management and Investment												
NCP1	Service Director - Commercialisation	Alteration & improvement to underground drainage at Coombes Community Centre, Royston.	25	-	25	0	0	0	0	0	0	To make improvements and alterations to the underground drainage at the Coombes Community Centre as it is inadequate which is causing ongoing issues to the building's occupation, including sewage water flooding, toilets not operating effectively and associated health and safety risks.
NCP2	Service Director - Commercialisation	Replacement of Newark Close, Royston.	65	-	65	0	0	0	0	0	-3	Newark Close is owned by NHDC. It is not adopted public highway. It provides vehicle and pedestrian access to several of NHDC's investment property tenants, their under-tenants, customers and the public. The road is in poor and hazardous condition with pot holes, cracks and unevenness. Wholesale replacement of the road, including surface and sub-surface, is now required to maintain safe access.
NCP3	Service Director - Commercialisation	Thomas Bellamy House, Hitchin	65	-	65	0	0	0	0	0	-18	NHDC owns the freehold in Thomas Bellamy House. Several essential items of work to the structure and roof are required to improve the building's fabric and condition. Such work will arrest further deterioration and place the building in a condition whereby it has a realistic prospect of securing tenants and a commercial rental income stream for the Council. Further, by securing tenants, NHDC can pass on some or all of its property holding costs of the building to those tenants in the form of a lease or other occupational agreement.
ECP1	Service Director - Commercialisation	Acquisition of Property Investments	20,000	-	8,000	4,000	4,000	4,000	0	0	tbc	Acquisition of property and investments in line with the Commercial Strategy and the Property Investment Strategy to seek revenue and/or capital returns and growth for NHDC.
ECP2	Service Director - Commercialisation	Provide housing at market rents	2,947	-	2,947	-	-	-	0	0	tbc	This project follows on from the revenue investment proposal that explores the feasibility. This is an "invest to earn" proposal to utilise NHDC capital and land to generate revenue income. Under this scheme, the land and properties would remain in NHDC ownership. Phase 1 (as dealt with by the revenue investment bid): form investment mechanism to own houses built for market rent. Phase 2: identify appropriate partnership model to achieve build and/or purchase. Phase 3: contract with a property management company. Phase 4: acquire/build properties. Phase 5 (beyond scope of this bid): identify other sites where this model could be applied.
ECP3	Service Director - Resources	Council property improvements following condition surveys	255	-	255	0	0	0	0	0	0	Condition surveys have been carried out on a substantial number of the Authority's premises (substantially consists of Community Centres and Pavilions). This bid relates to 29 of those premises which are not currently subject to separate plans or review. The surveys have identified necessary works within priority bands required to ensure the continued use of the premises and to maintain premises in a reasonable condition. Enhancement works of this nature will reduce reliance on reactive maintenance repairs. The level of 'backlog' maintenance is also proposed as a national performance indicator by Central Government. An amount of £150k was approved to undertake the urgent works in 2014/15, based upon surveys carried out to date. In following years a full 5 year programme will be applied, based upon completed condition surveys or the whole estate. this is complementary to the Community Halls strategy (CHS), although covers a larger number of properties than those subject to CHS, i.e., it puts in place funds to allow works to be done that may assist in progressing that strategy (e.g. full repairing/partial repair leases). To help ensure that this project is delivered in the timeframe estimated within the Capital Programme, the investment was allotted over three years with an annual capital allocation of £255k from 2019/20.
Sub-Total: Asset Management and Investment			23,357	-	11,357	4,000	4,000	4,000	-	-	-	21
Corporate Items												
NCP4	Service Director - Legal & Community	Elections equipment	27	-	27	-	0	0	0	0	0	Replacement of polling booths and ballot boxes. The current polling booths are wooden, heavy to manoeuvre and have to be assessed for any required repairs prior to each election, due to their condition and age. These have been in use for a number of years and given the volume of elections scheduled in 2021, it is an opportune time to replace some of these booths with a much lighter product. The current wooden booths provide for one voting pod, whereas the new booths provide for two voting pods. This means that the number of booths needing to be delivered to each station will be reduced. The booths are currently delivered by a removal company – going forward, once all booths have been replaced will enable alternative delivery methods to be considered (i.e. Presiding Officer to collect the polling booth required at the same time as the ballot box). The current plastic ballot boxes are difficult to secure as some are warped. Ballot boxes must be secured by 7am on the day of poll. Those to be purchased are a foldable design, meaning that less storage space is required, and also have handles, making them easier to carry.

CAPITAL INVESTMENT PROPOSALS

Ref No	Responsible Service Director	Description of Proposal	Total Project Investment 2021/22 onwards	Total Anticipated Funding from Grants or Other Contributions	Proposed Investment in 2021/22	Proposed Investment in 2022/23	Proposed Investment in 2023/24	Proposed Investment in 2024/25	Proposed Investment in 2025/26	Proposed Investment 2026 - 2031	Revenue Implication	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation/Revenue Budget etc.)
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Sub-Total: Corporate Items			27	-	27	-	-	-	-	-	-	
Grants to Third Parties												
ECP4	Service Director - Regulatory	Private Sector Grants	600	-	60	60	60	60	60	300	0	HRAGs are a discretionary form of assistance specifically designed to provide practical help through a grant for small-scale works. This grant provides cash limited assistance up to £5K within any three-year period, for minor works for owner / occupiers and private tenants who meet certain criteria. HRAG funding is also used to support the Warm Homes Fund project where homes without central heating are provided with gas central heating. HRAGs are means tested and help to eradicate CAT1 Hazards, such as excess cold. In February 2015 Council approved an increase in the level of funding from £35k to £60k per annum for 2015/16 and future years. UPDATE CBP 21/22: Proposed to extend annual investment across the period of the ten year investment strategy (earmarked until 2029/30 in current programme)
ECP5	Service Director - Regulatory	John Barker Place, Hitchin	1,096	270	0	1,096	0	0	0	0	0	Cabinet agreed to the commitment to the John Barker Place regeneration scheme in January 2013, subject to the availability of funds. The capital resource required is now earmarked in 2022/23, in line with the scheme timetable.
Sub-Total: Grants to Third Parties			1,696	270	60	1,156	60	60	60	300	-	
Externally financed projects												
ECP6	Service Director - Regulatory	Cycle Strategy implementation (GAF)	278	278	278	0	0	0	0	0	0	It is recommended that decisions on capital projects eligible for GAF funding are postponed until adoption of the Local Plan and any further strategies that may be recommended by the Inspector.
ECP7	Service Director - Regulatory	Installation of trial on-street charging (GAF)	50	50	50	0	0	0	0	0	0	It is anticipated that this funding will be spent in line with the parking strategy.
ECP8	Service Director - Regulatory	Transport Plans implementation (GAF)	250	250	250	0	0	0	0	0	0	It is recommended that decisions on capital projects eligible for GAF funding are postponed until adoption of the Local Plan and any further strategies that may be recommended by the Inspector.
ECP9	Service Director - Regulatory	Green Infrastructure implementation (GAF)	185	185	185	0	0	0	0	0	0	It is recommended that decisions on capital projects eligible for GAF funding are postponed until adoption of the Local Plan and any further strategies that may be recommended by the Inspector.
Sub-Total: Externally financed projects			763	763	763	-	-	-	-	-	-	
Parking Related Proposals												

CAPITAL INVESTMENT PROPOSALS

Ref No	Responsible Service Director	Description of Proposal	Total Project Investment 2021/22 onwards	Total Anticipated Funding from Grants or Other Contributions	Proposed Investment in 2021/22	Proposed Investment in 2022/23	Proposed Investment in 2023/24	Proposed Investment in 2024/25	Proposed Investment in 2025/26	Proposed Investment 2026 - 2031	Revenue Implication	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation/Revenue Budget etc.)
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
NCP5	Service Director - Regulatory	Parking Machines Upgrade - Contactless Payment Facility Installation	56	43	36	20	0	0	0	0	0	The upgrade of the current chip and pin card readers in the parking machines to include contactless payments, mostly financed from uncommitted GAF funding, is required for PCI compliance. This will also allow maximum flexibility for the customer, as it is anticipated that the use of coins will further reduce, and help to mitigate the risk of theft and vandalism to the machines as less cash will be retained in the machines. The proposed plan is for delivery in two tranches. Tranche 1: Upgrade 24 Coin and Chip & Pin (Card Reader Machines) to contactless in order to be PCI compliant, plus 2 chip & Pin Machines to contactless only (note the coin option remains unchanged in the 24 machines). In October 2020 a £38k capital allocation, fully financed using GAF funding, was approved by the Executive Member Finance & IT for this tranche to be completed in 2020/21. Tranche 2: Upgrade of remaining 26 coin parking machines to include contactless to be rolled out over a 2 year programme from 2021/22.
NCP6	Service Director - Regulatory	Parking Machines Replacement	300	-	0	0	0	0	150	150	0	Replacement of all parking machines over a 2 year period, with the roll out commencing in late 2025/26 . Please note that this is as estimated cost based on the current full replacement cost of a machine taken from the ESPO framework adjusted for inflation. The type of machine replacement would be dependent on the latest technology and this estimate may need to be reviewed nearer the time.
NCP7	Service Director - Resources	Hitchin Lairage car park - cosmetic coating to four stairwells and replacement windows and doors.	75	-	75	0	0	0	0	0	0	The current stair wells are aesthetically unsightly uncoated concrete, which are difficult to keep clean and stain. At least two of the four stairwells suffer anti-social behaviour, and this compounds the staining and cleaning requirements. The proposed coating will improve the appearance and make cleaning the stairwells less onerous. Replacement of windows and doors where required.
NCP8	Service Director - Regulatory	Match funding for Electric Vehicle charging	100	-	100	0	0	0	0	0	0	On the basis that the Council can obtain Government funding for the provision of on-street EV charging.
ECP10	Service Director - Regulatory	Lairage Multi-Storey Car Park - Structural wall repairs	111	-	111	0	0	0	0	0	0	Works to preserve this income generating asset in usable condition. Works necessary to protect surface following experience at Letchworth multi-storey.
ECP11	Service Director - Regulatory	Replace and enhance lighting at St Mary's Car Park	60	-	60	0	0	0	0	0	0	The existing lighting columns within the car park have suffered from ongoing electrical supply problems and structural decay. A temporary solution has been provided to provide lighting, however the existing columns need replacing. The lighting in the remainder of the car park is not to current recommended levels. This scheme will address all of these issues with new, energy efficient, lighting columns.
ECP12	Service Director - Resources	Off Street Car Parks resurfacing and enhancement	242	-	178	56	8	0	0	0	0	Condition surveys have identified the need for a proactive programme of resurfacing for the council's off street car parking. Resurfacing, re-lining and enhancing the lighting enables the car parks to be used safely, reducing insurance claims for trips and falls, and allows the continued enforcement of the relevant traffic regulation orders. A. Planned maintenance programme should enable reduction in reactive repairs. B. No programme of repairs will require additional revenue maintenance funds for responsive repairs, and loss of income as Traffic regulation orders will become unenforceable. UPDATE CBP 2021/22: Proposed additional capital allocations of £163k in 2021/22, £9k (increase to original allocation of £47k) in 2022/23 and £8k in 2023/24 based on findings of most recent car park condition surveys undertaken.
ECP13	Service Director - Regulatory	Parking Charging, Payments & Management	235	-	235	0	0	0	0	0	0	Revision in scope of existing capital allocation for the implementation of town centre pay & display machines and tickets is outdated. As such, this proposal seeks to utilise the capital allocation to still focus on charging, payment and management of parking but through more customer orientated systems. This proposal will encompass (where appropriate) a move to virtual payment and permits/tickets, pay-on-exit for car parks as identified within the Council's Parking Strategy.
Sub-Total: Parking			1,179	43	795	76	8	-	150	150	-	
Waste Collection												

CAPITAL INVESTMENT PROPOSALS

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			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
ECP14	Service Director - Place	Recyclable material transfer facility, vehicle depot and offer facility co-located with a residual waste transfer facility	1,600	-	0	0	0	1,600	0	0	0	Herts County Council are planning to build a waste and recycling transfer station which could accommodate both North and East Herts Councils residual, food and garden waste. This would enable surety on a long term disposal route for the materials. The anticipated build cost for this element of the site is circa 1.6m. The agreement for the site and confirmation on whether this is going ahead however is tbc.
ECP15	Service Director - Place	Vehicle fleet replacement program (Waste and Recycling)	4,000	3,200	0	0	0	0	4,000	0	0	It is anticipated that the cost of replacing the current fleet of vehicles will have increased due to inflation by the time of required purchase in 2025/26. The vehicles currently in operation are held on the Council's balance sheet under a finance lease arrangement embedded within the waste contract, with the associated charge for their use met from the Council's cash reserves rather than the General Fund. As such the annual saving to the General Fund is transferred to an earmarked reserve with the intention that this will be used to help finance the cost of the new vehicles.
Sub-Total: Waste Collection			5,600	3,200	-	-	-	1,600	4,000	-	-	
Leisure Related Proposals												
ECP16	Service Director - Place	Leisure Condition Survey Enhancements	107	-	0	0	107	0	0	0	0	A physical condition survey was carried out at all four leisure facilities in 2018. The survey identified all works that were needed and/ or would become necessary over the following five year period. This totalled £266k, with £87k in the capital programme for 2020/21, and the balance of £179k across the years 2022/23 and 2023/24. UPDATES CBP 2021/22: Original £39k allocation removed in 2022/23, which condition survey highlighted as required for HSC boiler replacements, as bolier replacements are provided for under schemes ECP14 and ECP15. £140k earmarked in 2023/24 reduced to £107k as certain works identified have either been completed by SLL (funded from profit share) or are separately itemised within the capital programme.
Sub-Total: Leisure			107	-	-	-	107	-	-	-	-	
Leisure: Hitchin Swim Centre												
NCP9	Service Director - Place	Replacement of Domestic Hot Water Calorifer at HSC	25	-	25	0	0	0	0	0	0	Existing calorifier is in poor condition resulting in leaks and calcification. Proposed to replace with modern plate heat exchange to ensure efficiency and reduce energy consumption and costs.
ECP17	Service Director - Place	Hitchin Swim Centre Reception Toilet Refurbishment	30	-	0	30	0	0	0	0	0	To ensure customer satisfaction is maintained a project to fully refurbish the male, female and disabled toilets in the reception area is proposed.
ECP18	Service Director - Place	Hitchin Swim Centre Outdoor Pool Boiler Replacement	40	-	0	0	40	0	0	0	0	Hitchin outdoor pool is currently operating with one boiler due to an irreparable fault with the second boiler. A replacement of the redundant boilers is proposed to ensure the facility remains operational.
ECP19	Service Director - Place	HSC: Boiler Replacement	200	-	0	0	0	200	0	0	0	Boilers are 15+ years old and are at the end of their economic lifespan. While repair works are carried out on a regular basis there is a risk that, if they are not replaced, they may fail which could result in pool closure.
ECP20	Service Director - Place	Hitchin Swim Centre Indoor Pool Cover	-	-	0	0	0	0	0	0	0	The indoor Pool cover and electric roller is over 20 years old and require replacement to ensure they remain efficient at reducing energy consumption and costs. UPDATE CBP 21/22: This project was agreed under a profit share proposal and SLL have confirmed they are placing the order. £20k allocation earmarked in 2021/22 can therefore be removed.
ECP21	Service Director - Place	HSC: Archers Member Change and Relaxation Area Refurbishment	300	-	0	0	0	0	300	0	0	Refurbishment of the changing rooms and relaxation areas at Archers Health and Fitness Club to ensure customer satisfaction is maintained.

CAPITAL INVESTMENT PROPOSALS

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			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
ECP22	Service Director - Place	HSC: Change Village Refurbishment	225	-	0	0	0	0	0	225	0	Investment earmarked in 2026/27. Full refurbishment of the change village, which has not been refurbished since 2005.
ECP23	Service Director - Place	HSC: Outdoor Pool Cover Replacement	30	-	0	0	0	0	0	30	0	The outdoor pool covers are over 20 years old and require replacement to ensure they remain efficient at reducing energy consumption and costs.
ECP24	Service Director - Place	HSC: Fitness Equipment Replacement	300	-	0	0	0	0	0	300	0	Investment earmarked in 2026/27. Replacement of the cardio and resistance fitness equipment to maintain membership levels and ensure customer satisfaction.
ECP25	Service Director - Place	HSC: Fitness Facility Refurbishment	50	-	0	0	0	0	0	50	0	Investment earmarked in 2026/27. Refurbishment of the gym area in preparation for the new cardio and resistance fitness equipment
Sub-Total: Leisure - Hitchin Swim Centre			1,200	-	25	30	40	200	300	605	-	
Leisure - Letchworth												
NCP1	Service Director - Place	NHLC Replacement of Sport Hall heating system	30	-	30	0	0	0	0	0	0	The heating system in the sports hall is over 15 years old and at the end of its economic life. It is currently out of order and cannot be repaired, therefore replacement is required.
ECP26	Service Director - Place	NHLC Refurbish Gym Floor	50	-	50	0	0	0	0	0	0	The gym floor was laid in 2006, after 13 years the floor has now come to the stage where it can no longer be repaired and requires replacing. To ensure customer satisfaction is maintained a full replacement of the flooring in the main gym and weights area is proposed.
ECP27	Service Director - Place	NHLC Boiler Replacement	200	-	0	200	0	0	0	0	0	The two boilers are 15+ years old and are at the end of their economic lifespan. Repair works are carried out on a regular basis, however there is a high risk if they are not replaced they may fail which could result in a closure. UPDATE CBP 21/22: The installation of a Combined Heat Power (CHP) unit in 2020 has reduced pressure on the boilers. Officers will review the Capital replacement project on an annual basis. Proposed to defer £200k capital allocation in 2021/22 to 2022/23.
ECP28	Service Director - Place	NHLC Reception Toilet Refurbishment	30	-	0	30	0	0	0	0	0	To ensure customer satisfaction is maintained a project to fully refurbish the male, female and disabled toilets in the reception area is proposed.
ECP29	Service Director - Place	NHLC Dryside Changing Area	100	-	0	100	0	0	0	0	0	To ensure customer satisfaction is maintained a project to fully refurbish the male, female and disabled dry side changing areas is proposed.
ECP30	Service Director - Place	NHLC: Sauna Steam Refurbishment	250	-	0	0	250	0	0	0	0	The steam and sauna area was last refurbished in 2006. To ensure customer satisfaction is maintained a proposal to fully refurbish the area is proposed.

Page 249

CAPITAL INVESTMENT PROPOSALS

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ECP31	Service Director - Place	NHLC: Interactive Water Feature	120	-	0	0	0	0	0	120	0	Investment proposal earmarked for 2027/28. To ensure continued improvements and customer satisfaction within our leisure facilities a project to transform the small pool into a highly interactive water play area for children of all age and ability groups is proposed. The proposed features for this area allow children to explore and discover their watery environment, and teaches them how to manipulate the flow of water through channels and interactive jets.
ECP32	Service Director - Place	NHLC: Pool Flume Replacement	150	-	0	0	0	0	0	150	0	Investment proposal earmarked for 2028/29. The pool flume was installed in 1992 and due to its age a proposal to replace the fume with a newer model is proposed. This will ensure continued customer satisfaction for users of the leisure pool.
ECP33	Service Director - Place	Letchworth Outdoor Pool Boiler Replacement	40	-	0	0	40	0	0	0	0	Letchworth outdoor pool is currently operating with one boiler due to an irreparable fault with the second boiler. A replacement of the redundant boilers is proposed to ensure the facility remains operational.
Sub-Total: Leisure - Letchworth			970	-	80	330	290	-	-	270	-	
Leisure - Royston Leisure Centre												
NCP11	Service Director - Place	Solar Thermal Installation at Royston Leisure Centre	50	-	50	-	0	0	0	0	0	Solar thermal technology can be utilised to heat the pool water, reducing the site's carbon footprint and facilitate utility savings.
ECP34	Service Director - Place	Royston Leisure Centre extension	1,000	170	0	1,000	0	0	0	0	tbc	To extend the front of the Royston Leisure Centre. This will provide a new multi functional room and increase the size of the fitness room. The gym membership at Royston Leisure Centre is close to capacity and a recent latent demand survey demonstrated there is a demand to increase the size of this facility. By undertaking the capital work the Council will renegotiate the Leisure Management contract and SLL will increase their management fee to the Council.
ECP35	Service Director - Place	Royston Leisure Centre Dry Side Toilet Refurbishment	30	-	0	30	0	0	0	0	0	To ensure customer satisfaction is maintained a project to fully refurbish the male, female and disabled dry side toilet areas is proposed.
ECP36	Service Director - Place	Royston Leisure Centre Changing Village Refurbishment	225	-	0	225	0	0	0	0	0	The change village is over 17 years old and has not been refurbished since opening in 2005. A full refurbishment of the change village is proposed to ensure customer satisfaction is maintained.
ECP37	Service Director - Place	RLC: Members Change Refurbishment	150	-	0	0	0	150	0	0	0	The members changing room is over 17 years old and has not refurbished since opening in 2005. To ensure customer satisfaction is maintained a proposal to fully refurbish the male, female and disabled areas is proposed.
ECP38	Service Director - Place	RLC: Pool Hall Window Replacement	-	-	0	0	0	0	0	0	0	The pool hall windows are corroding due to age and corrosive atmosphere. A full replacement of windows is proposed. UPDATE CBP 2021/22: Remove original £80k allocation in 2025/26 as windows have been repaired. Carried out during closure period.
ECP39	Service Director - Place	RLC: Fitness Facility Refurbishment	50	-	0	0	0	0	0	50	0	Investment earmarked in 2026/27. Refurbishment of the gym area in preparation for the new cardio and resistance fitness equipment.

CAPITAL INVESTMENT PROPOSALS

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			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
ECP40	Service Director - Place	RLC: Boiler Replacement	100	-	0	0	0	0	0	100	0	Investment earmarked in 2026/27. Boilers are 15+ years old and are at the end of their economic lifespan. Repair works are carried out on a regular basis, however there is a high risk that, if they are not replaced, they may fail which could result in a closure.
ECP41	Service Director - Place	RLC: Fitness Equipment Replacement	150	-	0	0	0	0	0	150	0	Investment earmarked in 2026/27. Replacement of the cardio and resistance fitness equipment to maintain membership levels and customer satisfaction.
Sub-Total: Leisure - Royston Leisure Centre			1,755	170	50	1,255	-	150	-	300	-	
Green Space Developments												
NCP12	Service Director - Place	Park Recycling Litter Bins	25	-	25	0	0	0	0	0	0	Introduction of recycling litter bins into the town centre parks to increase the opportunities for recycling
NCP13	Service Director - Place	Allotments Water Supply Improvements	10	-	0	10	0	0	0	0	0	Improve water supply to NHDC allotments through the installation of additional taps and increasing the water pressure at every tap. Any increase in ongoing maintenance and water supply costs is anticipated to be marginal.
ECP42	Service Director - Place	Football Goal Replacement Programme	15	-	0	15	0	0	0	0	0	The existing football goals do not meet current FA standards and are in some cases dangerous due to corrosion or misuse. While the posts are repainted annually this only delays their deterioration. Normally posts are replaced at the beginning of the season on a need only basis based upon their condition - not if they meet FA standards.
ECP43	Service Director - Place	Playground Renovation District Wide	1,800	-	180	180	180	180	180	900	0	Moving forward from the existing policy to renovate a single play area annually to undertake a program of undertaking two locations each year. This technically would ensure that each play area is renovated on an 18 year cycle which still far exceeds manufacturer lifespan guidelines. UPDATE CBP 2021/22: £180k investment allocation earmarked in 2030/31.
Sub-Total: Green Space Developments			1,850	-	205	205	180	180	180	900	-	
Green Space Developments - Baldock												
ECP44	Service Director - Place	Avenue Park Splash Pad	70	-	0	0	70	0	0	0	0	To replace the existing mains fed system with a recirculating system as found at our other splashpads. This will reduce water usage and help maintain good levels of water quality. Additionally this will help reduce the problems of algae on the surfacing which has caused significant injuries due to slipping in the past.
ECP45	Service Director - Place	Ivel Springs Footpaths	10	-	0	10	0	0	0	0	0	To renovate the footpath around the common on a rotating program of works as per the Greenspace action plan for the site.
ECP46	Service Director - Place	Weston Hills LNR Footpath Renovation	20	-	0	20	0	0	0	0	0	Many of the footpaths around the site are of an informal nature and are not currently compliant with disability access requirements. In order to minimise erosion of the existing footpath network the surfacing needs updating and renovating.
Sub-Total: Green Space Developments - Baldock			100	-	-	30	70	-	-	-	-	
Green Space Developments - Great Ashby												

CAPITAL INVESTMENT PROPOSALS

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			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
NCP14	Service Director - Place	Great Ashby District Park safety and security	20	-	20	0	0	0	0	0	0	To address ongoing anti-social behaviour issues within the park, installation of electric power supply to power automatic gate (adapt existing solar powered gate) and provide lighting in the car park.
Sub-Total: Green Space Developments - Great Ashby			20	-	20	-	-	-	-	-	-	

CAPITAL INVESTMENT PROPOSALS

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			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Green Space Developments - Hitchin												
ECP47	Service Director - Place	Walsworth Common Pavilion - contribution to scheme	300	287	0	300	0	0	0	0	0	<p>This project was originally listed as a project for 2016/17 in the Council's adopted Green Space Management Strategy 2014 - 2019. The project was slipped into 2017/18 pending the outcome of the Green Space Strategy review. Following the review, this project is now earmarked for 2020/21 in the Council's adopted Green Space Management Strategy 2017 - 2021. The project is dependent on securing section 106 contributions and/or external grants. In the review, the pavilion was identified as being beyond economic repair.</p> <p>UPDATE CBP 2021/22: Proposed to defer £300k allocation in 2021/22 to 2022/23.</p>
ECP48	Service Director - Place	Bancroft and Priory Splash Pads	35	-	0	0	0	35	0	0	0	<p>These two systems were introduced 4 years ago and use the same systems to maintain water quality. Over time the systems wear and require replacement of the filter media and uv systems to ensure that they remain effective.</p>
ECP49	Service Director - Place	Bancroft Lighting	45	-	0	0	45	0	0	0	0	<p>To remove the existing out of date and potentially dangerous lighting around the gardens and replace with new items. This would significantly improve personal safety of the public.</p>
ECP50	Service Director - Place	Oughtonhead Common Footpaths	20	-	0	0	20	0	0	0	0	<p>To renovate the footpath around the common on a rotating program of works as per the Greenspace action plan for the site.</p>
ECP51	Service Director - Place	Ransoms Rec Footpaths, Gates and Railing	30	-	0	10	20	0	0	0	0	<p>Many of the footpaths are degrading and becoming uneven and would be greatly enhanced if the footpaths were brought up to a uniform standard throughout the site. The formal gates and railings off Nightingale Road are in need of investment to ensure they remain safe, fit for purpose and of an appropriate standard for the location.</p>
ECP52	Service Director - Place	St Johns Cemetery Footpath	40	-	0	0	0	40	0	0	0	<p>Previous investment options were removed from the Greenspace Strategy and the identified works have not been delivered. Planning for the renewal of the Greenspace Management Strategy in 2021.Many of the footpaths are degrading and becoming uneven. As many of the visitors to the cemetery are elderly this poses a significant risk. Additionally the aesthetic appearance of the cemetery would be greatly enhanced if the footpaths were brought up to a uniform standard throughout the site. Due to other priorities and limited staffing resources this is planned for 2024/25. In the meantime urgent repairs will be completed on an adhoc urgency basis.</p> <p>UPDATE CBP 2021/22: Increase in estimated investment from £30k to £40k due to further deterioration in condition,</p>
Sub-Total: Green Space Developments - Hitchin			470	287	-	310	85	75	-	-	-	
Green Space Developments - Letchworth												
ECP53	Service Director - Place	Howard Gardens Splashpad	35	-	0	35	0	0	0	0	0	<p>The facilities at Howard Gardens are now over 10 years old since the site was renovated with support of a HLF Grant. The equipment in the plant room is now well worn and is in need of renewal.</p> <p>UPDATE CBP 2021/22: Increase in estimated investment from £33k to £35k as further deterioration has increased cost of refurbishment.</p>
ECP54	Service Director - Place	Ickneild Way Cemetery Footpaths	50	-	50	0	0	0	0	0	0	<p>Previous investment options were removed from the Greenspace Strategy and the identified works have not been delivered. Many of the footpaths are degrading and becoming uneven. As many of the visitors to the cemetery are elderly this poses a significant risk. Additionally the aesthetic appearance of the cemetery would be greatly enhanced if the footpaths were brought up to a uniform standard throughout the site.</p>
ECP55	Service Director - Place	Wilbury Hills Cemetery Footpaths	60	-	10	0	10	10	0	30	0	<p>Due to high volumes of visitors the existing footpath network through the site are wearing out this program will support an investment program over a period of time to maintain current standards.</p>

CAPITAL INVESTMENT PROPOSALS

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			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
ECP56	Service Director - Place	Norton Common Footpaths	10	-	0	0	10	0	0	0	0	To renovate areas of footpath around the common on a rotating program of works as per the Greenspace action plan for the site.
Sub-Total: Green Space Developments - Letchworth			155	-	60	35	20	10	-	30	-	
Green Space Developments - Royston												
ECP57	Service Director - Place	Newmarket Road Royston Skatepark and Access	90	-	0	0	90	0	0	0	0	Following the success of the new facility at Norton Common the existing item at Newmarket Road is in need of renovation and updating at the same time now the site is becoming more popular access into the site requires improvement and formalising. UPDATE CBP 2021/22: Increase in investment from £60k to £90k. Officers are seeking to identify whether S106 funding can be applied to support the scale of the revised project.
Sub-Total: Green Space Developments - Royston			90	-	-	-	90	-	-	-	-	
Museum and Arts Development												
ECP58	Service Director - Commercialisation	Museum Storage Solution	1,100	-	1,100	0	0	0	0	0	0	The Museum Store in Burymead is no longer fit for purpose. Objects from the collection are being held in make shift storage units, garages and dilapidated structures which are increasingly posing a health and safety risk to our staff. This project will involve relocating parts of the museum collection whilst the previously mentioned storage units are levelled and a new purpose built storage unit is built on the site. The storage unit will comprise of space saving roller racking, climate controlled spaces for fragile items of the collection and a small amount of office space for museum staff to utilise when on site. This office space could also be used under supervision to assist with third party research such as students or historians. The amount requested is an initial estimate, extrapolated from previous external costing exercises on a smaller storage unit on the site. It is the opinion of officers however, that a larger site would future proof the museum storage facilities and more costing work will need to be undertaken to provide a more precise quotation for the development. The completion of this work would see the former Hitchin Museum and Letchworth Museum sites be completely cleared of museum storage.
Sub-Total: Museum and Arts Development			1,100	-	1,100	-	-	-	-	-	-	
IT Schemes:												
NCP15	Service Director - Customers	Laptop Purchases for Officers	220	-	55	0	0	55	0	110	tbc	As part of the Transformation changes and to support the new ways of working, the strategy being proposed going forward will be for all officers to have a laptop, instead of a PC, that will be used for both Home Working and Office use. The laptops will support soft telephony, meaning that the Council won't have to replace 250 telephone handsets that are reaching end of life at an approximate cost of £63K. The investment is also anticipated to facilitate associated revenue savings in the form of telephone call charges, DCO energy costs and potentially additional rental income from the reduction in office space required for Council purposes. The requested resource is additional to that requested for the Laptop - Refresh Programme (ECP72) and will allow the roll-out of laptops to all officers.
NCP16	Service Director - Customers	Member Laptops - Refresh Programme	180	-	0	0	60	0	0	120	0	Laptops were purchased for Council Members in 2020 to support the new ways of working during the pandemic. Periodic replacement will ensure that the equipment is fit for purpose and that the software is compliant with PSN regulations.
NCP17	Service Director - Customers	WiFi Upgrade	40	-	0	0	0	0	40	0	0	WiFi upgrade within District Council Offices, Hitchin Town Hall/ North Hertfordshire Museum and Buntingford Depot. As part of the ongoing Transformation programme, the upgrade will ensure staff and Members will have full Internet access via their laptops when operating from these Council buildings.
NCP18	Service Director - Customers	Conference Calling Solutions in Large Meeting Rooms at District Council Offices	35	-	35	0	0	0	0	0	0	Installation of Audio and Conference solutions into 8 of the meeting rooms across the DCO for future video and conference calls.

CAPITAL INVESTMENT PROPOSALS

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			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
ECP59	Service Director - Customers	Back-up Diesel 40 KVA Generator (DCO)	25	-	0	0	25	0	0	0	0	As part of Business Continuity and improving services, the authority purchased a Diesel Generator in 2015/16. The proposed investment in 2023/24 is for the renewal of this hardware.
ECP60	Service Director - Customers	Additional Data Backup Storage	74	-	0	15	0	18	0	41	0	As the amount of data being stored is increasing annually, there is a need to ensure we keep adding additional storage to cope with the demands of the back-up storage.
ECP61	Service Director - Customers	CCTV at DCO & Hitchin Town Hall	15	-	0	0	15	0	0	0	0	Replace the existing CCTV Controllers with newer, faster technology including more disc space to capture enhanced images. The cameras will remain.
ECP62	Service Director - Customers	Data Switch Upgrade	74	-	0	15	0	18	0	41	0	The main data switch within the IT Server estate is a critical piece of hardware that connects the data packets moving between the Network Servers, Data Storage and the fibre infrastructure. It is critical to ensure that these are updated regularly.
ECP63	Service Director - Customers	DR Hardware Refresh Inc UPS Battery Pk (Unit 3)	115	-	0	0	55	0	0	60	0	Hardware upgrade within the Disaster Recovery centre at Unit 3, as part of the hardware refresh programme. This includes the Servers, Switches and UPS at the DR Centre at Unit 3.
ECP64	Service Director - Customers	Mobile Device Management software	-	-	0	0	0	0	0	0	0	Replace the current Mobile Device Management software, which enables the Council to lock down mobile devices and provides the ability to remotely wipe these, should they be lost or stolen. The replacement system will be a modern cloud solution meaning that any future upgrades can be done remotely without the need for the device to be brought into the Council Offices UPDATE CBP 2021/22: Proposed to remove £18k allocation in 2024/25 as the Mobile Device Management software has been superseded by a product called In-Tune, which is provided within the Microsoft Enterprise Agreement. There is therefore no longer a need to have a separate piece of software to control mobile devices. The associated software technical support and maintenance saving is included within the revenue efficiency proposals for 2021/22.
ECP65	Service Director - Customers	PC Refresh Programme	82	-	13	8	7	13	7	34	0	PC's identified as having reached their end of useful life as part of the annual refresh programme. The assets have been used well past their original end of life because of the introduction of the Citrix thin client technology. UPDATE CBP 2021/22: Total project allocation proposed to be reduced by £100k from original £182k to £82k to support the purchase of laptops going forward. Original programme included annual £17k allocations in 21/22,22/23,23/24, £23k in 24/25, £25k in 25/26 and £83k over 2026 - 2031.
ECP66	Service Director - Customers	Additional PC's - Support Home Working/OAP	-	-	0	0	0	0	0	0	0	The authority has a large PC/Monitor estate which as part of the ICT Service Plan requires refreshing annually. UPDATE CBP 2021/22: Total original approved allocation of £128k proposed to be removed as laptops will instead be purchased going forward. Monitors will be purchased with PCs via the PC Refresh Programme (ECP61) going forward
ECP67	Service Director - Customers	Tablets - Android Devices	135	-	15	18	12	17	17	56	0	As part of the IT Strategy and supporting the channel migration programme, the tablets are required to continue the roll-out to identified officers who would benefit from having mobile devices to be more efficient and productive. It is becoming increasingly important for those staff who are mobile working that they have the correct tools to view emails and documents whilst on the move. The tablets also facilitate paperless Committee Meetings.
ECP68	Service Director - Customers	Security - Firewalls	66	-	0	14	0	16	0	36	0	Firewalls are one of the most important pieces of hardware between the NHDC Network and the outside world and it is this equipment that stops cyber attacks from penetrating NHDC systems and data. There is a need to ensure this hardware is kept as current and up to date as possible to ensure the Council's networks and data are kept secure.

CAPITAL INVESTMENT PROPOSALS

Ref No	Responsible Service Director	Description of Proposal	Total Project Investment 2021/22 onwards	Total Anticipated Funding from Grants or Other Contributions	Proposed Investment in 2021/22	Proposed Investment in 2022/23	Proposed Investment in 2023/24	Proposed Investment in 2024/25	Proposed Investment in 2025/26	Proposed Investment 2026 - 2031	Revenue Implication	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation/Revenue Budget etc.)
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
ECP69	Service Director - Customers	Cabinet Switches - 4 Floors	54	-	18	0	0	18	0	18	0	This hardware connects each floor across the DCO to each other and back to the IT Data Centre on the ground floor. This hardware is the essential piece of kit that routes the traffic from desktops to the data servers and hence keeping this technology up to date and modern is essential to ensure data speeds are maintained.
ECP70	Service Director - Customers	40 KVA UPS Device or Battery Replacement	53	-	11	0	12	0	14	16	0	The operation life of the batteries within the UPS Systems is 3 years and they need to be replaced periodically. The authority has got 3 40 KVA UPS Systems which have varying battery sizes installed.
ECP71	Service Director - Customers	Dell Servers	145	-	0	0	0	70	0	75	0	In 2015/16 the authority upgraded the Server Estate with 10 Physical high level Dell Servers which have 179 virtual servers running within them. The hardware has a 5 year shelf life before being unsupported.
ECP72	Service Director - Customers	New Blade Enclosure	92	-	0	0	0	40	0	52	0	The Blades are an integral part of the Servers and go hand in hand. These formed part of the hardware refresh programme in 2015/16 and have a shelf life of 5 years.
ECP73	Service Director - Customers	Replacement SAN	235	-	0	0	0	115	0	120	0	The Storage Area Network (SAN) is used to compliment the data storage and backups across the infrastructure estate. These are a critical element of the data infrastructure network as they also move the data traffic around the servers. The authority replaced the current SAN in 2015/16 and the life of this hardware is 5 years.
ECP74	Service Director - Customers	Core Backbone Switch	75	-	0	0	0	35	0	40	0	Dual processor switch, which links the virtual servers to the SAN.
ECP75	Service Director - Customers	Additional Storage	58	-	0	13	0	0	25	20	0	As part of the day to day collection and storage of data within the Information@Works (I@W) which is the Corporate Document Management solution, the amount of data that is being scanned and captured via the Doc's on-line contract provided by Northgate is increasing by the day. There has been a huge push over the past year to work towards enabling every department to have access to I@W as this compliments Home Working.
ECP76	Service Director - Customers	Laptops - Refresh Programme	199	-	30	7	7	80	5	70	0	Over the past 3 years IT have reduced the laptop estate from 149 devices down to only having 48 still in use. The small budget provision is to ensure we have funds to replace these devices when Windows 7 becomes de-supported or they have reached their end of life as part of the refresh programme. UPDATE CBP 2021/22: Approved total scheme allocation of £21k proposed to be increased by the £228k of resource released from the proposed reductions in allocations for PC Refresh (ECP61 - £100k) and additional PCs for Homeworking (ECP62 - £128k). As part of the Transformation changes, the strategy being proposed going forward will be for all officers to have a laptop instead of a PC that will be used for both Home Working and Office use. To facilitate the timely delivery of the scheme, Cabinet (December 15 2020) approved the bringing forward of £50k of the proposed capital allocation into 2020/21.
ECP77	Service Director - Customers	Alternative to safeword tokens for staff/members working remotely	63	-	0	12	0	18	0	33	0	The technology has changed considerably since we first starting using the Safeword Tokens 7-8 years ago. With the changes in personal technology such as Smart/IOS Phones there are now products on the market that are PSN approved for getting Access Keys delivered for 2 Layer Authentication such as Texts or App's on Smart Phones etc. This enables Members, Staff and Support Agencies to gain access to the remote login site from anywhere with no need to have a physical hardware device to hand.
ECP78	Service Director - Customers	Microsoft Enterprise Software Assurance	1,278	-	0	390	0	0	426	462	0	It is essential NHDC has the correct Microsoft Licences to ensure the Council does not fall foul of F.A.S.T (Fraud Against Software Threat) regulations. The current three year contract started from 1st April 2019.
Sub-Total: IT			3,313	-	177	492	193	513	534	1,404	-	

CAPITAL INVESTMENT PROPOSALS												
Ref No	Responsible Service Director	Description of Proposal	Total Project Investment 2021/22 onwards	Total Anticipated Funding from Grants or Other Contributions	Proposed Investment in 2021/22	Proposed Investment in 2022/23	Proposed Investment in 2023/24	Proposed Investment in 2024/25	Proposed Investment in 2025/26	Proposed Investment 2026 - 2031	Revenue Implication	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation/Revenue Budget etc.)
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
TOTAL			43,752	4,733	14,719	7,919	5,143	6,788	5,224	3,959	-21	

TOTAL CONSISTS OF:												
PROPOSALS ALREADY IN THE CAPITAL PROGRAMME:			42,404	4,690	14,086	7,889	5,083	6,733	5,034	3,579	0	
NET CHANGE IN THE 2021/22 PROCESS			1,348	43	633	30	60	55	190	380	-21	

These totals exclude those capital projects planned to complete in 2020/21.

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**CABINET
26 JANUARY 2021**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: PROPOSED AMENDMENTS TO PERFORMANCE MANAGEMENT MEASURES FOR 20/21

REPORT OF: REPORT OF THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: LEADER OF THE COUNCIL

NEW COUNCIL PRIORITY: BE A MORE WELCOMING AND INCLUSIVE COUNCIL / BUILD THRIVING AND RESILIENT COMMUNITIES / RESPOND TO CHALLENGES TO THE ENVIRONMENT / ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY / SUPPORT THE DELIVERY OF GOOD QUALITY AND AFFORDABLE HOMES

1. EXECUTIVE SUMMARY

To present the proposed amendment to performance indicators (PIs) and associated targets for 2020/21 which were agreed by Executive Members in conjunction with the relevant Service Directors.

2. RECOMMENDATIONS

- 2.1. That Cabinet considers and formally approves the proposed amendments to the PIs and any associated targets that will continue to be monitored throughout 2020/2021 by Overview & Scrutiny

3. REASONS FOR RECOMMENDATIONS

- 3.1. To ensure that Performance Monitoring is effective and reflects the current national situation.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. The current targets could be retained; however, this will mean that performance monitoring in these areas will not reflect the true position of progress in these areas given that the Council is currently responding to and seeking to recover from, the Covid-19 pandemic.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. All Service Directors were sent PI setting templates for 2020/21, to complete in association with the Executive Members. This is the process agreed by Cabinet on 26 July 2016 following a task and finish group on the performance monitoring process.
- 5.2. A revised PI setting template was completed by the Service Directors to reflect the changed position due to Covid-19.
- 5.3. The proposal was taken to the meeting of the Overview and Scrutiny Committee on 8 December 2020 as part of the Performance monitoring update.

6. FORWARD PLAN

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

7. BACKGROUND

- 7.1. The Overview & Scrutiny Committee has received quarterly reports on the Council's performance against a range of performance indicators. It is also able to request presentations from Executive Members on their service area, where performance of the service can be monitored and challenged in detail.
- 7.2. As part of the Corporate Business Planning Process, the performance measures to be collected and any associated targets are reviewed prior to the start of the next financial year. Service Directors and Service Managers undertake the review in conjunction with Executive Members.
- 7.3. The unprecedented actions taken by the Government in response to the Covid19 Pandemic has had a dramatic impact on the Council's on-going ability to achieve targets set at the beginning of the year. In order to ensure that Performance Monitoring is effective, it is important that the Council has the agility to change targets to allow appropriate comparisons to be made.
- 7.4. Throughout 2020, the Environmental Health team in addition to their resources being fully committed to managing the Covid-pandemic, have been unable to carry out planned inspections due in part to the full lockdown during Q1, and the ongoing nationally imposed restrictions covering most of the target organisations during Q2. For most of this year, the Food Standards Agency had instructed that in order to restrict the burden on food businesses, food inspections were not to take place, and when this restriction was lifted in mid-September, inspections had to follow full Covid-19 risk mitigation measures meaning that fewer than 10% of the inspections due could be carried out. The pre-pandemic target set for the year has become entirely unachievable and continuing to monitor against it, would provide no benefit. As such, given the resource commitment to the pandemic and future workload associated with the EU transition, it is proposed to report the achieved performance as an information only indicator for the remainder of 2021. .

- 7.5. The leisure facilities reopened on 20 July 2020 with social distancing measures in place. The Government instigated new national restrictions from 5 November 2020 until 2 December 2020 and further restrictions from the 20 December 2020, which included the closure of leisure facilities. The forced closures completely removed the ability to achieve the target set at the beginning of the year. Operationally, current usage levels are now being compared with the targets specified in the agreed recovery plan, as this provides a more realistic view of progress, rather than the targets set at the beginning of the year. Following the third lockdown in December, Officers have been working with SLL to assess the implications for the current recovery plan. Reporting on progress against the agreed recovery plan would provide more effective scrutiny of the effectiveness of measures taken.

8. AMENDED PERFORMANCE MEASURES

- 8.1. The indicators listed in Table 1 are the proposed amendments to be made for the 2020/21 Monitoring year.

Table 1 –Amendments to Performance Indicators proposed for 20/21

	Description	Current Target For 20/21	Proposed Target For 20/21	Comments
MI LI015	Number of visits to leisure facilities	1,530,000	205,440	The target is set with the assumption that the centres will reopen in March 2021. However, if the facilities do not reopen in March the target will be reduced to 162,950.
REG3	Percentage of Environmental Health programmed inspections completed	95.0%	For information only, no target	Given the current resource commitment to the pandemic and future commitments to the EU transition this PI is for reporting purposes only.

9. LEGAL IMPLICATIONS

- 9.1.1 There are no direct legal implications arising from this report. The Cabinet has remit (other than those functions specifically reserved to Full Council) under its Terms of Reference to:
- Prepare and agree to implement policies and strategies, and
 - Oversee the provision of all the Councils services.
- This report seeks to confirm the provision and targets for such service matters to be agreed by Cabinet.

10. FINANCIAL IMPLICATIONS

- 10.1 There are no direct financial implications arising from this report. The reduction in the visits to leisure facilities impacts the income that SLL can generate and creates additional costs for the Council. The additional costs will be monitored through the quarterly budget monitoring process, and separate reports to Cabinet and Council.

11. RISK IMPLICATIONS

- 11.1 There are no direct risk implications arising from this report. Risks to service delivery, and hence to performance levels, are reviewed and captured on Pentana, the Council's performance and risk management software.

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 Performance reporting provides a means to monitor whether the Council is meeting the stated outcomes of the district priorities, its targets or delivering accessible and appropriated services to the Community to meet different people's needs.

13. SOCIAL VALUE IMPLICATIONS

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

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 There are no additional human resource implications

15. APPENDICES

None

16. CONTACT OFFICERS

Rachel Cooper
Controls, Performance & Risk Manager
rachel.cooper@north-herts.gov.uk
01462 474606

Ian Couper
Service Director - Resources
ian.couper@north-herts.gov.uk
01462 474243

Jeanette Thompson
Service Director – Legal and Community
jeanette.thompson@north-herts.gov.uk
01462 474370

Vaughan Watson
Service Director - Place
Vaughan.watson@north-herts.gov.uk
01462 474641

Ian Fullstone
Service Director – Regulatory
ian.fullstone@north-herts.gov.uk
01462 474480

17. BACKGROUND PAPERS

None

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**CABINET
26 JANUARY 2021**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: HITCHIN MARKET NEW CONTRACT

REPORT OF THE COMMERCIAL MANAGER AND SERVICE DIRECTOR - COMMERCIAL

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR ENTERPRISE AND COOPERATIVE DEVELOPMENT

COUNCIL PRIORITY: BUILD THRIVING AND RESILIENT COMMUNITIES / RESPOND TO CHALLENGES TO THE ENVIRONMENT / ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY

1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to seek approval for the new management contract regarding Hitchin Market. This report demonstrates how the partnership between the Council and Hitchin Markets Limited (HML) will continue.

2 RECOMMENDATIONS

- 2.1 That Cabinet approves the entering into of a new contract with Hitchin Markets Limited (HML) to operate Hitchin Market, for an initial period of one year with the option to extend on a year by year basis for a maximum of three years.

3. REASONS FOR RECOMMENDATIONS

- 3.1. To seek approval of the new contract going forward and to ensure Hitchin Market continues to operate.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 To conduct a tendering exercise regarding the operation of Hitchin Market. However, under Contract Procurement Rules, the Council does not have to legally tender this contract due to the overall value of it. Officers are also confident that HML are best placed to operate this market at this time and have been successful in its operation since 2008. Considerations have also been made surrounding the impact and tendering uncertainty as a result of the Covid-19 pandemic.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. The Executive Member and Deputy Executive Member for Enterprise and Co-operative Development and the Executive Member for Finance and IT have been kept regularly updated on this matter and support the entering into a new contract with HML.

6. FORWARD PLAN

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

7. BACKGROUND

- 7.1. The Council agreed to extend HML's contract in July 2020 for eight months from 1 August 2020 to 31 March 2021. The contract was agreed on the same terms and conditions as the previous contract agreed in 2008 for operational purposes, however, included a financial reduction from the management fee to a neutral position.
- 7.2. HML are currently experiencing a financial impact due to operational restrictions as a result of the Covid-19 pandemic. More details regarding this will be covered in the body of this report.
- 7.3. This report outlines the need for a new contract and explains why HML are best placed to continue to operate this market.

8. RELEVANT CONSIDERATIONS

- 8.1. The Council originally tendered the contract for Hitchin Market in 2008. HML were successful and have operated this contract since 1 August 2008. The contract has since been extended and modified.
- 8.2. The Council has worked closely with the team at HML through regular contract meetings and transparent communication. The financial position of HML has been regularly reported to the Council and measures have been explored to mitigate increasing financial pressures. It is important to note that HML were experiencing financial pressures pre Covid-19 pandemic.
- 8.3. Hitchin Market was forced to close on 24 March 2020 as a result of a national lockdown instructed by central government. The market reopened when it was deemed safe to do so on 2 June 2020, however has since partially closed due to further instruction. The market is now (as of 4 January 2021) operating on an 'essential trade' basis only. Both lockdowns have significantly affected HML's financial position.
- 8.4. Hitchin Market will aim to be a key element of the recovery of the town and surrounding District post Covid-19. The Council is confident that HML can support this initiative and ensure that the market provides a safe environment for the local community. The market will also aim to provide new opportunities for those businesses who may have suffered as a result of the pandemic, and to potentially transform the market into an experience destination as well as shopping.
- 8.5. Since reopening, HML have made efforts to ensure the market is a safe destination for traders and shoppers as well as inviting several new traders and increasing the number of speciality markets. The Council encourages and supports this and hopes to see the market grow with the support of HML.

- 8.6. The proposed new contract is a concession contract at zero value. Due to this, the Council do not have to procure this type of contract through a tender process as it falls beneath the procurement threshold. Therefore, the contract will be awarded via the Single Tender reporting process.
- 8.7. Although the proposed new contract will be cost neutral, it must be noted that the future of this market is still unstable and financial support from the Council may be required during the term of the new contract if the market struggles to grow following the impact of the pandemic.
- 8.8. The suggested contracting proposal allows the Council the opportunity to review the financial position of HML on a yearly basis. A decision or amendment/ s to the contract will be made according to the review if required. The flexibility of this contract also supports any future plans regarding the Churchgate premises and the everchanging market environment.
- 8.9. This contract will be for an initial period of one year with the option to extend on a year by year basis for a further two years with a maximum of three years. It will be based on the same terms as the previous contract extension in 2018, with changes to the contract length, financial implications (a cost neutral position) and updates in law. The Council will also continue to maintain an open book accounting approach with HML.
- 8.10. Since the current contract was last extended, officers have been working more closely with HML. To improve transparency and in support of a partnership approach, HML agreed that a Councillor become a board member and an officer attends regular board meetings. This approach has ensured the Council are involved in strategic decision making and enhances the partnership with HML.
- 8.11. The contract proposed is for a maximum of three years, this is to ensure that the Council has enough time to see how the market responds post pandemic and can decide the best way to operate this market going forward. This will include undertaking a full procurement exercise.
- 8.12. Officers have worked closely with HML in recent months to review and understand their financial challenges. Executive Members have also been kept up to date regarding HML's financial difficulty.
- 8.13. A financial check has been carried out on HML as part of the Council's procedure and has reported the company as very low risk (16/12/20). The net worth of HML is £18,195 as at the end of July 2020, this has reduced from the previous year which was £39,679.

9. LEGAL IMPLICATIONS

- 9.1. Concession Contracts of this value do not need to be competitively tendered for under The Concession Contracts Regulations 2016.
- 9.2. Rule 3.11 of the Council's Contract Procurement Rules (CPRs) [Part B, Section 20 dated 16 January 2020] states that these rules do not apply to Concession Contracts.
- 9.3. Legal will prepare the new Contract and will arrange for it to be executed by the parties.

- 9.4. Cabinet's terms of reference include at 5.6.36 the power, by recommendation "to determine those procurement matters reserved to Cabinet by the Contract Procurement Rules."

10. FINANCIAL IMPLICATIONS

- 10.1. The contract management fee with HML under the previous contract, was previously £28,100 which was paid directly to the Council. This fee was removed in 2020/21 to enable the market to continue to operate as a result of financial difficulty and increasing pressures related to the Covid-19 pandemic. There will be a permanent loss of income of £28,400 to the Council as the management fee will be reduced to a neutral position.
- 10.2. As explained above, the future of this market is unstable and financial support from the Council may be required during the term of the new contract. Any financial support will seek the approval of relevant Service Directors, Executive Member of Finance and IT, Executive Member of Enterprise and Cooperative Development as well as further approval from Cabinet if required.

11. RISK IMPLICATIONS

- 11.1. The main risk associated with this report is regarding the financial impact of Covid-19 on HML. There is a risk the Council will have to provide financial support to HML, however this is subject to HML income levels which are dependent on trader and shopper behaviour.
- 11.2. However, generally, this report is considered relatively low risk due to the fact the Council is currently receiving no income from the existing contract, is maintaining an established working relationship with HML and has the flexibility to change circumstances bearing in mind the duration of the new contract.

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 equality implications arising from this report, however, further consideration may need to be made in future as efforts are made to transform the Market into an experience destination. If as per 8.10 this includes new opening times and days, and the attraction of speciality markets, such consideration may pay attention, for example, to issues of accessibility for all areas of the community. Furthermore, as outlined in 12.1, efforts should ensure that opportunities to foster good relations between community groups are maximised.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. None identified.
- 13.2. As the recommendations in the report relate to a contract below £50,000 the "go local" policy has been applied. Hitchin Markets Limited is a locally based company that operates from Hitchin and is made up of local board members.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known direct Environmental impacts or requirements that apply to this report. However, further consideration may be required in the future, such as around the disposal of waste as the Market is transformed into an experience destination.
- 14.2 Furthermore, as we approach the attraction of new traders and speciality markets, we should be mindful of how these businesses' practices align with the Council's ethos on Climate Change and plastic.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 None identified.

16. APPENDICES

- 16.1 None identified.

17. CONTACT OFFICERS

- 17.1 Chloe Gray, Commercial Manager
chloe.gray@north-herts.gov.uk; ext 4223
- 17.2 Steve Crowley, Service Director – Commercial
steve.crowley@north-herts.gov.uk; ext 4211
- 17.3 Tim Everitt, Performance and Risk Officer
tim.everitt@north-herts.gov.uk; ext 4646
- 17.4 Georgina Chapman, Policy and Community Engagement
georgina.chapman@north-herts.gov.uk; ext 4121
- 17.5 Shah Mohammed, Group Accountant
shah.mohammed@north-herts.gov.uk; ext 4240
- 17.6 Isabelle Alajooz, Legal Commercial Manager
isabelle.alajooz@north-herts.gov.uk; ext 4346

18. BACKGROUND PAPERS

- 18.1 None identified.

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CABINET 26 JANUARY 2021
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*PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: THE COUNCIL'S PROCUREMENT STRATEGY

REPORT OF THE SERVICE DIRECTOR – LEGAL AND COMMUNITY

EXECUTIVE MEMBER: FINANCE AND IT

COUNCIL PRIORITY: BE A MORE WELCOMING AND INCLUSIVE COUNCIL / BUILD THRIVING AND RESILIENT COMMUNITIES

1. EXECUTIVE SUMMARY

- 1.1 To present an updated Procurement Strategy for adoption. A summary of the main changes to the Procurement Strategy is set out in the report.

2. RECOMMENDATIONS

- 2.1. That Cabinet adopts the new Procurement Strategy 2021-22 at Appendix A with implementation from 1 April 2021.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To ensure the Council's has an up to date Procurement Strategy. To formally support the ongoing development and modernisation of procurement and contract management within the Council with the aim of making further savings and supporting the local economy.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. Retain the current Procurement Strategy in its present form (from 2013). This is not, however, a recommended option as the current Procurement Strategy is not aligned with the Council Priorities or issues recently arising.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 No external consultation has been undertaken in the preparation of this report. However, this follows a liaison meeting with the Executive and Deputy Member for Finance & IT, and Executive Member for Enterprise and Co-Operative Development to discuss the proposed Strategy/ approach (and prior officer review by the Contracts and Procurement Group). A copy of the Draft Strategy was also forwarded to the Chair of Finance, Audit and Risk and Deputy Executive Member for Enterprise and Co-Operative Development for any comments prior to finalising the draft.

6. FORWARD PLAN

- 6.1 This report covers the Procurement Strategy which could be significant in terms of its effects on communities living or working in two or more wards. It has therefore been referred to on the Forward Plan from 12 November 2020.

7. BACKGROUND

- 7.1 To conduct its business efficiently a local authority needs to ensure that it has sound Procurement procedures in place and that they are strictly adhered to. Part of this process is the establishment and maintenance of a Procurement Strategy for the authority.
- 7.2 The Procurement Strategy, alongside the Contract Procurement Rules and Government guidance, provide clarity about the procurement accountabilities of individuals - Cabinet Members, the Section 151 Officer (the Service Director: Resources), the Monitoring Officer, the Service Directors, the Contract Managers and officers.
- 7.3 The Procurement Strategy has been written to support the Council's priorities, the community it serves and contract managers in fulfilling their duties regarding procurement
- 7.4 The Procurement Strategy and Contract Procurement Rules form an integral part of the Council's framework. They help to ensure that we make procurement decisions in a consistent way across the Council. This supports us in our duties to ensure that we are transparent in all our actions and are clearly accountable for all the decisions we make. By ensuring that appropriate Regulations, Strategies and Rules are applied, the Council can be confident that economic, efficient and effective financial management supports the achievement of its priorities.

8. RELEVANT CONSIDERATIONS

- 8.1 The main provisions of the Procurement Strategy are summarised below. As indicated in the foreword to the Strategy – this is being put forward at a time of uncertainty, continuing national pandemic and post EU transition adaptations and developments; it is therefore short-term to enable the Council to reflect current priorities, whilst acknowledging that this will have to be reviewed fairly shortly once implemented.
- 8.2 The key focus during this Strategy period will be

Leadership

- Overview mechanism – strengthened review and linking this to current priorities and budget requirements.
- Management and Control of Procurement Activity – a proportionate approach to contract management with senior officers and contract management.

Commercialism, Community and Social benefit

Seeking to put a stronger focus on the following during procurement activities:

- Commercialism – seeking supplier innovation and the best value during whole life contract cycles.
- Community wealth building – encouragement of local SMEs, social enterprises and minority businesses to tender – by simplifying processes and (where legally possible) increasing the Go Local limit up to £100,000.
- Ethical procurement (such as seeking social value rewards to the community, real living wage payments to employees by suppliers, an ethical supply chain).
- Safeguarding to be promoted and monitored during the procurement process and life cycle.
- Carbon reduction/sustainability promotion.
- Equalities and Diversity – ensuring that these are appropriately integrated in the procurement process.

Reacting to change

- Recognising the impact of covid-19 pandemic & economic recovery – particularly around SME/ Local Businesses – and keeping it local where possible.
- Brexit/ post EU Transition – dealing with any changes that result from the UK-EU Trade and Cooperation Agreement and Green Paper/ White Paper and or legislation that arise.

- 8.3 Having considered this with relevant senior Members, the implementation period for the Strategy is as recommended from April 2021 as a lead in period for administrative and monitoring purposes. The Legal Commercial Team Manager and Procurement Officer shall however keep developments under review and aim to tie in national changes with the current review period. To the extent that it does not (namely following any delay in national legislation or implementation) then consideration will be given between senior Members and relevant officers to extend this Strategy for an appropriate period.

9. LEGAL IMPLICATIONS

- 9.1 The Procurement Strategy takes account of, and is compliant with, current legal requirement under the Public Contracts Regulations 2015 as amended.
- 9.2 Cabinet's terms of reference include at 5.6.36 the power, by recommendation "to determine those procurement matters reserved to Cabinet by the Contract Procurement Rules."
- 9.3 As a result of changes in staffing within the Legal department, together with the impact of Covid-19 and the EU transition, it was accepted by Group Leaders as part of their Legal portfolio that the new Procurement Strategy would be a shorter affair in order to put into place some of the Council's aspirations for the District, as they relate to the Council's Plan as well as remain reactive to the changing environment. The UK-EU Trade and Cooperation Agreement (TCA) contains provisions relating to procurement and it remains to be seen how this and the Government's Green Paper proposals are carried forward during 2021.

10. FINANCIAL IMPLICATIONS

- 10.1 There are no financial implications arising directly from the recommendation to adopt the new Procurement Strategy. Part of the intention of the Strategy is that it will facilitate the achievement of best value from Council contracts. There is a risk that some of the policy ambitions within the strategy (e.g. promoting a real living wage) could create short-term cost pressures.

11. RISK IMPLICATIONS

- 11.1 There are no risk implications arising directly from the recommendation to adopt the new Procurement Strategy. An updated Procurement Strategy will support the alignment of procurement processes and Council priorities. This will help to reduce risk where previously they may have contradicted each other

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 promotion of the real living wage throughout contracts may alleviate the financial strain of those at risk of poverty and those sole earners or lone parents and therefore advance the equality of opportunity in the working population.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and “go local” requirements do not apply to this report, albeit that the Strategy include the requirements with regards to these.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to this report, albeit that the Strategy include the requirements with regards to these.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are no direct human resources implications arising from the report, although compliance with these regulations is a requirement of an employee’s contract of employment.

16. APPENDICES

- 16.1 Appendix A: Procurement Strategy 2021-22

17. CONTACT OFFICERS

- 17.1 Jeanette Thompson, Service Director – Legal and Community
Jeanette.thompson@north-herts.gov.uk; Ext. 4370
- 17.2 Isabelle Alajooz, Legal Commercial Team Manager
Isabelle.alajooz@north-herts.gov.uk; Ext. 4346

- 17.3 Ian Couper, Service Director – Resources
Ian.couper@north-herts.gov.uk; Ext. 3243
- 17.4 Kirstie Wilson, Procurement Officer
Kirstie.wilson@north-herts.gov.uk; Ext. 4284
- 17.5 Reuben Ayavoo, Policy & Community Engagement Manager
Reuben.ayavoo@north-herts.gov.uk; Ext. 4212
- 17.6 Rachel Cooper, Risk, Controls, Performance Manager
Rachel.cooper@north-herts.gov.uk; Ext. 4606
- 17.7 Jo Keshishian Human Resources Service Manager
Jo.Keshishian@north-herts.gov.uk; Ext. 4314

18. BACKGROUND PAPERS

- 18.1 The Council's Constitution.

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Procurement Strategy

2021 – 2022

DRAFT

Foreword

As with many Councils during the last year, the Council has had to be reactive to the unprecedented situation (following the pandemic and preparing for post European Union transition). This shorter term Strategy for 2021-22 therefore will attempt to put into place some of the Council's aspirations for the District, as they relate to the Council's Plan as well as remain reactive to the changing environment.

1.0. Introduction

The term 'Procurement' is not about purchasing, buying or commissioning, it is the whole life cycle in the acquisition of goods, works or services from the supplier through to the end of the project. It is important to ensure that the goods/services are appropriate and that they are procured at the best possible cost to meet the needs of the users and the local community in its widest sense in terms of quality and quantity, time, and location. Procurement processes are intended to promote fair and open competition, are managed and controlled accordingly, whilst minimising exposure to fraud and collusion, and achieving the Council's key objectives and outputs.

Since the last Procurement Strategy was adopted, a number of new external influences have been taken into account, including climate change, the UK transitioning out of the EU and the coronavirus (Covid-19) pandemic. This Strategy sets a structure for procurement throughout the authority, which reflects the Council's vision and objectives and this context.

Procurement is central to the management of many operations within the Council, with the authority spending around £22m per year on commissioning goods, works and services from suppliers. Procurement is a key part to managing costs, although it must be recognised that the wider advantage for the District comes from the whole life costs, environmental and social benefits and not just the lowest price.

The Council recognises the role that procurement can play in delivery social and economic gains within the local economy. The Council acknowledges the benefits of opening up local procurement to wider participation and will look to apply the Go Local policy to the award of contracts under £100k where it is feasible to do so.

The Council acknowledges the valuable guidance within the National Procurement Strategy for Local Government in 2018¹, with the emphasis on leadership, behaving commercially and achieving community benefits. This Strategy seeks to encompass these as focal points around the following interchangeable areas:

Leadership

- Overview mechanism.
- Management and Control of Procurement Activity

¹ [LGA National Procurement Strategy](#)

Commercialism, Community and Social benefit

- Commercialism
- Community wealth building (including widening the scope of the Go Local policy)
- Ethical procurement (such as social value, real living wage, ethical supply chain)
- Safeguarding (including Modern Slavery)
- Carbon reduction/sustainability
- Equalities and Diversity

Reacting to change

- Impact of covid-19 pandemic & economic recovery – particularly around Small and Medium Economic Entities and Local Businesses
- Brexit/ post EU Transition

2.0 Procurement Strategy Context

The Strategy is designed to be a high-level statement and has been produced in line with a number of Council documents:

- The Council Plan²
- Medium Term Financial Strategy and budget;
- The Council's Contract Procurement Rules (regulating procurement function).
- The Council's Contract Management Guides
- The Council's Transparency Statement (in the supply chain)

Procurement within the Council must also be undertaken in line with legalisation which currently includes:

- The Public Contract Regulations 2015 (as amended from 1 January 2021)
- Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended by the Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014
- Equality Act 2010
- The General Data Protection Regulation (GDPR) 2018
- Social Value Act 2012

Legalisation may change and this Strategy must remain as flexible as it can to take that into account.

² <https://www.north-herts.gov.uk/home/council-data-and-performance/council-plan>

3.0 Procurement Focus

3.1 Leadership

Overview mechanisms

Procurement falls under the Executive Member for Finance and IT and overall review of this with Cabinet. It has a role in efficient, effective and innovative services. It potentially involves partnership working and benefitting from partnership procurement where feasible. Where possible this contributes toward the Council's priorities, budget management and sustainability.

Management and Control of Procurement Activity

Procurement is part of the Legal section which reports to the Service Director for Legal and Community. A devolved procurement model is in place within the Council, with contract managers responsible for running their procurements, supported by the Procurement Officer (and relevant legal officer where appropriate).

A contract manager will be designated at the outset of each procurement, with the responsibility and sufficient authority, for ensuring that the procurement project is correctly executed.

Senior managers are responsible for ensuring that staff engaged in procurement and contract management shall be suitably qualified and trained for the purpose.

When contract managers are arranging a procurement they should have the capability themselves, through qualification, experience and/or knowledge or have access to suitably trained and informed staff, to be able to arrange the procurement in a satisfactory manner. The Procurement Officer is able to support and guide in this process where appropriate and necessary.

Officers managing major contracts shall have the capability themselves, through qualification, experience and/or knowledge, or should have access to technical expertise, to be able to ensure the sound management and monitoring of contracts.

3.2 Commercialism, Community and Social benefit

Commercialism

There are wide-ranging factors that can impact on the success of a commercial arrangement. Through taking a considered approach at the outset of a procurement, with appropriate risk identification and seeking an innovative approach, will help to achieve commercial success for the Council's expenditure.

Procurement at NHDC will seek to incorporate and embed the following considerations:

- procurements will be within the regulatory structure (Contract Procurement Rules - NHDC's Standing Orders and Financial Regulations in place) that clearly set out the responsibilities and approval levels for spending money with suppliers;
- at the outset of each procurement we will consider the commissioning options and challenge existing methods to determine the best method for achieving value for money;
- wherever possible we will use opportunities for collaboration with other organisations, and/or partners, including the use of pre-existing frameworks in order to achieve value for money through economies of scale;
- will work with the Commercial Directorate to consider the feasibility of, and then if so, to develop a preferred supplier list for specific areas of regular specialised /time sensitive work (the aim being to capitalise on potential investment opportunities and be more reactive for project work)we will give due consideration to what could go wrong, how likely this is and the assess the likely consequences at the start of each procurement. If necessary, following this risk assessment, the 'project' will be logged on the Council's risk register;
- procedures established for letting and managing major contracts will be appropriate to the risks that have been identified. In particular, procedures will not be over-bureaucratic and should satisfy the value for money requirement;
- we will ensure officers involved in procurement processes have access to clear guidance and templates, supported by online training tools, so procurement resources are focused on value adding areas;
- we will draft our specifications to encourage supplier innovation within their bid responses;
- we will regularly review our procurement processes to ensure they are streamlined and clear for the officers following them, so time is not wasted through a lack of understanding;
- we will carry out effective contract management to ensure commercial benefits stated in the procurement process by the supplier are realised under the contract;
- we will utilise flexible contracts which withstand changes in the operating environment with appropriate contract exit arrangements;
- we will ensure that effective risk identification and mitigation measures are applied to each procurement to ensure commercial success;
- we will maintain the Contract Register and ensure the contract review dates reflect the planning time needed for re-procuring the contract;
- we will use pricing schedules which capture whole life contract costs incurred in the goods or service provision.
- wherever feasible, we will maximise on opportunities to make savings by aggregating spend through effective collaboration or via a shared service on common goods and services without compromising the need for social value and providing opportunities for local businesses.

Community wealth building

The National Organisation for Local Economies defines Community Wealth Building as:

“a new people-centred approach to local economic development, which redirects wealth back into the local economy, and places control and benefits into the hands of local people”³.

The Council recognises the role procurement can play in community wealth building, through increasing spend with local and regional suppliers, whilst still complying with the appropriate procurement rules. Procurement at NHDC take the following approach to community wealth building, in order to help the local area benefit from the Council's spend activity:

- we will encourage local SMEs, social enterprises and minority businesses and suppliers to bid for contracts through providing clear specification of requirements and instructions for tendering;
- larger contracts will be split into smaller lots where possible to enable local suppliers, with smaller resources, the ability to bid.

Social benefit (ethical procurement):

Social Value

The foundations of social value in procurement is in the Social Value Act 2012. This places a requirement on the Council to:

“consider, prior to undertaking the procurement/commissioning process, how any services procured might improve economic, social and environmental well-being”.

Social Value is an area of opportunity for the Council to realise more for its residents by achieving additional value for its commissioning activities. By taking Social Value into account during the procurement process, spending decisions can be used to maximise the benefit for the residents in the North Hertfordshire district.

The Local Government Act 2000 further reminds us that fundamentally, an objective of any local authority should be:

“The promotion or improvement of the economic, social and environmental well-being of their area.”

The Council will pursue the following social value objectives:

- at the start of each procurement process, procuring stakeholders will discuss and identify Social Value opportunities and embed relevant questions within the procurement documents;
- we will monitor the Social Value commitments made by supplier and publish a log of them on the intranet.

³ <https://cles.org.uk/community-wealth-building/what-is-community-wealth-building/>

Real living wage

The real living wage is higher than the national minimum wage and is calculated on the cost of living, based on a basket of household goods and service⁴.

The Council strongly believes that fair work practices and paying the Real Living Wage can have a positive effect on people's lives and can help to create a fairer and more equal society.

We are committed to promoting the living wage and we will continue to take every opportunity to do so when buying goods, services and works.

The Council supports the objectives of the Real Living Wage Foundation, which seeks for all employees to be paid a wage that covers their everyday needs.

At NHDC we will seek to implement the following real living wage commitments with our suppliers:

- we will promote the use of the real living wage with our highest spend suppliers through contract managers advocating the Council's values in this area;
- for tenders where low industry wages typically exist, the Council will consider the use of scored quality questions on the real living wage and whether the use of zero hour contracts exists.

Safeguarding (Modern Slavery)

The Council is committed to doing what it can to combat slavery and prevent human trafficking within its business and supply chain. The Council's aspiration is to have a positive impact on the fair and safe working conditions of those working directly or indirectly for us. A Modern Slavery Transparency statement is published on the Council's website.

The legalisation in the area of modern slavery encourages the scrutiny of the authority's supply chains to eliminate any unfair practises covertly taking place. The following principles will be upheld to ensure diligent safeguarding is in place at NHDC:

- we will procure in line with the Council's Transparency Statement for identification of modern slavery within the supply chain;
- we will comply with the Co-operative's Charter against Modern Slavery (as adopted by the Council);
- we will ensure procurement training is maintained on modern slavery;
- we will produce a check list of the modern slavery identifiers within supply chains for disseminating within the service areas;
- we will monitor the number of new contract awards where the Modern Slavery Act 2015 applies to the contractor and whether requirements have been upheld;

⁴ https://www.livingwage.org.uk/what-real-living-wage?gclid=EA1aIQobChMq_yswJ7y6glVRrTtCh3rDQcwEAAYASAAEg4nPD_BwE

- we will challenge any abnormally low-cost tenders to ensure they do not rely upon the potential contractor practising modern slavery;
- we update the Council's procurement page that suppliers contracted workers are free to join a trade union and are not to be treated unfairly for belonging to one;
- we will look to affiliate to Electronic Watch – an independent monitoring organisation that⁵ allows public buyers to detect problems in the global electronics' supply chain;
- we will keep the procurement intranet page updated highlight the whistleblowing system for staff, contractors or agency to blow the whistle on any suspected examples of modern slavery and unlawful behaviour in relation to the contract.

Ethical supply chain

The Council is committed to ensuring an ethical supply chain is in place for its activities. To do so the Council will implement the overarching principles of environmental protection, elimination of modern slavery, respect for human rights, elimination of fraud, bribery and corruption within its supply chains.

Specific ethical supply chain considerations, not covered in other sections within this Strategy, are:

- we will use the Transparency in the Supply Chains Platform (TISC) to access corporate transparency reports at the outset of a procurement as this will help achieve human rights and environmental outcomes;
- we will use the TISC portal to check compliance issues with existing suppliers;
- we will review our Transparency Statement annually, monitor our outcomes and update any necessary actions annually;
- The Council will endeavour to use Fair Trade products where possible and facilitate usage of such products through transparent procurement processes and contracts ensuring that the requirements for value for money and quality are met;
- we will include a link within our procurement documents to direct bidders to the Council's Anti-Fraud and Corruption Policy (which incorporates other Policy documents, such as the Anti- Bribery Policy);
- The Procurement Officer will undertake the Chartered Institute of Procurement and Supply's online training course on Ethical Procurement and Supply annually.

Carbon reduction/sustainability

In May 2019, the Council passed a Climate Emergency motion which pledged to do everything within the Council's power achieve zero carbon emissions in North Hertfordshire by 2030, this will only be achievable if Carbon impacts are considered as part of all procurement exercises. Consideration of the environmental impact from the Council's commissioning activities is a key area of importance, with opportunities to generate positive benefits actively sought.

Sustainable procurement is a culture and should be considered in the development of specifications as well as in the evaluation of procurement exercises.

⁵ bringing together public sector buyers and civil society organisations in electronics production regions, with experts in human rights and global supply chains

The first step in sustainable procurement is reducing the need to procure. Attention to the whole life cost/ lifecycle and longevity of a product in particular, reducing the use of 'single use' products where possible is a simple way to incorporate sustainable procurement. Consideration of the supply chain is important but not just of the supplier itself – where possible there needs to be consideration of how a supplier sources raw materials and/ or product, as well as sub-contractors.

When procuring products, understanding (where possible) of how that product or process fits into a circular economy, alongside use of materials from sustainable sources, considering EPC ratings (where appropriate). Sustainability may be covered in the evaluation of Social Value elements, where sourcing local products, or products with a net zero carbon impact can be assessed. However, more environmentally positive selection criteria based on sustainability principles may be appropriate.

The Council will undertake the following carbon reduction / sustainability measures:

- purchases of goods and services should be made only where there is demonstrable best practice in place for standards for environmental, economic or social sustainability;
- whole-life costs should be considered, i.e. is a higher capital cost offset by reduced operational costs due to a more energy efficient product;
- products which are harmful to the environment will not be purchase where a less damaging alternative is available. e.g. the use of independently certified wood from sustainable forests e.g. FSC;
- a reduction in quantity and/or quality (where direct environmental benefit is evident) and should be considered in any specification. Consideration of draw down contracts, where supplies are delivered under the contract as the need arises, rather than requiring upfront numbers of products which lay unused and will ultimately be disposed of. e.g. quantities of promotional leaflets;
- the waste hierarchy should be considered in the specification of any product and consideration of its disposal. The Council will specify products which are made from recycled products, at end of life can be recycled, can be re-used, or will biodegrade, wherever possible;
- products which operate in an energy efficient manner should be specified and those which cause minimal damage to the environment in their production, distribution, use and disposal should be considered more highly when awarding marks in the allocated quality question;
- paper will be procured from sustainable forests or have recycled content and where possible should be unbleached;
- suppliers are key to the delivery of sustainable procurement. They will be encouraged to continually improve their sustainability profile. Understanding how suppliers manage their waste is a simple first step in determining the sustainability principles of a supplier. If they are not separating waste for recycling they are unlikely to consider sustainability at the heart of their business;

- the Council is working towards the reduction of the carbon footprint of its premises and will continue to pursue this by actively reducing its energy consumption in relation to its associated contracts within this area. Proactive steps should be scored as well as suppliers demonstrating they procure fuel from sustainable sources e.g. the use of green energy supplier or biofuels.

Equalities and Diversity

The Equality Act (2010) (the Act) sets out anti-discrimination law in the UK. It identifies 'protected characteristics': age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, pregnancy and maternity and marriage and civil partnerships. The Act sets out the public sector equality duty (PSED) which applies to most public authorities in England, such as local authorities, police, schools, universities and central government departments. It also applies to organisations carrying out a public function. It therefore includes private companies or voluntary sector organisations that have been contracted to carry out public functions on behalf of a public authority. The duty only applies in respect of the public function being carried out and not the wider business of the contracted body. The PSED requires public authorities to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- advance equality of opportunity between people who share a protected characteristic and those who do not; and
- foster good relations between people who share a protected characteristic and those who do not.

The Act also explains that advancing equality of opportunity involves having due regard to the need to:

- remove or minimise disadvantages suffered by people due to their protected characteristics;
- take steps to meet the needs of people with certain protected characteristics where these are different from the needs of other people; and
- encourage people with certain protected characteristics to participate in public life or in other activities where their participation is disproportionately low.

The Council is committed to ensuring that procurement and equality are appropriately integrated to ensure compliance with its statutory obligations and to promote its vision of valuing diversity throughout its partnership and contractual working.

The PSED is non-delegable. This means that the duty will always remain the responsibility of the organisation subject to the duty.

In practice the Council will take this into account in its tender evaluation and contracting processes, a potential contractor's approach to equality in terms of its employment practices and service delivery. It will do this by asking potential contractors relevant questions and

include appropriate provisions in its contract documents relating to these matters. This enables the Council to meet its continuing legal obligation to comply with the duty.

The promotion of equality in procurement will help the Council to create a diverse and integrated workforce whilst encouraging external organisations to promote and practice equality and diversity within their own business. For the Council, promoting equality through procurement can improve competition, value for money, the quality of public services, satisfaction among users and community relations. For business and voluntary organisations, it makes good business sense and can also give them a competitive edge when they tender for Council contracts

3.3 Reacting to change

Impact of COVID19 and economic recovery

The Coronavirus Pandemic (COVID-19) has had and continues to have a significant negative impact on residents and businesses in the North Hertfordshire district. The Council understands that it can play a role in helping the local economy recover.

Economic Recovery – Small and Medium Economic Entities and Local Businesses

Increasing the use of local suppliers for the delivery of the Council's goods and service requirements, helps to create jobs and generate opportunities for local businesses. The Council has a Go Local policy already in place for contracts under £50K in value and this Strategy assists by having clear principles in place to support local suppliers. It will, as indicated, look to increase this up to £100K. The Strategy also incorporates and supports the principles of the *Keep It Local* movement which advocates:

“by unlocking the power of community, local authorities can create more responsive services that reduce long-term costs and invest in the local economy.”⁶

NHDC will address the following considerations in its pursuit of economic recovery for local suppliers:

- we will streamline procurement processes and documentation for lower value procurements in order to remove barriers for small suppliers doing business with the Council;
- we will provide guidance on our website for local suppliers to explain how to bid for contracts and what are requirements are and what they can expect from us in return;
- we will apply the Go Local policy to optimise the award of contracts under £50K to local suppliers and if feasible will increase this level to £100K;
- we will seek to promote the local economy through incorporate supporting evaluation criteria wherever possible;
- we have incorporated the locality principles into the Council's procurements.

⁶ Locality.org.uk

Brexit/ post EU Transition

There is uncertainty and growing concern about the impact leaving the European Union will have on the local economy of North Hertfordshire. The Strategy sets out a structure that will be responsive and supportive to suppliers of the Council in this unsettling period, whilst the long-term impacts materialise. The Council is aware of the increased costs that may be incurred as a result of additional administration from boarder to supply chains issues and individual contracts will be managed to minimise such impacts where possible.

The Council is conscious that changes are likely in the shorter and medium terms to public procurement. In the short term amendments to the Public Contract Procurement Regulations and contract publishing requirements are in force from 2021. In the medium term – with the Government recently publishing a green paper⁷ for consultation on a new post-transition regime, and the UK-EU Trade and Cooperation Agreement it is possible that more far reaching changes will be put into place. Whilst final arrangements are yet to be confirmed, it means that the Council must be adaptive to new requirements as and when they arise.

4.0 Monitoring and Reporting

Measuring effectiveness through tangible outcomes will be critical to the delivery of the Strategy. The actions identified will be monitored through the Council's Contract Procurement Group in order to ensure the Strategy successfully delivers the intentions identified. Reporting on progress will done on a regular basis to the group with any necessary actions or modifications made to ensure the Strategy remains up to date with the Council's priorities.

5.0 Conclusion

The Strategy provides North Hertfordshire District Council with a number of opportunities to build upon the successes that it has established over the past few years. Through its procurement activity and processes, North Hertfordshire District Council is well placed to support the delivery of high quality public services and benefits to the residents of its district in this challenging time.

⁷ [Transforming Public Procurement \(15.12.20\)](#)