

# NORTH HERTFORDSHIRE DISTRICT COUNCIL



5 March 2021

Our Ref    Cabinet/Meeting Date  
Contact.    Committee Services  
Direct Dial.    (01462) 474655  
Email.    [committee.services@north-herts.gov.uk](mailto: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 and Carol Stanier.

**NOTICE IS HEREBY GIVEN OF A**  
**MEETING OF THE CABINET**

to be held as a

**VIRTUAL MEETING**

on

**TUESDAY, 16TH MARCH, 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**

<b>Item</b>		<b>Page</b>
<b>1.</b>	<b>WELCOME AND REMOTE/PARTLY REMOTE MEETINGS PROTOCOL SUMMARY</b> 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: <a href="https://www.north-herts.gov.uk/home/council-and-democracy/council-and-committee-meetings">https://www.north-herts.gov.uk/home/council-and-democracy/council-and-committee-meetings</a> .	(Pages 7 - 12)
<b>2.</b>	<b>APOLOGIES FOR ABSENCE</b>	
<b>3.</b>	<b>MINUTES - 26 JANUARY 2021</b> To take as read and approve as a true record the minutes of the meeting of the Committee held on the 26 January 2021.	(Pages 13 - 22)
<b>4.</b>	<b>NOTIFICATION OF OTHER BUSINESS</b> 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.	
<b>5.</b>	<b>CHAIR'S ANNOUNCEMENTS</b> <u>Climate Emergency</u> The Council has declared a climate emergency and is committed to achieving a target of zero carbon emissions by 2030 and helping local people and businesses to reduce their own carbon emissions.  A Cabinet Panel on the Environment has been established to engage with local people on matters relating to the climate emergency and advise the council on how to achieve these climate change objectives. A Climate Change Implementation group of councillors and council officers meets regularly to produce plans and monitor progress. Actions taken or currently underway include switching to green energy, incentives for low emission taxis, expanding tree planting and working to cut food waste.  In addition the council is a member of the Hertfordshire Climate Change and Sustainability Partnership, working with other councils across Hertfordshire to reduce the county's carbon emissions and climate impact.  The Council's dedicated webpage on Climate Change includes details of the council's climate change strategy, the work of the Cabinet Panel on the Environment and a monthly briefing on progress.	

### Declarations of Interest

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. COMMUNITY ASSET TRANSFER: HITCHIN BRIDGE CLUB REPORT OF THE SENIOR ESTATES SURVEYOR.**

(Pages  
23 - 74)

To consider the options available regarding the transfer of a Community Asset to Hitchin Bridge Club.

## **9. CLIMATE CHANGE STRATEGY 2021-2026 REPORT OF THE POLICY AND COMMUNITY ENGAGEMENT MANAGER**

(Pages  
75 - 100)

To propose a refreshed Climate Change strategy for adoption for 2021-2026.

## **10. STRATEGIC PLANNING MATTERS REPORT OF THE SERVICE DIRECTOR – REGULATORY**

(Pages  
101 -  
128)

To identify the latest position on key planning issues affecting the District.

## **11. LOCAL PLAN FURTHER MODIFICATIONS REPORT OF THE SERVICE DIRECTOR – REGULATORY**

(Pages  
129 -  
142)

To inform Members of the progress with the examination of the new Local Plan and to seek approval to conduct a consultation upon the Inspector's proposed Further Main Modifications to the Plan and documentation produced under delegated authority.

## **12. UPDATE ON CORPORATE PEER CHALLENGE ACTION PLAN REPORT OF THE MANAGING DIRECTOR**

(Pages  
143 -  
176)

To update on the progress made against each action on the Corporate Peer Challenge Action Plan agreed by Cabinet on 23 June 2020, following the recommendations of the Corporate Peer Challenge (CPC) held in January 2020.

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|-----|--|-------------------------|
| 13. | <b>LOCAL PLAN IMPLEMENTATION</b><br>REPORT OF THE SERVICE DIRECTOR – REGULATORY  | (Pages<br>177 -<br>202) |
|     | To review previous resolutions and to recommend a revised programme of work to support the implementation of the new Local Plan.   |                         |
| 14. | <b>UPDATE ON OUR MAJOR LEISURE FACILITIES</b><br>REPORT OF THE SERVICE DIRECTOR – PLACE  | (Pages<br>203 -<br>208) |
|     | To provide an update on our major leisure facilities and confirm the opening of both Letchworth and Hitchin outdoor pools this summer season. The report also includes a proposal to extend the outdoor pool season by a further one or two weeks. |                         |
| 15. | <b>PERFORMANCE MANAGEMENT MEASURES FOR 21/22</b><br>REPORT OF THE SERVICE DIRECTOR – RESOURCES   | (Pages<br>209 -<br>216) |
|     | A report of all Performance Indicators and associated targets to be monitored by the Overview and Scrutiny Committee in 2021/22.   |                         |
| 16. | <b>PROPOSED INCREASE IN CAR PARKING TARIFFS 2021-22</b><br>REPORT OF THE SERVICE DIRECTOR – REGULATORY   | (Pages<br>217 -<br>230) |
|     | To consider the proposed car parking tariffs in North Hertfordshire District Council's off street car parks.   |                         |
| 17. | <b>THIRD QUARTER REVENUE MONITORING 2020/21</b><br>REPORT OF THE SERVICE DIRECTOR - RESOURCES  | (Pages<br>231 -<br>246) |
|     | To inform Cabinet of the summary position on revenue income and expenditure forecasts for the financial year 2020/21, as at the end of the third quarter.  |                         |
| 18. | <b>THIRD QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2020/21</b><br>REPORT OF THE SERVICE DIRECTOR – RESOURCES   | (Pages<br>247 -<br>280) |
|     | To update the Committee on progress with delivering the Capital and Treasury Strategy as at the end of December 2020.  |                         |
| 19. | <b>CONTRACT PROCUREMENT RULES WAIVER REFERRAL</b><br>REPORT OF THE SERVICE DIRECTORS – LEGAL AND COMMUNITY AND RESOURCES<br>(WAIVER: SERVICE DIRECTOR – COMMERCIAL_)   | (Pages<br>281 -<br>284) |
|     | To consider a waiver to the Council's Contract Procurement Rules to appoint the nominated specialist services as set out in the Waiver Report (Part 2 exempt Appendix A) without carrying out a tender exercise.                                   |                         |
|     | <i>NB: Appendix A is a Part 2 (confidential) document and has been included separately as Item 21 below.</i>   |                         |



**20. EXCLUSION OF PRESS AND PUBLIC**

To consider passing the following resolution:

That under Section 100A of the Local Government Act 1972, the Press and Public be excluded from the meeting on the grounds that the following report will involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the said Act (as amended).

**21. CONTRACT PROCUREMENT RULES WAIVER REFERRAL**

285 -

REPORT OF THE SERVICE DIRECTORS – LEGAL AND COMMUNITY  
AND RESOURCES

294

(WAIVER: SERVICE DIRECTOR – COMMERCIAL\_

To consider a waiver to the Council's Contract Procurement Rules to appoint the nominated specialist services as set out in the Waiver Report (Part 2 exempt Appendix A) without carrying out a tender exercise.

*NB: This is the Part 2 Appendix to the report at Item 19.*

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# NORTH HERTFORDSHIRE DISTRICT COUNCIL



## REMOTE / PARTLY REMOTE MEETINGS PROTOCOL

This protocol 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')<sup>1</sup> 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.

Remote meetings are virtual in that the meeting is conducted at no specific location and participants are at various locations, communicating via audio/video and online. There is also the opportunity for the public and press to listen and view proceedings.

The Council's adopted Constitution will continue to apply to meetings of the Council, and its various Committees and Sub-Committees, but where there is a conflict the Constitution takes precedent.

In the event that a remote or part remote and physical meeting takes place then the Protocol will apply.

### **The means that remote access will be provided:**

1. Agendas will continue to be published as usual using the Mod.Gov committee management system.
2. Members and the public registered to take part in a meeting will be required to use the video conferencing facility adopted by the Council to attend a meeting remotely (unless part remote/ physical meeting applies). Remote access will be via a meeting invitation sent directly to a Member's NHDC email address, or for public that have registered to participate, to the specified email address. The meeting invitation should not be shared. If joining a meeting via video conference it is expected that Members are always visual and the public are visual at the relevant point of the agenda, or where requested to confirm attendance.
3. If video conferencing is not possible, the meeting invitation will also include a telephone number so that attendance may be through an audio link using the same conferencing facility.
4. Remote access for members of the public and Members who are not attending to participate in the meeting, including the press, can view the meeting via the NHDC You Tube channel. The link to the You Tube channel is available via the Council's website, where agendas are available.
5. If technology fails for a wholly remote meeting, and the meeting is no longer open to the public, the Chair will immediately adjourn the meeting to allow for connection to be re-established.

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<sup>1</sup> <http://www.legislation.gov.uk/uksi/2020/392/contents/made>



6. If the provision of access through remote means cannot be restored within a reasonable period (20 minutes), then the remaining business will be considered at a time and date fixed by the Chair. If the Chair does not fix a date, the remaining business will be considered at the next ordinary meeting.

#### **Management of Remote Meetings**

7. If for any reason the meeting is not quorate an Officer will notify attendees by interjecting at the meeting. The meeting will adjourn immediately. Once the meeting is quorate the meeting will resume. If connection cannot be restored within a reasonable period, then 6 above applies.
8. If a remote Member loses connection the Chair may adjourn the meeting for a short period to enable connection to be re-established.
9. If the Chair does not adjourn the meeting the Member will be deemed to have left the meeting at the point of failure and be deemed to have returned at the point of re-establishment.
10. Only Members present for the entirety of debate and consideration of an item are entitled to vote. In the case of 9 above a Member will not be able to vote on that item.

#### **Remote Attendance of the Public**

11. A member of the public wishing to speak at a meeting must comply with the requirements to register as per Sections 4 and 8 of the Constitution (and any regulatory meeting procedures for Planning, Licensing, and Standards Sub-Committee meetings).
12. It is advisable to submit a representation in writing to the Committee, Member and Scrutiny Officer prior to the meeting. In the event that the member of public is unable to access the conferencing facility provided by the Council, and a representation has been received, this will be read out by the Chair or an officer in attendance.
13. The scope of presentations/questions must comply with that as stipulated within the Council's Constitution.
14. If technology fails for a member of the public who attends to participate (speak at the relevant time) and is unable to do so, the Chair may decide to adjourn or proceed to the next item of business to allow for connection to be re-established. If connection cannot be restored within a reasonable period, the Chair can decide to conclude the remaining business.

#### **Meetings Procedure**

15. Prior to the commencement of a meeting the Committee, Member and Scrutiny Officer/Manager will confirm that the meeting is being streamed live.



16. The Committee, Member and Scrutiny Officer/Manager will at the beginning of the meeting, and at the reconvening of a Council, Committee or Sub-Committee meeting, confirm that they can see and hear all participating Members and, if applicable, members of the public.

**Etiquette for Members, Officers, the public and press**

17. Any person attending the meeting remotely should join the meeting no later than fifteen minutes prior to the start to allow sufficient time to test connection.
18. When joining the meeting input your name in full, e.g. Cllr Joanne Smith, Mr Joseph Smith. Titles should be shown (if a Chair, Vice Chair, the Leader or an Executive Member, Ward Advocate or Officer). For a meeting of a committee, the Members of the committee should include after their name "Committee Member" (so that a member of the public can distinguish voting Members from other non-Committee Members who may have registered to speak as a ward Member, or who may have obtained the consent of the Chair to attend.) Anyone addressing the Committee as a registered public speaker should include this after their name.
19. Please follow the same principles for a remote meeting in regard to the manner in which you conduct yourself and wear appropriate clothing, as if the meeting was being conducted within the Council Chamber. Remember to stay in view of the camera and that everything you do can be seen, such as leaving your seat/ room, talking to other members within the household, eating, texting.
20. It is advisable to wear headsets as this can help to reduce any feedback. Noise cancelling headphones assist with reducing background noise.
21. Please ensure that your mobile phone and other noise emitting devices are muted.
22. Please activate the mute button on the device when you are not speaking.
23. Any visual background should be non-descript or, where possible, a virtual or blurred background.
24. Be careful to prevent exempt or confidential papers being seen within the video-feed - consider the position of the camera angle, including a clear front view of your face.
25. When a meeting is in private session there should not be anyone in the room that is not entitled to be present.
26. You will be invited to address the meeting by the Chair - please show respect to each other and do not talk over someone who is already speaking or interject uninvited.
27. Don't forget to unmute yourself when you are invited by the Chair to address the meeting.
28. The procedure as set out in the Constitution regarding 'Disturbance by the public' and 'Members' conduct' will be followed.



29. Please refrain from using a 'reaction' tool on the social media platform.<sup>2</sup>

### **Rules of Debate**

30. If a Member wishes to speak they should use the raise hand function and this will alert the Chair of the wish to speak. The host will inform the Chair of the name/s of the speakers, who should wait to be invited by the Chair to address the meeting.
31. The normal procedure rules in respect of debate and times to speak will apply as per the Constitution:
- No speeches may be made after the mover has moved a proposal and explained the purpose of it until the motion has been seconded.
  - When seconding a motion or amendment, a Member may reserve their speech until later in the debate.
  - No speech should exceed five minutes without the consent of the Chair.
  - The mover of an amendment has no right of reply.
32. If a Member has a closure motion, personal explanation or point of order, the Member may interject the meeting at an appropriate time by saying 'Chair I have a point of order/personal explanation' or by stating the closure motion. Wait for the Chairs invitation to address the Committee.
33. If a Member has declared a Disclosable Pecuniary Interest and is therefore required to leave the meeting during the consideration of an item, they will be placed in a breakout room. It is the responsibility of the Member in question to remind the Chair at the start of such item. The Committee, Member and Scrutiny Officer/Manager will remind the Chair to re-admit the Member at the conclusion of the item in question.

### **Member Voting**

34. When satisfied that there has been sufficient debate the Chair will request that the host confirms that all 'raised hands' have been cleared following which the Committee, Member and Scrutiny Officer/Manager will read out the recommendation that Members will be voting upon. Members will need to use the tools within the "Participants" function to vote using a green tick to indicate 'for', a red cross to indicate 'against', or the "raise hand" tool (which raises a blue hand) 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 Committee, Member and Scrutiny Officer/Manager.
35. The Committee, Member and Scrutiny Officer/Manager will clearly state the result of the vote and the Chair will then move onto the next agenda item.
36. 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 the voting will be

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<sup>2</sup> To avoid confusion with the method of voting, separate to this area.



seen on the video recording of the meeting (and heard if a Member has joined the meeting by audio means).

37. In the event of a tied vote the Chair will have the casting vote.

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## NORTH HERTFORDSHIRE DISTRICT COUNCIL

### CABINET

**MEETING HELD AS A VIRTUAL MEETING  
ON TUESDAY, 26TH JANUARY, 2021 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 Member: Councillor Ian Mantle.*

**In Attendance:** *Councillor David Levett (Chair of the Overview and Scrutiny Committee), Anthony Roche (Managing Director), Ian Fullstone (Service Director - Regulatory), Jeanette Thompson (Service Director - Legal and Community), Ian Couper (Service Director - Resources), Steve Crowley (Service Director - Commercial), Nigel Smith (Strategic Planning Manager), Helen Leitch (Principal Landscape and Urban Designer), Chloe Gray (Commercial Manager) and Hilary Dineen (Committee, Member and Scrutiny Manager)*

## **82 WELCOME AND REMOTE/PARTLY REMOTE MEETINGS PROTOCOL SUMMARY**

*Audio recording – 42 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; and
- Voting.

Members were advised that, due to an upgrade on zoom the usual voting system no longer worked as required. Voting would take place using the blue raised hand symbol.

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

## **83 APOLOGIES FOR ABSENCE**

*Audio recording – 3 minutes 48 seconds*

Apologies for absence were received from Councillor Gary Grindal and Deputy Executive Members Ruth Brown, Sean Prendergast and Carol Stanier.

Councillor Kate Aspinwall, Chair of Finance, Audit and Risk Committee also offered her apologies for the meeting.

**84 MINUTES - 15 DECEMBER 2020**

*Audio Recording – 4 minutes 20 seconds*

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

**RESOLVED:**

- (1) That the Minutes of the Meeting of the Committee held on 15 December 2020 be approved as a true record of the proceedings.
- (2) That, with the authorisation of the Chair, his electronic signature and initials be attached to the Minutes approved in (1) above.

**85 NOTIFICATION OF OTHER BUSINESS**

*Audio recording – 5 minutes 15 seconds*

There was no other business notified.

**86 CHAIR'S ANNOUNCEMENTS**

*Audio recording – 5 minutes 19 seconds*

- (1) The Chair advised 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 meant 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 be taking Items 13 and 14 following Item 10.

**87 PUBLIC PARTICIPATION**

*Audio recording – 6 minutes 27 seconds*

There were no presentations by members of the public.

**88 ITEMS REFERRED FROM OTHER COMMITTEES**

*Audio recording – 6 minutes 32 seconds*

- 7a Referral from Finance, Audit and Risk Committee: 18 January 2021 – Revenue Budget 2021-22

The Chair advised that this referral would be considered with Item 11.

7b Referral from Finance, Audit and Risk Committee: 18 January 2021 – Investment Strategy (Integrated Capital and Treasury)

The Chair advised that this referral would be considered with Item 12.

7c Referral from Overview and Scrutiny Committee: 19 January 2021 – Proposed Amendments to Performance Management Measures for 20/21

The Chair advised that this referral would be considered with Item 13.

## 89 STRATEGIC PLANNING MATTERS

*Audio recording – 7 minutes*

The Executive Member for Planning and Transport presented the report entitled Strategic Planning Matters and drew attention to the following:

- In respect of the NHDC Local Plan, there had been no communication from the Inspector as yet;
- The next Local Plan hearings were due to take place on 1 / 2 February 2021 and would be regarding Site BK3 and the Master planning process;
- He was due to meet with St Albans District Council to discuss duty to co-operate;
- There was ongoing discussions regarding the expansion of Luton Airport;
- Parking income was reduced due to less parking to towns.

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

**RESOLVED:** That the report entitled Strategic Planning Matters be noted.

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

## 90 BALDOCK, BYGRAVE AND CLOTHALL NEIGHBOURHOOD PLAN

*Audio recording – 10 minutes 51 seconds*

The Executive Member for Planning and Transport presented the report entitled Baldock, Bygrave and Clothall Neighbourhood Plan together with the following appendices:

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

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

**RESOLVED:**

- (1) That the responses received to the Council's proposed modifications to the Examiner's recommendations on the Baldock, Bygrave and Clothall Neighbourhood Plan be noted.
- (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 be approved to proceed to a referendum.

- (3) That the Counting Officer be instructed to make arrangements and conduct a referendum on the Baldock, Bygrave and Clothall Neighbourhood Plan.

**REASON FOR DECISIONS:** 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.

## 91 CONSERVATION AREA SUMMARY REPORT AND NEXT STEPS

*Audio recording – 12 minutes 7 seconds*

The Executive Member for Planning and Transport presented the report entitled Conservation Area Summary Report and Next Steps together with the following appendix:

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

The following Members took part in the debate:

- Councillor Martin Stears-Handscomb.

Members commented that this was an excellent report and the officers should be thanked for their hard work.

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

### **RESOLVED:**

- (1) That the findings of the North Hertfordshire Conservation Area Summary Report, attached as Appendix A to this report be endorsed, as part of our statutory requirement to review conservation areas from time to time.
- (2) That the way forward as set out in the draft programme of work identified within this report at Table 1 be agreed.

**REASON FOR DECISIONS:** 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 Plan.

## 92 REVENUE BUDGET 2021/22

*Audio recording – 29 minutes 2 seconds*

The Executive Member for Finance and IT presented the report entitled Revenue Budget together with the following appendices:

- Appendix A – Financial Risks 2021/22;
- Appendix B – Revenue Budget Savings and Investments;
- Appendix C – Budget Summary 2021 – 2026;
- Appendix D – Budget Summary 2021 – 2026 (£10 Council Tax increase 2021/22;
- Revenue Budget 2021-22 – Addendum;
- Appendix B - Revenue Budget Savings and Investments – Addendum;
- Appendix C - Budget Summary 2021-26 – Addendum;
- Appendix D - Budget Summary 2021-26 – Addendum.

The Executive Member for Finance and IT drew attention to the following:

- An addendum report and appendices had been published that reflected the position taking into the account the decision to support the leisure facilities;
- An amendment had been made to saving E5;
- The impact on the Tax Base was detail in Paragraph 8.5;
- Table 1 showed the impact of a £10 increase in council tax;
- It had been decided to continue with the Business Rate Pool;
- Appendix B outlined the proposed savings;
- The work of the Challenge Board would continue;
- Citizens Advice had provided a business case for additional funding.

Councillor Ian Albert proposed and Councillor Judi Billing seconded the recommendations as per the report addendum and an additional recommendation that Citizens Advice be awarded additional funding of £50,000 for 2021/22 only.

The following Members took part in the debate:

- Councillor Judi Billing;
- Councillor Steve Jarvis.

Councillor Steve Jarvis proposed and Councillor Martin Stears-Handscomb seconded that, in the event that a £10 increase in 2021/22 is allowed, the additional funding (£247k) be set aside for Covid support for residents, in 2021/22 only.

The Chair thanked the Finance, Audit and Risk Committee for the referral (7a) which endorsed the recommendations.

**RESOLVED:** That the increase in the 2020/21 working budget of £291k, as detailed in table 5 be approved.

**RECOMMENDED TO COUNCIL:**

- (1) That the position on the Collection Fund and how it will be funded be noted.
- (2) That the position relating to the General Fund balance and that due to the risks identified a minimum balance of £3.85 million is recommended be noted.
- (3) That the savings and investments as detailed in Appendix B be approved.
- (4) That a net expenditure budget of £18.391m, as detailed in Appendix C be approved. In the event of a £10 band D increase being allowed, then Appendix D would apply,
- (5) That 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) be approved. 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.
- (6) That, in the event that a £10 increase in 2021/22 is allowed, the additional funding (£247k) be set aside for Covid support for residents, in 2021/22 only.
- (7) That Citizens Advice North Herts be allocated an additional £50,000 funding in 2021/22 only.

**REASONS FOR DECISIONS:**

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

**93 INVESTMENT STRATEGY (INTEGRATED CAPITAL AND TREASURY)**

*Audio recording – 46 minutes 4 seconds*

The Executive Member for Finance and IT presented the report entitled Investment Strategy (Integrated Capital and Treasury) together with the following appendices:

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

The Executive Member for Finance and IT drew attention to the following:

- Investments in commercial aspects would likely require borrowing and this would be considered at the appropriate time
- Yield was low currently therefore consideration would be given to selecting alternative investments
- That the Service Director – Resources and his team be thanked for their hard work, which had been praised by auditors.

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

**RECOMMENDED TO COUNCIL:**

- (1) That the Investment Strategy (as attached at Appendix A), including the capital programme and prudential indicators be adopted.
- (2) That the four clauses in relation to the Code of Practice on Treasury Management (as detailed in paragraphs 8.12 to 8.17) be adopted.

**REASONS FOR DECISIONS:**

- (1) To ensure that the capital programme meets the Council's objectives and officers can plan the implementation of the approved schemes.
- (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.

**94 PROPOSED AMENDMENTS TO PERFORMANCE MANAGEMENT MEASURES FOR 20/21**

*Audio recording – 14 minutes 11 seconds*

The Leader of the Council presented the report entitled Proposed Amendments to Performance Management Measures for 20/21 and drew attention to the following:

- There were two proposed amendments to targets propose, due to the effects of the pandemic on performance being:
  - MI LI015 - Number of visits to leisure facilities;
  - Reg 3 - Percentage of Environmental Health programmed inspections completed

Councillor David Levett, Chair of the Overview and Scrutiny Committee presented the referral from the meeting of that Committee (7c) held on 19 January 2021.

He advised that the Committee had discussed public engagement at meetings and felt that viewing figures would clarify the level of those engaging with meetings.

The Overview and Scrutiny Committee recommended to Cabinet:

- (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;
- (2) That Cabinet consider instigating a “reporting only” figure of those viewing Council meetings on YouTube in order to gauge public engagement with virtual meetings.

The following Members took part in the debate:

- Councillor Judi Billing;
- Councillor Elizabeth Dennis-Harburg;
- Councillor Ian Albert;
- Councillor Steve Jarvis;
- Councillor Martin Stears-Handscomb.

Comments from Members included:

- That public engagement should not stop at looking at the number of people viewing on YouTube;
- That investigation needed to take place regarding methods that could be used to engage with those viewing the meeting, as opposed to those within the meeting;
- Another issue raised at Overview and Scrutiny was to consider opening the outdoor pools earlier. This had been passed to officers for consideration.

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

**RESOLVED:**

- (1) That the proposed amendments to the PIs and any associated targets that will continue to be monitored throughout 2020/2021 by Overview & Scrutiny be approved;
- (2) That an additional “reporting only” figure of those viewing Council meetings, both live stream and video, on YouTube be reported to Overview and Scrutiny in order to gauge public engagement with virtual meetings.

**REASON FOR DECISIONS:** To ensure that Performance Monitoring is effective and reflects the current national situation.

**95 HITCHIN MARKET NEW CONTRACT**

*Audio recording – 25 minutes 9 seconds*

The Executive Member for Enterprise and Co-operative Development presented the report entitled Hitchin Market New Contract.

The following Members took part in the debate:

- Councillor Judi Billing;
- Councillor Ian Albert.

Councillor Keith Hoskins thanked the Commercial Manager for the work undertaken in this respect.

Councillor Keith Hoskins proposed, Councillor Paul Clark seconded and it was:

**RESOLVED:** That 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 be approved.

**REASON FOR DECISION:** To seek approval of the new contract going forward and to ensure Hitchin Market continues to operate.

**96 THE COUNCIL'S PROCUREMENT STRATEGY**

*Audio recording – 50 minutes 47 seconds*

The Executive Member for Finance and IT presented the report entitled The Council's Procurement Strategy together with the following appendix:

- Appendix A - Procurement Strategy 2021-22.

The Executive Member for Finance and IT drew attention to the following:

- This was something where the Council could make a real difference;
- It aimed to support the local economy by supporting more localised procurement;
- The strategy sought to support the aims set out in the Council Plan;
- Considering supply chains;
- There was a Government green paper regarding procurement;
- Looking at how can encourage local suppliers to do business with the Council;

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

**RESOLVED:** That the new Procurement Strategy 2021-22 at Appendix A be adopted with implementation from 1 April 2021.

**REASON FOR DECISIONS:** 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.

The meeting closed at 8.29 pm



**Tuesday, 26th January, 2021**

Chair

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**CABINET**  
**16 March 2021**

**PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: COMMUNITY ASSET TRANSFER: HITCHIN BRIDGE CLUB**

REPORT OF THE SENIOR ESTATES SURVEYOR

EXECUTIVE MEMBER: CLLR JARVIS, EXECUTIVE MEMBER FOR ENVIRONMENT & LEISURE

COUNCIL PRIORITY: BUILD THRIVING AND RESILIENT COMMUNITIES

**1. EXECUTIVE SUMMARY**

- 1.1 To seek Cabinet's decision in principle to grant a leasehold interest in land at Cadwell Lane, Hitchin to Hitchin Bridge Club (HBC).

OR:

- 1.2 To seek Cabinet's agreement to place the matter into abeyance until HBC obtains pre-application advice from the local Planning authority and Highway authority on their proposed development at Cadwell Lane.

OR:

- 1.3 To reject the proposal to grant a leasehold interest in the land to HBC with reason(s).

**2. RECOMMENDATIONS**

- 2.1 That Cabinet provides its decision in principle to grant a leasehold interest in land at Cadwell Lane, Hitchin to HBC.

OR:

- 2.2 That Cabinet agrees to place the matter into abeyance until the pre-application advice is obtained by HBC.

OR:

- 2.3 That Cabinet rejects the proposal to grant a leasehold interest in the land to HBC and provides reason(s) for this decision.

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

- 3.1 Should Cabinet decide in principle to grant a leasehold interest, this will signal officers to commence exploring the feasibility of the proposed leasehold transfer to HBC, in accordance with the Detailed Development Stage of NHDC's Community Asset Transfer (CAT) policy. This with a view to reporting back to Cabinet at a later date.
- 3.2 Should Cabinet agree to place the matter into abeyance, this will signal officers to request HBC to obtain pre-application advice from the Planning and Highway authorities on HBC's proposed development. This with a view to reporting back to Cabinet at a later date.
- 3.3 Should Cabinet reject the proposal to grant a leasehold interest in the land to HBC, officers will contact HBC to inform their expression of interest will not be pursued further by NHDC. Cabinet will need to provide a reason(s) for its decision to reject the proposal in accordance with the CAT policy, which will be communicated to HBC. Offices propose to continue discussions with HBC to consider alternative solutions as outlined in 8.13.

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

- 4.1 No reasonable alternative options are considered.

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

- 5.1 The following Members, Committees and Officers have been consulted:
  - Cllr Stears-Handscomb, Leader of the Council.
  - Cllr Jarvis, Executive Member for Environment & Leisure.
  - Cllr Albert, Executive Member for Finance & IT.
  - Cllr Hoskins, Executive Member for Enterprise and Co-Operative Development.
  - Cllr Albert, Cllr Billing and Cllr Bryant in their capacity of Hitchin Bearton Ward Members.
  - Hitchin Committee.
  - Asset Management Group.
  - Leadership Team (including Service Director – Resources and the relevant Service Head).

### **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 7<sup>th</sup> December 2020.

## **7. BACKGROUND**

- 7.1 NHDC owns the freehold interest in public recreation ground at Cadwell Lane, Hitchin. The land is indicated by the area shaded pink and yellow edged blue on the site plan in Appendix A. The land is approximately 4.19 acres in total and is comprised in the two Title Numbers HD493650 and HD524230. The land is laid out as a football pitch and is in serviceable condition. A single storey football pavilion of circa 60 square metres gross external area stood on part of the land. This was demolished in 2018. No replacement structure has since been erected. The land has a recorded asset valuation of £25,000, based on existing use. This value would increase if planning permission for development of the land is granted.
- 7.2 NHDC has received an expression of interest from HBC to acquire a leasehold interest in circa 0.35 acres of the land. This expression invokes NHDC's CAT policy. The area shaded yellow edged blue on the site plan in Appendix B indicates the extent of the proposed lease demise. Apportioning the existing use asset valuation stated in 7.1 by area indicates this land has an asset value of just over £2,000.
- 7.3 This report details the expression of interest, provides background information and evaluates the proposed leasehold transfer in the context of NHDC, HBC and the wider community. This in order to assist Cabinet in making a decision in principle regarding the proposed leasehold transfer of NHDC's land.
- 7.4 During consultation with Asset Management Group, the Group enquired whether the CAT policy applies to HBC's expression of interest to acquire an interest in land, as opposed to an existing building. NHDC's Service Director - Legal & Community subsequently confirmed that the policy *does* apply to this case. Feedback from Hitchin Committee will be reported to Cabinet under separate cover.

## **8. RELEVANT CONSIDERATIONS**

- 8.1 Hitchin Bridge Club is a Charitable Incorporated Organisation (CIO), registered at the Charity Commission for England and Wales under charity number 1140362. According to figures published on the Charity Commission's website, for the five financial periods ending 31<sup>st</sup> December 2015 to 31<sup>st</sup> December 2019, the mean yearly average of HBC's total income was £31,978. The mean yearly average of its total expenditure for the same period was £19,310. HBC members and visitors are from across the district and surrounding counties. HBC has seven trustees, 268 members and its stated charitable objects are as follows:

(a)

*The advancement of amateur sport by promoting the game of bridge for the benefit of the residents of Hitchin and the surrounding area.*

(b)

*The provision of facilities for the learning, teaching and playing of bridge for the benefit of the residents of Hitchin and the surrounding area with the object of improving conditions of life.*

- 8.2 HBC's expression of interest under the CAT policy proposes that NHDC grants HBC a long lease in part of the recreation ground at Cadwell Lane to enable HBC to then construct and operate a permanent club house with surface car park. This to support and sustain the Club's charitable objects and activities. NHDC would retain the freehold. Initial details proposed by HBC to date are:

The lease

- Landlord: NHDC. Tenant: HBC.
- Contractual term of 99 years.
- Tenant responsible for full repairs and insurance of building and car park.
- Annual ground rent of £500 (equating to circa £1,429 per acre or £0.03 per square foot).
- Security of tenure under Landlord and Tenant Act 1954, Part II.
- HBC intends for the leased property to be hired by other community groups when not in use by the Club.

The development

- Single storey building.
- Sited facing Cadwell Lane to form an attractive view from road.
- Toilets and kitchen positioned close to location of services and inspection chamber.
- Building orientated to use south/south-west facing roof for solar panels. These would not be visible from road.
- Incorporate other energy saving measures.
- Surface car park located behind building.
- Vehicle entrance off current parking layby in Cadwell Lane, with lockable gate.
- Boundary line of leased area 5 metres (16 feet 5 inches) behind football pitch.
- Boundary to be planted or fenced.

Full details (including building floor area) are to be clarified and no agreements have been made to date between NHDC and HBC. Planning permission, Highway authority consent and other important matters will need to be investigated and addressed by HBC before a lease is granted. The outcome of these matters may influence the development details, the lease terms, the timing of events, and may even influence whether or not the lease proceeds.

- 8.3 HBC intends for the facility to be hired by other community groups when not in use by the Club. Based on HBC's expression of interest and status as a CIO, HBC is considered to constitute an "eligible organisation" as defined by the CAT policy to be considered for acquiring a leasehold interest.

- 8.4 HBC informs they have been seeking a permanent home for over 10 years, having examined a range of locations, ownerships and tenure. They seek a long-term self-contained arrangement rather than a temporary hire. In 2020, HBC explored leasing NHDC-owned land adjacent to St John's Community Centre in Hitchin to build a club house and car park but later withdrew this interest. The Senior Estates Surveyor enquired with the tenant of St John's Community Centre as to whether they would be willing to sub-let or assign part of the Centre to HBC. Unfortunately this option was not available. NHDC's Senior Estates Surveyor also enquired with HBC whether vacant retail premises are an option for a facility, particularly given the current supply of empty units. HBC replied that owners of such units would require commercial rents at a level outside HBC's capability as a CIO. They also informed the retail premises viewed do not offer the correct amount of sufficiently convenient car parking.
- 8.5 NHDC officers do not consider the land at Cadwell Lane that HBC proposes to lease meets the definition of "surplus" or "under-used" property in NHDC's Asset Disposal policy. Therefore a ground rule of the CAT policy is not met. This would not necessarily preclude a leasehold transfer under the policy if it can be demonstrated the transfer could be used to achieve wider regeneration objectives or community ownership in a wider scheme. However, no such wider scheme is known of to date.
- 8.6 No other expressions of interest under the CAT policy have been submitted for the land at Cadwell Lane. Further, the land is not under contract to be used or acquired by an alternative organisation, and has not previously been agreed for disposal by Cabinet.
- 8.7 Appendices C - G comprise information provided by HBC, including their expression of interest under the CAT policy.
- 8.8 Potential benefits to HBC, Hitchin and wider community from the proposed leasehold transfer include:
- HBC secures a permanent facility to continue and reinforce its charitable objects for the benefit of HBC's members, Hitchin and the wider community.
  - Establishes a modern setting from which HBC can expand membership and their reach within the community. This promotes wider interaction, builds connections and friendships and allows more people to engage in mentally stimulating activity in the form of bridge. Such activity will help combat health and social issues of isolation, loneliness and dementia.
  - Creates a stable and conducive facility for people to improve mathematical and behavioural skills.
  - HBC's wide reach in terms of membership and visitors helps draw footfall into Hitchin, supporting local businesses.

8.9 Potential benefits to NHDC from the proposed leasehold transfer include:

- Helps avert expenditure by NHDC on hiring private accommodation. NHDC will seek to reserve a right in the lease to free use of part or all of the property for its own occasional purposes, such as polling station use. This is a request of NHDC's Returning Officer who informs that the Cabinet Office are giving less funds, and the charges for some venues are becoming excessive.
- HBC's willingness to adopt energy efficient measures in the design of the facility reinforces NHDC's commitments and aims of its Climate Change Strategy. The lease will seek to secure as many green measures as practicable.
- Modest long-dated ground rent income stream for NHDC from an asset currently generating no income. NHDC will seek to include 5-yearly indexed upwards-only rent reviews in the lease to ensure the rent keeps pace with inflation.
- Helps generate and maintain business rates income by drawing footfall to the area and supporting the longevity of local businesses.
- Contributes towards NHDC's priorities, in particular to build thriving and resilient communities.

8.10 Potential risks to NHDC, Hitchin and wider community from the proposed leasehold transfer include:

- Loss of part of the public recreation ground and green space. Circa 8.5% of the ground would be leased out to HBC and developed with a club house and car park.

Although the lease will require the tenant to allow use of the proposed building and car park by other community groups when not used by the tenant, it is considered this does not fully mitigate the loss of the land for public use or the loss of the environmental, social and community benefits stemming from the land. Appendix H provides further insight on this risk in the form of a report by NHDC's Place directorate.

- The out-of-town location and limited public transport provision for the proposed site will necessitate travel to and from the club house predominantly by private vehicles. This is likely to have a negative carbon impact and not support NHDC's Climate Change Strategy.
- Cannibalise proportion of demand from NHDC's community centres in Hitchin. This increases the risk of tenants of those centres surrendering their leases or exercising break options, saddling NHDC with vacant buildings, holding costs and property management responsibilities. It will be difficult to secure new tenants willing to continue running the buildings as community centres.



- Sub-optimum use of property resources. NHDC's pavilions at Swinburne Recreation Ground and Ransoms Recreation Ground may become surplus in the near future, as indicated by NHDC's report at Appendix H. It would appear a better use of land resources to consider leasing one of those buildings to HBC to repurpose or redevelop for a club house should these buildings become surplus, subject to Planning and all other relevant consents. Using existing buildings would obviate the need to build the new club house at Cadwell Lane thus saving on associated resources and embodied carbon. The buildings at Swinburne and Ransoms may need to be marketed for letting first. A letting to HBC cannot be guaranteed.
- The facility is not hired out to other community groups when not in use by the Club, or only for impractically short periods of time. NHDC will seek to incorporate a clause in the lease requiring the tenant to abide by a service level agreement or management agreement appended to the lease. This will require all reasonable endeavours to be made by the tenant to allow other community groups use of all or part of the facility for community purposes. A suitable minimum period of time for which hiring out should take place, and the time periods during which this should happen, would be included in the agreement.
- Lease granted but no development commences, or development commences but left incomplete. NHDC will seek to reduce this risk by incorporating a covenant in the lease obliging the tenant to construct the club house and car park ready for occupation and use within 12 months of commencement of the contractual term. A long stop date of 18 months may be included to allow for Planning delays. An alternative is to incorporate a landlord break clause after 12 or 18 months operational by NHDC if the land remains undeveloped by this time. A landlord break clause, however, is likely to make it more difficult for the tenant to secure external funding for the development should they require such funding.
- Alterations are undertaken to the constructed building or car park that are unsuitable or detrimental to NHDC's adjoining land or to nearby owners and occupiers. NHDC will seek to include a clause in the lease requiring the tenant to obtain the consent of the landlord and other relevant parties prior to undertaking alterations and to reverse alterations that have not been granted consent.
- The tenant persistently fails to abide by the lease, for example fails to keep the property in good repair. This risk will be reduced by including forfeiture provision in the lease to assist NHDC in taking back possession of the property in the event of such a scenario.

- The tenant uses the property for commercial activities commanding a higher rent than the rent proposed. NHDC will seek to reduce this risk by only permitting change of use subject to landlord's prior consent. However, confining the use may restrict the rent achievable at reviews. An alternative is to permit change of use subject to landlord's consent and stipulating such consent is not to be unreasonably withheld. This will support a higher rent at reviews, although the Landlord and Tenant Act 1927 states that a proviso will be deemed to apply (unless structural alterations are involved) that a landlord (who is minded to grant consent) cannot demand a premium or increase in rent for providing its consent to the new use. All the landlord can recover are its costs and a reasonable sum to cover any reduction in value in the premises or any adjacent premises it owns. These provisions cannot be excluded. The user clause will need careful drafting to promote use by a range of community groups.
- The lease is assigned or under-let to a profit motivated tenant. NHDC will seek to reduce this risk by prohibiting assignment and under-letting, except to other Trustees or an incorporated association for the time being of the tenant. Alternatively, NHDC will seek to include in the lease a clause entitling NHDC to review the rent to the market rental value of the whole property (building, car park and land) should NHDC grant consent to assign or under-let the property to an individual or organisation that is not a Trustee or incorporated association of the tenant. The rent will be reviewed on the date of notice from tenant requesting consent to assign or under-let, and every 5 years thereafter, to market rental value.
- The property is relinquished to NHDC, for example upon the tenant becoming unable to continue operating and surrendering the lease. NHDC will then incur the holding costs of an empty building or be expected to continue the operation. It is likely to prove difficult to find a new tenant willing to take over the operation. If NHDC runs the facility itself, it will incur direct running costs, including labour costs.
- Once the land is leased out, NHDC will forgo utility and not realise capital value from the site until expiry of the contractual term or any statutory continuation of the term. The only opportunities NHDC will have to gain earlier possession are:
  - The lease incorporates tenant, landlord or mutual break clauses and the landlord or tenant exercises them.
  - The lease contains forfeiture provision and is forfeited by NHDC as landlord.
  - The tenant surrenders the lease.

Having said that, there is not presently considered to be significant capital value in the land.

- 8.11 Should Cabinet provide its decision in principle to grant a leasehold interest to HBC, officers will explore with HBC the feasibility of the proposed leasehold transfer and request a business case. Comprehensive lease heads of terms will be negotiated with HBC. Further, HBC will be expected to clarify issues such as Planning permission, Highway authority consent and so on and update NHDC officers. The outcome will be reported to a future Cabinet meeting seeking final approval to proceed with the leasehold transfer.

- 8.12 Alternatively, should Cabinet agree to place the matter into abeyance, officers will request HBC obtains pre-application advice from the Planning and Highway authorities on the proposed development. This with a view to reporting back to Cabinet at a later date seeking either:
- (i) A decision in principle to grant a leasehold interest in land at Cadwell Lane to HBC; or
  - (ii) To reject the proposal to grant a leasehold interest in the land to HBC with reason(s).
- 8.13 If the proposal is rejected at the later Cabinet meeting, or indeed at this Cabinet meeting, officers propose to continue discussions with HBC to consider alternative solutions. Such solutions may include:
- Suggest HBC to approach existing community groups of NHDC community buildings to make enquiries about sharing facilities, including the bowling pavilion at Bancroft Recreation Ground.
  - Discuss the possible option of HBC seeking a leasehold interest via the CAT policy in the pavilions at Swinburne Recreation Ground and Ransoms Recreation Ground if these buildings become vacant.
  - Suggest HBC to identify alternative venues in Hitchin outside NHDC's ownership that they may wish to hire.

## **9. LEGAL IMPLICATIONS**

- 9.1 Cabinet in exercising its functions has power to consider or receive presentations from members of the public, community groups and outside bodies on matters relating to the District.
- 9.2 NHDC's Community Asset Transfer policy and NHDC's Asset Disposal policy are applicable to this case.
- 9.3 A sale or a lease of land of more than seven years is regarded as a disposal. The Contract Procurement Rules (Land Transactions) state that "no property or land owned or leased by the Council shall be disposed of to a third party until it has been established that no other directorates of the Council have a need for the property or land, and that the current service area confirms no other requirement for the site."
- 9.4 Section 123 of the Local Government Act 1972 General Disposal Consent (England) 2003 allows a Council to dispose of land in any manner it wishes provided that the consideration is the best that can be reasonably obtained unless the Secretary of State consents to the disposal for less than best value for the following reasons:
- (i) The promotion or improvement of economic well-being.
  - (ii) The promotion or improvement of social well-being.
  - (iii) The promotion or improvement of environmental well-being.

- 9.5 A public notice under Section 123 Local Government Act 1972 was placed in two consecutive editions of the local newspaper advertising the proposed disposal of the land. No comments or objections were received by the deadline.
- 9.6 All disposals need to comply with the European Commission's State aid rules. The European Commission's Communication on State aid elements in sales of land and buildings by public authorities (97/C 209/03) provides general guidance on this issue. When disposing of land at less than best consideration authorities are providing a subsidy to the owner, developer and/or the occupier of the land and property, depending on the nature of the disposal. Where this occurs authorities must ensure that the nature and amount of subsidy complies with the State aid rules, particularly if there is no element of competition in the sale process.

## **10. FINANCIAL IMPLICATIONS**

- 10.1. If a lease is granted to HBC, their expression of interest proposes an annual rental income of £500 for NHDC. NHDC will seek to review the rent on an indexed upwards-only basis at 5-yearly intervals.
- 10.2. Leasing out the land will not generate material revenue savings for NHDC despite reducing the area of land at Cadwell Lane maintained by NHDC.
- 10.3. In the event the development on the leased land is left partially complete, there may be an expectation that NHDC either completes the build or demolishes it. Should protections in the lease fail to secure this work is undertaken by the tenant, NHDC will incur capital costs.
- 10.4. If the club house is relinquished to NHDC, NHDC will incur the holding costs of an empty building or be expected to continue the operation itself, incurring direct running costs such as labour costs.

## **11. RISK IMPLICATIONS**

- 11.1. Although a leasehold transfer of the land at Cadwell Lane presents the potential risks outlined in Section 8 of this report, no leasehold transfer will take place unless a later Cabinet meeting approves the transfer. The present Cabinet is solely being asked to decide whether the expression of interest should be progressed to the next stage of the CAT policy, put into abeyance or rejected. No material risks are considered to directly emanate from making the decisions sought from this Cabinet.
- 11.2. Please note the risks outlined in Section 8 are not, and should not be inferred to be, reflective of HBC. Having corresponded with HBC on numerous occasions and met several of their Trustees during the course of the last year, the author of this report has witnessed HBC's great level of dedication, professionalism and enthusiasm for providing a club house facility for bridge playing and learning. The author is of the firm opinion HBC will provide NHDC with a strong and reliable tenant covenant strength should they be granted a leasehold interest.

## **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. Appendix I provides an Equality Analysis.

## **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 The proposed leasehold transfer involves part of the public recreation land at Cadwell Lane. Appendix H considers the environmental, social and economic benefits of green public open space, providing useful context for the case in hand and setting out the multi-faceted role of such public space, including:

- Importance to the environment, society and local economy;
- Supporting family life;
- Maintaining health and well-being;
- Improving social cohesion;
- Promoting local economic development, investment and tourism;
- Contribution to green infrastructure and complementing existing infrastructure.

The section within Appendix H entitled “History of the open space” focuses specifically on the recreation land at Cadwell Lane and the potential environmental and other impacts that apply to the decisions sought from Cabinet.

- 14.2 An Environmental Impact Assessment has been undertaken – refer to Appendix J. This report has been considered. Should a lease eventually be granted by NHDC to HBC, this will seek to secure adoption by tenant of as many environmentally friendly and green measures as reasonably practicable in the development. These to include measures that:
- Aim to minimise the embodied carbon of the development – for example approving the selection of construction materials or methods with lower whole life carbon footprints or which aid in carbon sequestration;
  - Aim to minimise operational energy usage – for example ensuring adoption of renewable energy sources, passive environmental controls and good quality build standards to reduce reliance on more energy-intensive artificial means of moderating the internal temperature and humidity of the development; and
  - Aim to harmonise the development within its adjoining environment – for example by requiring incorporation of green and natural landscaping and boundary treatments.

## **15. HUMAN RESOURCE IMPLICATIONS**

15.1 There are no human resource implications.

## **16. APPENDICES**

16.1 Appendix A - Site plan of NHDC's freehold recreation ground.

16.2 Appendix B - Site plan of HBC's proposed lease demise.

16.3 Appendix C - HBC's expression of interest.

16.4 Appendix D - Comments from HBC members on benefits of playing bridge.

16.5 Appendix E - HBC and its relationship with Hitchin, the local and wider community.

16.6 Appendix F - Membership breakdown of HBC.

16.7 Appendix G - HBC during Covid-19 lockdown.

16.8 Appendix H - NHDC's insight on Community Asset Transfer request by HBC.

16.9 Appendix I - Equality Analysis.

16.10 Appendix J - Environmental Impact Assessment.

## **17. CONTACT OFFICERS**

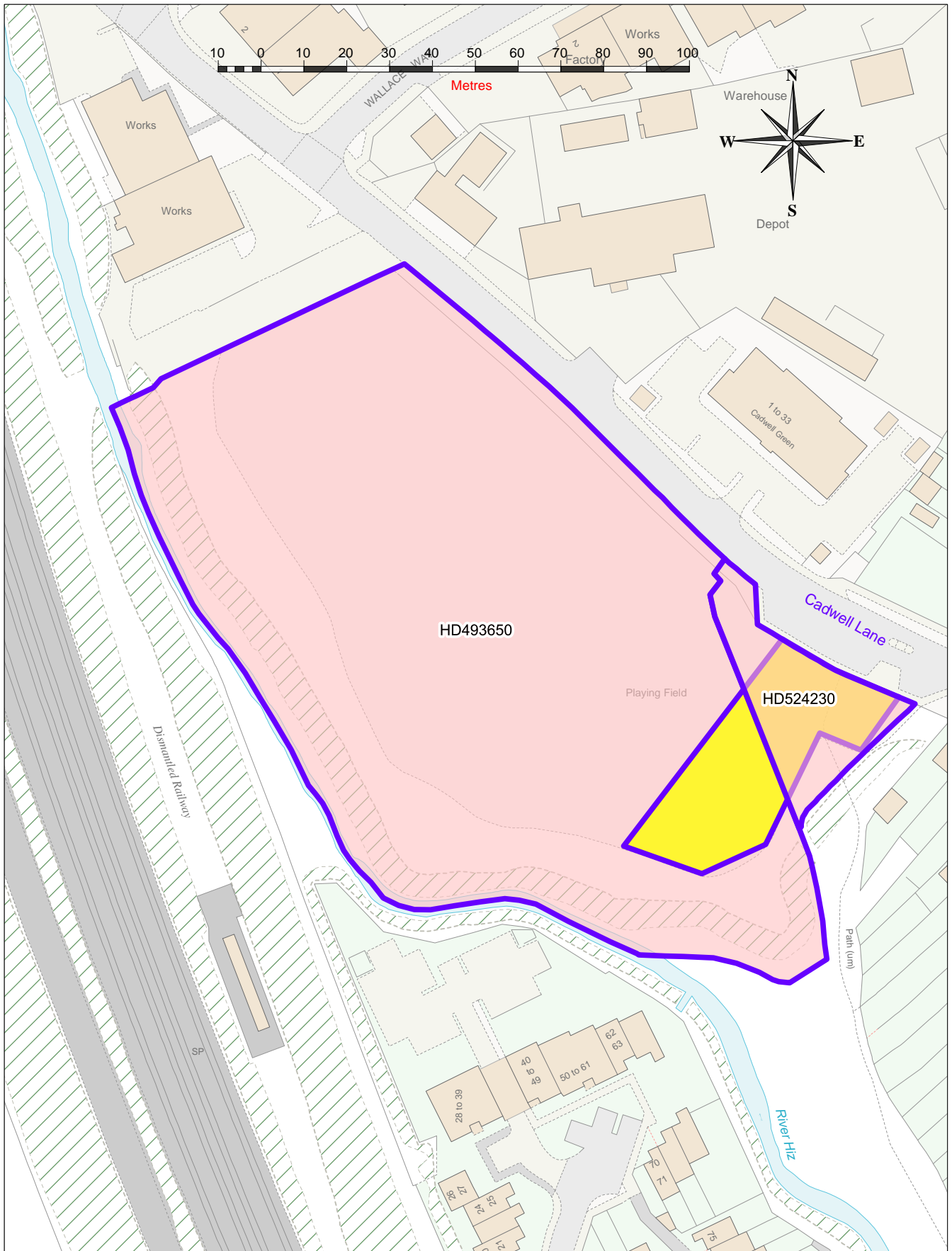
17.1 Christopher Robson, Senior Estates Surveyor  
[christopher.robson@north-herts.gov.uk](mailto:christopher.robson@north-herts.gov.uk);  
ext 4252.

17.2 Andrew Mills, Service Manager Greenspace  
[andrew.mills@north-herts.gov.uk](mailto:andrew.mills@north-herts.gov.uk);  
ext 4272.

## **18. BACKGROUND PAPERS**

18.1 None.

Site plan of NHDC's freehold recreation ground (area shaded pink and yellow & edged blue)

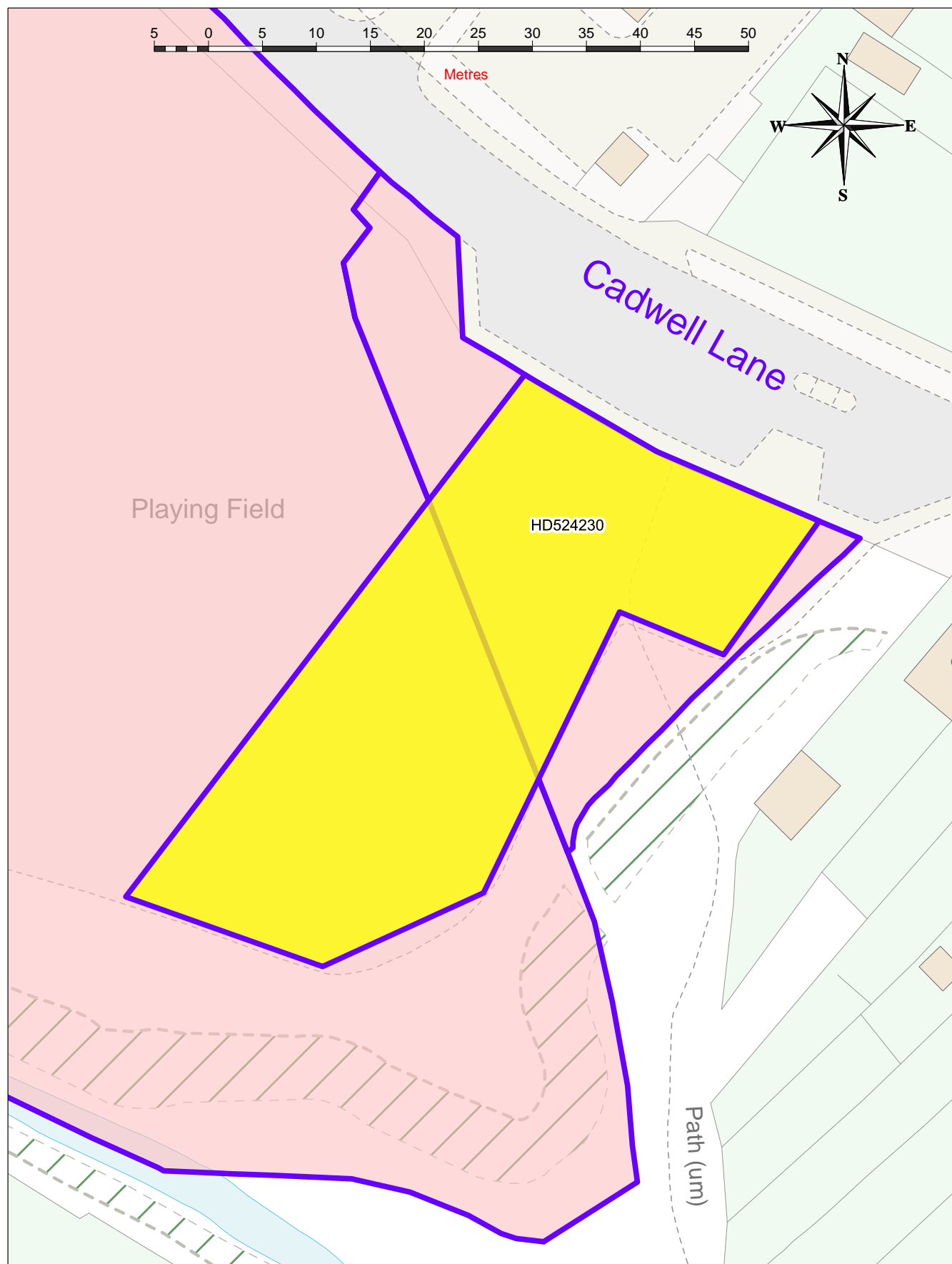


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Site plan of HBC's proposed lease demise (area shaded yellow & edged blue)



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## **Initial Request and Expression of Interest pursuant to the NHDC Community Asset Transfer Policy.**

**Applicant- Hitchin Bridge Club** – a Charitable Community Organisation (charity number 1140362)

Founded in 2000. In 2011 the club was recognised as a charity in a key decision by the Charities Commission and became the first mind sports organisation ever to achieve this status.

The charity's objects are: -

*For the public benefit*

*(a) the advancement of amateur sport by promoting the game of bridge for the benefit of the residents of Hitchin and the surrounding area.*

*(b) the provision of facilities for the learning, teaching, and playing of bridge for the benefit of the residents of Hitchin and the surrounding area with the object of improving conditions of life.*

The club currently has 260 members from a wide range of backgrounds and drawn from the whole of North Herts, Bedfordshire, and adjoining towns and districts. The latest accounts and annual statement are available on the Charities Commission website. These clearly show prudent and competent management. There are 7 trustees involved in running the club with dozens of other member volunteers. One of the trustees has particular responsibility for keeping in touch with members especially if they are unwell, in hospital, newly bereaved or in need.

### **Proposal**

The club is looking for a suitable site on which to construct a permanent home. The building would be single storey and would primarily comprise a large well-lit and well ventilated open area, usual toilet and kitchen facilities and a small office. It would be intended to incorporate as many energy saving features as possible including solar panels, ground source heating, integral window blinds etc. The club would include broadband, internet, and interactive teaching aids.

There would be the opportunity for other community groups to hire the facilities. These groups could include activities for which the layout of the building would be particularly suited – chess, backgammon, scrabble and other board games, charity bridge drives, meetings, lectures and courses, tutoring and book clubs but these are not intended to be exhaustive and all enquiries would be considered.

The government encourages local authorities to reassess the use of all their assets and it is also the policy of NHDC to engage in a constructive way with community organisations for the benefit of all parties. This proposed project fulfils these objectives.

### **Funding.**

It has been the policy of the club for several years to retain profits for the express purpose of building or leasing a suitable base for its activities. The club currently has £100000 in reserves. The additional cost required would be obtained from grant applications, donations, and loans from members.

### **Transfer terms**

It is appreciated that NHDC would wish to retain the freehold ownership of any suitable land. The club would be happy to agree a long lease at a nominal ground rent.

In a recent conversation with a Council officer the idea was floated that given the low interest rates of borrowed money available to the Council an alternative would be for the Council itself to construct a building on land owned by them and then lease it to the club on a medium term lease at a community rate. That would be acceptable to the club if the Council preferred it.

## **Community Support.**

Obviously all 260 club members are in favour as are the national body of the sport, the English Bridge Union, and its charitable arm EBed (English Bridge Education and Development)

The project also has the support in principle of Martin Stears-Handscorn the leader of NHDC and other Councillors if a suitable site can be located.

## **Benefits of Playing Bridge**

### **Alleviating Social Isolation and Loneliness.**

50% of people over 75 live alone, 1/3 of people over 65 live alone, my generation will spend 1/3 of their lives retired.

Retirement for some is a happy time, to travel, indulge in hobbies, see more of the grandchildren BUT for many others it is anything but happy. It can be a bit like a mini bereavement especially if they already live alone or have limited retirement income. People lose the structure of the working day, the friendship and camaraderie of colleagues (difficult to maintain after retiring), they feel unwanted and worthless. Yet they have much to offer to the community and their potential contributions are often lost.

The Government accepts that social isolation and loneliness is a real and growing problem. It costs the health and social care services a great deal of money and there are clearly considerable financial benefits in reducing its impact. People who lead fulfilling lives in retirement, who have lots of social contacts and engage in meaningful activities are happier, fitter, and healthier.

One way to reduce social isolation and loneliness is to provide facilities where people can meet and make friendships and when this is combined with learning a new skill which keeps you mentally alert and improves concentration so much the better.

The club runs classes for complete beginners and players returning to the game after a long absence whilst concentrating on family and career. It attracts many people at the verge of retirement helping to ease that sometimes difficult change of life.

### **Mental Stimulation as an aid to preventing or deferring dementia and cognitive decline.**

Many studies have shown that stimulating the mind helps reduce the risk of dementia in the older population, aids concentration, memory, logic, and reasoning skills.

People now playing or learning to play whatever their age will be reducing their risk of developing dementia in the future by keeping their minds active, their senses alert and their concentration high every time they play. Bridge is a lifelong learning experience and one that continually stretches and stimulates.

Encouraging players to improve their playing ability, teaching the ethics of the game, partnership co-operation, tolerance, courtesy, and best behaviour at the bridge table are all part of the game. These skills benefit everyone who acquires them, increasing confidence, fostering friendships, and improving interpersonal relationships.

Whilst many other activities offer similar benefits bridge has the edge over sudoku, chess, crosswords, and the like in that it is a partnership game necessitating interaction with others. It can be played at many different levels from purely social and relaxed to the highly competitive.

### **Providing a sense of community and belonging.**

Bridge clubs offer an opportunity for people to make new, often lifelong, supportive friends and create a sense of belonging and identity.

Bridge is a cheap activity. It costs £3 for a player to enjoy company and a stimulating experience lasting over 3 hours. The club has a policy of reducing that to one half for players in full time education or in receipt of any means tested benefit.

Bridge is accessible to disabled players as wheelchairs can easily be accommodated at a bridge table, stationary positions provided for the less mobile member and additional lighting for those with failing eyesight.

### **Improving mathematical and behavioural skills in the young.**

Studies with schoolchildren have shown that playing bridge improves their mathematical skills in numeracy, problem solving, probability, logical reasoning and decision making. It helps children cope with success and defeat and learn that mistakes are a part of life. It also improves their behaviour and interpersonal skills in speaking, listening, rule following, team building, partnership working, tolerance and courtesy.

Pre Covid 19 the club was teaching bridge to primary school children in 2 Hitchin schools. This proved extremely popular with the children and in 2018 a group of year 6 students from Highover School were taken to play a game of bridge at the House of Lords. It is however difficult to introduce bridge to all local primary schools due to the number of volunteers required but with a dedicated building the club could and would intend to run an after school bridge club enabling us to reach and teach children from all parts of the town and surrounding area and to keep the interest of children who have moved onto secondary education.

### **Benefits of a bridge club to Hitchin.**

Members and visitors come from all over the district and from many surrounding towns and villages. We have members who live in East Herts, Bedfordshire, Luton, Cambridgeshire, Three Rivers, Dacorum and Broxbourne.

Open competitions run by the club have in addition attracted players from Northampton, London, Oxford, Essex, and Suffolk and on one occasion Hawaii.

Many of these visitors have discovered Hitchin for the first time by playing at the club, like what they find here and return. Many arrive early, potter round the shops and market, visit coffee shops, eat in local cafes or restaurants or pop into a pub for a post-mortem at the end of the competition.

A secure base for the game will also increase membership. Stamford Bridge Club completed a remarkably similar project (with the support of the Town Council and South Kesteven DC) a few years ago. Before the building was started, they had a membership of 200, it is now over 500 and they are the third best attended clubs in England bringing many welcome visitors to the town.



## Members Comments on the Benefits of Playing Bridge

As you are aware, I have a severe hearing problem. Whilst I am well supported at home there is no doubt that I had become socially isolated as a result.

I decided to learn and play bridge purely because of my interest in card/mind games and because I believed that my hearing loss would not be too detrimental to my enjoyment of the activity.

To my surprise and pleasure, I have found that the social interaction involved has also been of great benefit to me. I have made some good friends at Hitchin bridge club with similar interests outside of bridge with whom I now socialise. My wife and I now play bridge socially with people that we were fortunate to meet on the bridge course. To anybody with a severe hearing loss a much improved social life is of great benefit.

I also believe that the activity of bridge in itself is of great benefit to me. A three hour session of duplicate bridge has forced me to concentrate and think hard over a long period of time. I found this difficult at first, but I am sure that my concentration has improved as a result. As dementia runs in my family, I can only draw the conclusion that this "mind workout" will be of benefit to my future health.

Finally, for me, the bridge club is not just about the activity of bridge. The club actually becomes a small community in itself which brings people together in a positive way. (C)

A weekly gathering can be particularly important to those people who, for whatever reason, do not get the chance to spend quality time with other people.

For myself, I enjoy and value the mental stimulus of bridge, but have also met a great many people in different bridge venues throughout the West Midlands and now in and around Hitchin. Playing bridge is an easy way into a community which may otherwise seem very alien when moving to another part of the country. Thank you for your help in this.

Can I tell you about an old bridge partner of mine who lives in Sutton Coldfield? He is in his eighties and has a wife who contracted MS in her forties and has only recently had to go into a local home. He visits her everyday but is lonely at home. So, he has opened his house on Saturday afternoons to new bridge players (mainly old ladies) who need a bit more confidence before tackling the duplicate sessions at the local clubs. He provides bridge, tea, and cakes and by all accounts a very convivial atmosphere. This generous gesture has changed their lives in the same way that bridge clubs can do throughout the country. (J)

After a series of mid-life crises, including my parents' deaths, my husband's suffering from a life-threatening form of lymphoma, a major career crisis and my only child's leaving home, I was suffering from moderate depression.

I needed a new, absorbing interest to stimulate and entertain me, so I took bridge lessons at Hitchin Bridge Club from October 2010 to June 2011. I loved the challenge of learning something new, and have become a very enthusiastic - if not very talented - bridge player. As well as attending club sessions once or twice a week, I play social bridge almost every week with a couple whom I met in my bridge classes. They have become close friends of my husband and me: we have been on holiday together, and I have played at bridge clubs in France and England. I have made other good friends at Hitchin Bridge Club, and I thrive in the Club's friendly and informal atmosphere.

I can't imagine any other activity that would have enhanced my social, intellectual and psychological well-being as much as the experience of learning and playing bridge at Hitchin Bridge Club - it's a lot better for me, and cheaper for the State, than decades on Seroxat! (S)

Four years ago, I retired after an intensive forty year career in local government estates management. Whilst I am lucky enough to have friends and family around me, I suddenly found that life appeared to have stopped. The intensity and long hours of my work had precluded much in the way of hobbies, and I was aware that my mind was stagnating. It was at that point that it was suggested to me that I should learn how to play bridge. Hitchin Bridge Club gave me that opportunity, and whilst I am painfully aware of my limitations in the game, I find it highly stimulating and great fun, opening new doors and friendships to me. (A)

I was diagnosed with cancer in 2007 which meant reducing from full time to part time work before I was ready to. Taking up playing bridge after a gap of 15 years has given me the emotional support needed to cope with the cancer and move from full time work through part time to fully retired. As I now run bridge sessions and support bridge training sessions it has allowed me to use the skills I gained through working and gives me an active and stimulating retirement. (E)

Through learning and playing bridge I have kept my brain active in my old age and made many new friends. Learning to play bridge is an exciting and time consuming experience. I try so hard to remember the many conventions of bridge that I have little time to think about minor ailments. (A)

My husband died over 4 years ago of a brain tumour. While he was very ill, I retired at the age of 60 to be with him and shortly afterwards he died leaving me feeling lonely and depressed. I decided to make some new friends and interests. One of the best things I did was to join the Hitchin Bridge Club where I learnt to play bridge and now attend the club once or twice a week. I have made lots of new friends and we play together in each other's houses and attend various charitable bridge afternoons in addition to club evenings to raise money for good causes. Bridge has been wonderful for me and I would love to see more interest and help in such mind sports from our local councils. (J)

I have greatly enjoyed the company and mental stimulation of playing bridge again while working away from home. It also keeps me out of the pub, which is perhaps more of a reflection on me, but one thing worth emphasising is that it is a relatively cheap occupation.

In terms of the game itself, the combination of high skill levels, coupled with some luck encourages tolerance and a sense of humour in a way that (say) chess does not. Having played both games to a reasonable standard (I was a county first team chess player when younger), I know which is more relaxing. In terms of the benefits for the elderly, my grandmother died at 83 having taught me to play cards, first whist and then bridge, and remained mentally sharp until her final illness. (I)

Since retiring from business I managed to allay the loss of day to day contact with work colleagues by taking on the responsibility of Captain of my local golf club which provided me with the opportunity to use my management experience to keep the club abreast, and indeed ahead of, the current needs towards the social and physical benefits of playing golf.

With advancing years my mobility started to suffer with the onset of arthritis in the knees and I started to look at other ways to maintain social interaction with people of a similar ilk and decided to take up duplicate bridge after many years playing the 'rubber bridge' version of the game.

Since joining the Hitchin Bridge Club, both my wife and I have found that, the social and mental stimulus of playing this most enthralling game has given us an extra impetus to enjoy the latter years of our life. We have both found many new friends amongst the membership of the club and look forward to many years to come. (M & M)



Whilst there is a progressive attitude within government to tackle obesity by encouraging people to engage in some form of exercise to keep the pounds off and lead a healthier lifestyle, it should not be forgotten that mental as well as physical exercise are both equally important - particularly with the seeming increase in mental dementia.

Lest we should forget, the much hackneyed phrase 'Use it or lose it' applies both to mental as well as physical activity. (R)

I am a widower aged 75. When I lost my wife fifteen years ago, I was quite lost because I had depended on her for our social life and I retired soon afterwards. But a friend told me to cheer up and join a bridge club (I had never heard of bridge clubs until then).

She was absolutely right – joining my local bridge club gave me immediate access to a rich social life based on a variety of new friends, some of whom have since become holiday companions (a major issue when you lose your spouse), and all of whom are very supportive often well away from the Club.

For example, my poor eyesight prevents me from driving, but I am always offered a lift to bridge and even more important, to hospital by club members. One group of members regularly visits a lonely member with terminal cancer to cheer her up and provide a little social bridge.

Bridge, for me, has been a real godsend in overcoming the loneliness of widowhood- I just wish more people knew about it. Sadly, we do not get any recognition from the local council. (D)

When we downsized, having retired, we arrived not knowing anyone in the area and decided that it would be fun to be able to have a hobby that we could enjoy together. We saw an advert for the bridge club, and we enrolled in the bridge classes never having played before. Since then and through the club we have made many friends and have seen the club go from strength to strength. Apart from the social aspect of the club we feel that our brains are given a much needed work out something we feel is vital to keeping old age at bay. (T & S)

At all levels and for all ages, Club Bridge provides a challenging intellectual environment in a (hopefully!) friendly social context. This may be especially important for the retired who no longer have the similar rigour and discipline that many jobs provide. For myself, who has been involved in some problematic voluntary work since retiring, it has also sometimes been the essential 'island of sanity' in particularly difficult weeks! (B)

I first came to the club and started lessons three years after my first husband died. I had looked after John at home for over 16 years since his first stroke and I had been rather tied to the house and so I was rather at a loss when he died – in other words my reason for living had been removed. I was encouraged to come to the club by a friend and this was just what I needed. It took me out of the house for a few hours and apart from saying 'good evening' I did not need to enter into deep conversation with anyone if I did not wish to. I had people around me and I could focus on the bridge. I have made many friends since I joined, and I would recommend bridge to anyone who was lonely or depressed. (R)

I am 67 years old and have been a very able and active sportsman all my life. While I am still a regular golfer my age means that I am now unable to participate in those sporting activities that were so much a part of my earlier life.

Recently I started playing bridge at the Hitchin Bridge Club and I now pretty well get the same enjoyment from bridge that I used to get when I was playing soccer, hockey, cricket, tennis, squash, badminton etc in my younger days. Just as I used to nervously look forward to playing those sports of my youth, I now have that same feeling before my bridge night. I have a team member to play with and opposition to play against. I am able to plan with my partner a means to beat or defend against the opposition and then try to put those plans into action. I need to be flexible to vary my approach should something change during each game and I need to be quick in response to such demands. Of course, those earlier sports required the thought process and the physical application, now it is the mind game and a different type of application.

Bridge and the other sports I mentioned have many similarities. Bridge is like golf, because it too enables me to play with and against players of vastly differing ages, abilities, from all walks of life and of both sexes. All bridge players are using the game as the medium for keeping their minds active while at the same time enjoying themselves in the company of others.

I would be the first to admit that I am not the best bridge player, but I do my best and I still try to win. I always was a competitive being! Like my earlier sporting engagements though, it is not a win at all costs attitude, but it is just great to be involved in a pastime that gives me an opportunity to pit myself against others and at the end of the game it is still good to shake the hands of my opponents. I love it! (M)

Although advancing years and declining mobility tend to restrict our physical activities, we find that the challenges of learning and playing bridge are extremely helpful in exercising our brains and keeping us mentally alert. Just as importantly, through bridge we have developed a number of new friendships at a time in our lives when this has become less easy to do. (P & P)

I am a firm believer in "use it or lose it" and I also remember reading articles and watching documentaries about faster brain shrinkage when not used than when actively used. I hope bridge playing will stop/delay the onset of Alzheimer's.

Bridge playing helps people to socialise and make friends. I have made so many friends through playing in local clubs and going on bridge holidays. I cannot imagine life without bridge especially during the lockdown. The online bridge has helped me stay connected with people worldwide and continue to exercise my brains. It has kept my sanity. (A)

I found that starting playing bridge again after many years has helped with getting me to be more organised, keep to my time contracts, getting space awareness enhanced and from the social side I have really enjoyed meeting other likeminded people. With the virus situation and your online bridge that you organised, the list of benefits can go on and on. Keeping in touch, feeling less isolated, filling in time. (L)

I decided to learn to play bridge in 2012. My health was in decline - in particular, cognitive function was affected - and I realised retirement was imminent. My work, following my husband's death and the children leaving home, had become my life and the hole left by retirement was enormous. Bridge has proved a great replacement. It provides mental challenge, motivation, good company, and structure to the week. (C)

I have found bridge to be an absolute lifeline since the death of my husband. I had appreciated the mental and social benefits before but in bereavement those benefits have meant even more to me. I think that in times of anxiety, stress, grief, and coronavirus having a routine is vital. Making a commitment to play regularly with a partner is one way of providing some routine. Being a part of a community is also important, as was very evident at Rodger O'Reilly's funeral. In playing, of course,

one has to concentrate and as well as stimulating the brain it does break the cycle of repetitive anxious thoughts and the self-absorption that can so easily develop when living alone. I do have interests other than bridge!!! Nevertheless, I do feel that bridge is essential for my mental wellbeing. Socially, as a bonus I have made some lovely friendships. (P)

I moved to the area from the Midlands 11 months ago, not knowing many people locally, and started to come to the Hitchin Bridge Club in October last year.

Although I have played bridge at a basic level on and off for many years, I have found it to be stimulating and thought provoking to start to learn to play at a much more advanced level. It is a game that tests the memory and gives scope for developing and to put into practice strategies to succeed. There also seem to be almost limitless ways to learn, work on and improve the way you play and interact with a number of different partners. For someone who has now retired it is great to have an opportunity to develop new skills and to exercise the brain cells.

I have got to know a number of people in the area who I now count as good friends. I was fortunate to join the club some months before the lockdown, to start to get to know people in the club and to have the chance to access some of the very good training sessions, led by Richard Jones, before the coronavirus lockdown got in the way. The online bridge sessions available, both those organised as tournaments by the club and social relaxed games between members of the club, have been a real help in getting through the social isolation that could otherwise have been felt during this difficult time. They have helped me to get to know club members better and to extend the range of people from the club that I now interact with. (A)

Learning to play was a great opportunity to try something new, learn a skill, have fun and keep my brain ticking over. Having organised lessons not only made this easier than trying from a book or website, but also gives an opportunity to make friends and realising there are other people equally as stumped as I was at first is an encouragement to keep going. It is also a lifelong learning opportunity and an ongoing challenge; I am still in the valley looking up at first base camp while the distant summit is hidden in the clouds - but another benefit is that you can play at whatever level suits the individual, socially or in a more competitive environment.

Through the club and the lessons, I have made some real friends (and will no doubt make more) and have a widened social group of friendly diverse people with a shared interest. This is also true of other people I meet or already know, where bridge has become another link or topic of conversation.

It is also a relatively cheap pastime, so is open to a wide range of people on different incomes. (C)

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## **Hitchin Bridge Club and its relationship with Hitchin, the local and wider community.**

The club is affiliated to the English Bridge Union, the governing body of the game and also to the county association Hertfordshire Bridge. One of the youngest clubs in the county it started in 2000 with a group of 8 players, has grown over the years and now has 268 members. It is a Charitable Incorporated Organisation (charity number 1140362).

The club has a website – [hitchinbridgeclub.org.uk](http://hitchinbridgeclub.org.uk) and Twitter and Facebook accounts.

It believes in being an important part of the town and is very much involved in the Hitchin community and supports activities in the town whenever it can.

Members dressed as the King of Spades and Queen of Hearts ran in one of the annual pancake races,

Members regularly take part in the annual Big Hitchin Tidy Ups.

Stalls in the market square with members playing bridge have been part of several community open days.

Last year we joined in the Hitchin Library's new community event promoting clubs and local societies.

For several years, the club ran a fun Café Bridge event as part of the Hitchin Festival involving restaurants in Sun Street and Bucklersbury with Bridge HQ at the Sun Hotel. All profits (usually about £350) went to the Hitchin Initiative and it brought welcome business to the participating restaurants.

The club intended to enter the soapbox derby in 2020 but Covid 19 has prevented that.

The club runs Children in Need Sims Pairs competitions in November each year usually raising £800, hosts a special charity bridge event each year, donates its used cards to local social groups, Christmas boxes and African children, and collects stamps for the Orkney RLNI. Members sell homemade jams, chutneys, honey, handmade greetings cards and garden produce for charity to other members.

The club is a member of the Hitchin Forum.

As the club was the first mind sports organisation to obtain charitable status the chairman has assisted many other bridge and chess clubs with their applications for charitable status on a pro bono basis over the last few years. She has also helped bridge clubs find funding for equipment from Awards for All and helped with their applications.

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## **Breakdown of membership Hitchin Bridge club**

The club has currently 268 members. You might find it useful to see the breakdown into areas by postcodes.

### **Hitchin – SG3, SG4, SG5**

108 members of which 72 are from Hitchin town and the other 36 are from nearby Hitchin villages

– St Ippolyts, Ickleford, Little Wymondley, Knebworth, Whitwell, Pirton, Shillington, Higham Gobion, Offley, Holwell, Kimpton, Codicote, Stotfold., Weston.

### **Letchworth – SG6**

25 members

### **Stevenage – SG1, SG2.**

24 members

### **Royston/Baldock - SG7, SG8, SG9.**

Royston, Baldock, Ashwell, Hinxworth, Buntingford, Anstey.

14 members

### **Mid Herts – Hertford, Ware, Watton at Stone – SG12, SG13, SG14**

5 members.

### **Bedfordshire villages – SG16, SG17, SG18, SG19.**

Lower Stondon, Shefford, Clifton, Biggleswade, Meppershall, Northill, Langford, Wrestlingworth, Sandy.

29 members

### **Bedford and area – MK40, MK41, MK45**

Bedford, Flitwick, Maulden, Haynes, Barton le Clay, Sharpenhoe, Flitton.

16 members

### **Luton and Dunstable – LU 1, LU2, LU3, LU4, LU6**

13 members

### **St Albans/Harpenden/Welwyn/WGC – AL1, AL3, AL4, AL5, AL6, AL8**

18 members

### **North London – EN10, EN4, EN6, EN9**

Broxbourne, Cuffley, Cockfosters, Nazeing.

6 members

### **And a handful from the rest of the country**

Cheshire, Moreton in Marsh, Abbots Langley, Epping, Foster Street, Saffron Walden, Boston, Edgware, Spain

10 members

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## Hitchin Bridge Club during lockdown.

The club's AGM for the year ending 2019 was on 16<sup>th</sup> March and immediately afterwards the country went into a national lockdown.

It was apparent that this was an end to face to face bridge for quite a while and action needed to be taken to keep members connected and mentally fit.

By the end of April, the club had launched a virtual bridge club, and this has grown from one weekly session initially to seven each week with other occasional monthly sessions and more planned. Last week saw the club host 97 tables of bridge (that is 388 individuals playing the game).

The sessions cover all levels of ability from the very relaxed to the highly competitive.

The club also recognised that other smaller local clubs did not have the critical mass to move online and as a result created an open session for all bridge players. Members from Royston, Letchworth and Stevenage bridge clubs are now able to enjoy an online game. This initiative also brought in players from wider afield and 20 new members joined the club taking our membership to 280.

This particular session is earmarked as a charity event with all profits usually going to the Letchworth Garden House Hospice. It is anticipated that by Christmas over £4000 will have been raised for the hospice. For Children in Need week the profit went to CIN, 120 bridge players took part in that one session and £717 was sent to the charity.

In addition, one trustee is running a zoom morning game for small groups of players who want to continue learning and improving. She is also regularly phoning members particularly those living alone for a friendly chat and to check on their wellbeing.

By temporarily moving online the club has helped members to remain mentally active and to keep in touch with friends and partners. **BUT** they all miss the social aspect of physically getting together to compete with friends around a bridge table. The benefits of social interaction in preventing loneliness and isolation have become even more apparent during this pandemic and should not be underestimated.

The creation and success of our virtual club in the very unusual circumstances in which we are now living shows the club is able and willing to adapt and respond quickly and effectively to the needs of its members and the wider bridge and general community.

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## **Community Asset Transfer Request by Hitchin Bridge Club**

### **Location – Cadwell Lane Public Open Space**

#### **Why is Greenspace Important?**

Greenspace is important component to create a balance between the urban and rural environments found in North Hertfordshire and has been recognised as having an essential role for the “quality of life” found in the District which is through

1. Promoting healthier communities and reducing health inequalities
2. Enabling children and young people to develop social skills, test their boundaries, explore and learn about nature and wildlife
3. Improving the life chances of people living the more deprived areas
4. Creating safer and stronger communities
5. Improving the image of and pride in the different settlements
6. Creating cleaner and greener communities
7. Enhancing biodiversity
8. Mitigating and adapting to climate change
9. Recognising the value of the historic environment
10. Avoiding, managing and reducing flood risk.

For centuries public parks and open spaces have played an important part in the social and civic life of communities. From pocket parks in local neighbourhoods, country parks on the periphery of towns, to large civic parks at the heart of city centres, public parks are deeply rooted in the physical fabric, spirit and identity of thousands of places across the UK.

#### **Central to Family Life**

Some of our earliest childhood memories include visits to local parks. Socially, parks offer opportunities to rest and meet friends, for children and young people to play, to hold events, to pass through on the way to work, to exercise and take time out from the pressures of everyday life. Other reports also acknowledge the importance of parks to children. Making Britain Great for Children and Families – a manifesto launched by 4Children, the national charity working towards a more integrated approach to children’s services – includes better provision of parks in its list of ways to create good places for children to grow up in.

#### **Supporting Health and Happiness**

Parks have a positive effect on people’s wellbeing and the health of their neighbourhoods. Evidence from the University of Exeter’s European Centre for Environment and Human Health, published by the Association for Psychological Science<sup>7</sup>, reveals that people who live in greener urban areas report greater wellbeing and lower levels of mental stress than city dwellers without nearby parks and gardens. An increase in visitor numbers, particularly in urban parks, was recorded by Natural England in their annual Monitor of Engagement with the Natural Environment (MENE) surveys. In 2012–13 there were fewer visits to the countryside and a significant increase in visits to green spaces in towns and cities. This points to the growing importance of parks as the only place some people encounter nature. The State of the Nation’s Waistline report, published by the National Obesity Forum, states that over 25% of adults in England are considered obese. By 2050 the figure is expected to rise to 50%. Parks provide vital health resources that help to support healthy populations. Their value to

public health is emphasised in Public Health and Landscape, a recent position statement by the Landscape Institute, which demonstrates parks are a key ingredient in creating healthy places.

### **Improving Social Cohesion**

Recent research highlights that “there is good evidence suggesting that the natural environment contributes to social cohesion. This appears to be particularly the case for well-maintained green spaces”. An example from Chicago suggests that parks can actively promote “inter-community relations in a way which is almost unique in urban life”. A Joseph Rowntree report notes that, as communities across the UK become increasingly mixed and diverse, local social amenities will become more and more important. Public parks offer one of the most important social spaces in a neighbourhood, but, as interviews in the research highlight, their condition is a key issue, as poor-quality parks can have a detrimental effect on cohesion.

### **Promoting Local Economic Development**

Public parks have been used throughout history to promote investment and growth. Developers frequently use the proximity of parks to attract investors. A study on improving the competitiveness of England's core cities notes that “soft location factors are an increasingly important part of economic decision-making”. Good-quality parks and public spaces contribute to these factors, which help to attract and retain skilled workers and their families. Forward-looking cities with a good environment and easy access to natural amenities are working at preserving and improving them. They know that for skilled employees “the quality of life for themselves and their families is an increasingly important factor” of location. Recent research from Natural England draws together a growing evidence base on ways the natural environment, including parks, can enhance the economic competitiveness of a particular region and increase employee productivity. Good parks also boost the tourist economy. Visit Britain has found that, of the 31 million tourists visiting Britain, over a third enjoy visiting a park or garden, making it one of the most popular activities (ranking above visiting a museum, castle, historic house or art gallery). Clissold Park, a local neighbourhood park in the London Borough of Hackney, receives the same number of annual visitors as London's National Portrait Gallery, and more than St Paul's Cathedral (2.1 million, 2.1 million and 1.8 million visitors respectively). Investing in parks is a recognised way of helping to regenerate and revitalise an area. There are economic indicators to show this works, and strong evidence of the impact of parks in protecting and enhancing land and property values. The presence of a well maintained park has been shown through research by CABI Space to add on average a 5% to 7% premium on house prices. Equally, a declining park has the opposite effect.

At a local level we need only look at the increased visitor numbers to Letchworth Garden City following the refurbishment work to Howard Park & Gardens.

### **Delivering Environmental Services**

Parks are a key component of the ‘green infrastructure’ of towns and cities, complementing the heavily engineered and costly ‘grey infrastructure’ of roads, utilities and sewerage systems. Properly planned, attractive green networks of parks, green spaces and river corridors provide natural systems and ecological services that collect and clean water, improve air quality and reduce peak summer temperatures. There is increasing interest in parks’ ability

to improve the resilience of neighbourhoods to the impacts of climate change. The Forestry Commission shows that trees in towns can help reduce the urban heat island effect by up to 7°C. As trees and plants grow, they take in carbon dioxide from the atmosphere. Parks also provide biodiversity hotspots. The qualities of an ecologically rich functional landscape were built into London's Olympic Park at the outset. As the UK's newest large public park, it not only provided an attractive and dramatic setting for the London 2012 Games but also continues to reduce flood risk, store surface water, and accommodate a rich diversity of plant and animal species.

### **History of the open space**

Cadwell Lane Public Open Space (POS) lies on the edge of the Wilbury Way Industrial Est on the edge of Hitchin. The open space is bordered on two sides by residential dwellings consisting of a block of flats and 1930's style semidetached housing. On one side is an industrial unit with car parking to the front currently being used as a mechanics workshop and on the other is an embankment leading down to the River Hiz.

This site is also known to have been a former land fill site in the past.

The POS also contains a single adult football pitch that has been historically used by the Hitchin Sunday Football League.

The site of the community asset transfer is focused on an area that formally a football pavilion was located upon.

This pavilion was constructed out of prefabricated concrete sections with a single door in and out of the structure with a pebble dash textured exterior finish and few windows which were small at a high level and due to vandalism the glass has been replaced with reinforced polycarbonate sheeting which had turned opaque over time. The structure was of low quality and had become a focus for graffiti and anti-social behaviour.

At the time the pavilion was demolished the Hitchin Sunday League vigorously contested the decision which was eventually upheld by the Local Government Ombudsman. The decision to demolish the Cadwell pavilion was part of a District Wide strategic approach to rationalise the provision of football facilities throughout North Herts. The strategic aim was to acknowledge the demand for football pavilions but under the context of budget constraints it was no longer possible to continue investing in a poorly constructed building that only supported a single football pitch. The intention is to use proposed S106 funding from future developments to construct a purpose-built pavilion at Walsworth Common, Hitchin – less than half a mile from Cadwell Lane POS – on a site with 4 pitches with a brand-new building. As such this would reduce the burden on the existing out of date, poor quality pavilions leading up to the pre-emptive demolition of Cadwell Lane pavilion.

The POS is located adjacent the River Hiz and due to its location forms part of the string of Local Nature Reserves and habitat locations known locally as the Purwell Valley. This linear biodiversity corridor consists of Purwell Ninesprings (Owned by Herts & Middlesex Wildlife Trust), Purwell Meadows, Walsworth Common, Cadwell Lane POS and Burymead Springs. Except for Purwell Ninesprings all are owned and managed by North Herts District Council.

Historically the maintenance of the Cadwell Lane POS has focused upon the single football pitch. However, since the demolition of the pavilion and with the emerging Purwell Valley concept attention has focused towards the adjacent River Hiz and the enhancement of biodiversity this POS can support. The Greenspace Action Plan (GAP) provides greater detail and can be found on the NHDC web site at

<https://www.north-herts.gov.uk/home/parks-and-open-spaces/green-space-management-strategy-and-action-plans>

Research into the topography, diversity and habitats found at Cadwell Lane POS for the GAP found that the site is adjacent a chalk stream (River Hiz) and is a significant corridor for wildlife connecting adjacent Local Nature Reserves at Burymead Springs and Purwell Meadows via Walsworth Common. External grant funding and resourcing from North Herts District Council enabled the implementation of the action plans within the GAP. This work included the improvement of access of footpaths from the POS to the river with resurfacing, introduction of signage and interpretation, thinning of tree canopies to allow more light to the river, planting of a hedge and implementing alterations to the management of the grassland headlands around the football pitch. The Cadwell Lane POS is now within the second-generation GAP which builds upon the works completed to date and is now focusing upon the strengthening of links within its neighbouring sites of environmental importance.

It's also worth noting that the location of the former pavilion is also a known location for Japanese Knotweed that requires regular treatment to contain it.

### **Hitchin Bridge Club - Greenspace Perspective**

Historically Hitchin Bridge Club used the pavilion within Bancroft Recreation Ground, Hitchin as their base for meetings etc. The renovation project of Bancroft Recreation Ground included the demolition of the Community Hall and conversion of the area into greenspace within the site. This was not received positively by the Hitchin Bridge Club who vigorously objected to the proposal despite the existing pavilion been in a very poor condition and not fit for purpose. At the time it was identified that there was an excess of community space for hire within Hitchin and that it would be possible for the Hitchin Bridge Club to easily relocate and use more appropriate facilities in the future. In addition, this situation would be further enhanced with the development and opening of Hitchin Town Hall.

It is understood that the Hitchin Bridge Club wish to secure a specific venue dedicated to their activities and have focused upon the locations vacated by the demolition of former football pavilions including Walsworth Common and St John's Recreation Ground also both in Hitchin.

The pavilion at St John's Recreation Ground was located immediately adjacent a community centre and it has been suggested that Hitchin Bridge Club may want to approach the community centre with the view to hiring the venue as appropriate. It appears that this option has been discounted by the Hitchin Bridge Club in favour of their proposals at Cadwell Lane.

### **Community Asset Transfer Request by Hitchin Bridge Club – Community engagement team view**

Hitchin Bridge Club were based at Bancroft Hall which was demolished in 2016.

Since then they moved to the Church Hall, Our Lady's and St Andrew Church, 16 Nightingale Road.

Prior to the Coronavirus pandemic they advertised sessions at lunch time and evening on Monday's and Wednesday's and Thursday and Friday evenings.

#### ***Meeting times:***

*Monday and Wednesday afternoons at 1.30 p.m. every week.*

*Monday, Wednesday and Thursdays evenings at 7.30pm. every week*

*Teams of 4 on 2nd Friday of each month.*

*Hitchin Bridge Club (a registered charity) promotes and encourages the playing of duplicate bridge in the town. It offers courses for complete beginners and support for improvers.*

*All sessions apart from Thursday are suitable for all abilities. Thursday's evenings are intended for improvers and inexperienced players. (only simple systems permitted).*

*Supervised play sessions are also held on Monday afternoons separately from the main playing sessions.*

*A host is usually available on Monday evening, Wednesday afternoon and Thursday evening so players can attend those sessions without a partner.*

*The club also offers a series of workshops for players wishing to improve their bridge skills.*

**Ref: Herts County Council website**

The Hitchin Bridge Club is registered as a Charitable Incorporated Organisation (CIO)

They state in their annual accounts 2019 that they have 250 members and this number has remained stable for quite a few years.

It is my understanding that the club have been looking for alternative premises for many years as they would like to have sole use of a building.

There are many other venues around the town, Community Centres, Scout Huts, Church Halls.

The community centres are owned but not operated by North Hertfordshire District Council.

These include: Walsworth Community Centre, St Michael's Mount Community Centre, St John's Community Centre and Westmill Community Centre.

In addition, there is the Hitchin Town Hall that has a large hall plus smaller meeting room for hire.

These venues have been suggested to the club, but these were rejected as they would not be able to have sole use.

Officers are unclear why sole use is required as they currently don't use their current location 100% of the time. However, as it seems that this is their desire then it should not be the responsibility of the local authority to provide a venue for this single use.

## **Alternative Options**

The strategic direction of football provision has always focused upon developing Walsworth Common as the focus for the sport. This would then enable the contraction of satellite facilities from around Hitchin to be withdrawn. This in turn would be supported by S106 contributions to build a purpose-built facility at Walsworth Common to replace the lost pavilion provision. It has also been proposed that this new build could be a community building that could serve a wider community audience.

The Hitchin Bridge Club used a former Community Hall at Bancroft Recreation Ground, and it is not known if they have approached other existing Community Halls to relocate their activities to. There, is already, an established Community Centre at Walsworth and another at St Michael's, not to mention the previously noted facility at St John's Recreation Ground all within Hitchin.

If the development of a new pavilion progresses at Walsworth Common using S106 funding this would lead to the demolition of two existing buildings at Swinburne Recreation Ground and Ransoms Recreation Ground. Once vacated one of these buildings could be acquired by the Hitchin Bridge Club to convert to their needs – therefore negating the need and expense of building a specific building and also losing valuable greenspace from public access. The potential of repurposing the pavilion at Ransoms Rec has also been realised by the Triangle Garden Association at Ransoms who already occupy half the existing pavilion. Therefore, there is a potential option for a joint venture between the Hitchin Bridge Club and the Triangle Garden regarding the area currently used as a football pavilion should Walsworth be developed.

As previously highlighted above the Hitchin Bridge Club used the Community Hall in Bancroft Recreation Ground for their activities before the building was removed. The Bancroft Bowls Pavilion remains and is used by the bowlers throughout the summer. Again, it is not known if the Hitchin Bridge Club have approached the bowlers to explore a joint venture to share the building for both groups in the future.

### **Future Options**

- 1 Grant the community asset transfer and lose the greenspace at Cadwell Lane and incur the negative impacts as detailed above both locally and further afield.
- 2 Refuse the community asset transfer but offer alternatives
  - a. Assist the Hitchin Bridge Club to approach existing Community Groups to make enquiries about sharing facilities
  - b. Delay a decision until Swinburn Rec and Ransoms Rec Pavilions are vacated
  - c. Assist Hitchin Bridge Club to approach the bowlers at Bancroft Recreation Ground
  - d. Assist Hitchin Bridge Club to identify alternative venues in Hitchin that they could hire
- 3 Refuse the community asset transfer and close the proposal.



## Equality Analysis Template

1. Name of activity:	Proposal to lease out circa 0.35 acres of 4.19 acre public recreation ground at Cadwell Lane, Hitchin.			
2. Main purpose of activity:	To facilitate construction of clubhouse and surface car park by Hitchin Bridge Club (prospective tenant).			
3. List the information, data or evidence used in this assessment:	<ul style="list-style-type: none"> <li>Document entitled "Community Asset Transfer Request by Hitchin Bridge Club" (<i>source: NHDC's Place Directorate</i>).</li> <li>Expression of interest and related information (<i>source: Hitchin Bridge Club</i>).</li> </ul>			
<b>4. Assessment</b>				
<b>Characteristics</b>	<b>Neutral</b> (x)	<b>Negative</b> (x)	<b>Positive</b> (x)	<p>Describe the person you are assessing the impact on, including identifying: community member or employee, details of the characteristic if relevant, e.g. mobility problems/particular religion and why and how they might be <b>negatively or positively</b> affected.</p> <p><b>Negative: What are the risks?</b></p> <p><b>Positive: What are the benefits?</b></p>
<b>Community considerations</b> (i.e. applying across communities or associated with rural living or Human Rights)	<input type="checkbox"/>	X	<input type="checkbox"/>	<p><b>Negative</b></p> <p><i>Development of the clubhouse and car park will represent a loss of circa 8.5% of the public open space at Cadwell Lane. This will reduce the area of land available for sport and recreational use by the community and loss of a green space. Given the limited availability of alternative recreational green space in the vicinity due to the area being predominated by commercial users, this is considered to constitute a negative impact on the health and well-being of nearby residents, particularly those without access to private garden space.</i></p> <p><i>Having said that, no comments or objections have been received in response to a public notice that NHDC placed in The Comet newspaper informing the public of the proposed lease disposal of the land.</i></p> <p><i>The proposed development yields several benefits for the community. These include:</i></p> <ul style="list-style-type: none"> <li><i>Enables Hitchin Bridge Club to continue delivering its charitable objects and expand their reach within the community. This promotes wider interaction, builds connections and friendships and allows more people to engage in mentally stimulating activity in the form of bridge. Such activity will help combat health and social issues of isolation, loneliness and dementia.</i></li> </ul>

				<p><i>On balance, because the land once developed is irreplaceable, whereas the new facility could conceivably be provided elsewhere (for example potentially at the existing pavilions of Swinburne Recreation Ground and Ransoms Recreation Ground), the negative impacts of the development are considered to outweigh the positives.</i></p> <p><b>Positive</b></p>
A person living with a disability	X	<input type="checkbox"/>	<input type="checkbox"/>	<p><b>Negative</b></p> <p><b>Positive</b></p>
A person of a particular race	X	<input type="checkbox"/>	<input type="checkbox"/>	<p><b>Negative</b></p> <p><b>Positive</b></p>
A person of a gay, lesbian or bisexual sexual orientation	X	<input type="checkbox"/>	<input type="checkbox"/>	<p><b>Negative</b></p> <p><b>Positive</b></p>
A person of a particular sex, male or female, including issues around pregnancy and maternity	X	<input type="checkbox"/>	<input type="checkbox"/>	<p><b>Negative</b></p> <p><b>Positive</b></p>
A person of a particular religion or belief	X	<input type="checkbox"/>	<input type="checkbox"/>	<p><b>Negative</b></p> <p><b>Positive</b></p>
A person of a particular age	<input type="checkbox"/>	<input type="checkbox"/>	X	<p><b>Negative</b></p> <p><b>Positive</b></p> <p><i>As outlined above under “Community considerations”, the development will help combat health and social issues of isolation, loneliness and dementia. Although these issues can be experienced across all members of the community, elderly people – particularly those who are widowed – are considered more likely than other groups to be exposed to such issues.</i></p> <p><i>Whilst the existing public recreation ground also offers opportunity for elderly people to meet friends and reduce isolation and</i></p>

				<p>loneliness, it is reasonable to believe that a proportion of elderly people would avoid venturing out to the recreation ground alone due to concerns of anti-social behaviour and health-related issues of being exposed to the weather. The prospect of meeting friends at a safe and warm indoor facility offered by the development is considered more inviting to the elderly.</p> <p>Therefore, the development is considered to offer a particular positive for elderly people.</p> <p>The counter-argument is that by reducing the size of the public recreation ground this is particularly detrimental to young people as they tend to engage more in sports and enjoy the associated health and fitness benefits. Hitchin Bridge Club inform that the activity of bridge promotes the improvement of mathematical and behavioural skills for people, but particularly children and adolescents. The development proposed will foster this benefit by creating a stable and conducive facility for the playing and teaching of bridge. This benefit is considered to temper the negative impact on young people of losing part of the recreation ground.</p>
Transgender	X	<input type="checkbox"/>	<input type="checkbox"/>	Negative
				Positive
5 Results				
	Yes	No		
Were positive impacts identified?	X	<input type="checkbox"/>		
Are some people benefiting more than others? If so explain who and why.	X	<input type="checkbox"/>	People of a particular age (predominantly the elderly and young). The proposed development yields particular health and social benefits to these groups. This reflects a value judgement dependent on perspective.	
Were negative impacts identified (what actions were taken)	X	<input type="checkbox"/>	To help mitigate the loss of part of the public recreation ground, NHDC will seek to incorporate a clause in the lease requiring Hitchin Bridge Club to abide by a service level agreement or management agreement appended to the lease. This will require all reasonable endeavours to be made by the tenant to allow other community groups use of all or part of the facility for community purposes. A suitable minimum period of time for which hiring out should take place, and the time periods during which this should happen, would be included in the agreement.	

<b>6. Consultation, decisions and actions</b>			
If High or very high range results were identified who was consulted and what recommendations were given?			
<i>The public have been consulted on the proposed lease disposal of the land by way of a public notice placed by NHDC in two consecutive editions of The Comet newspaper. The notice invited comments or objections to the proposal but none have been received.</i>			
Describe the decision on this activity			
<i>Three options are to be presented to Cabinet on 26<sup>th</sup> January 2021. Cabinet's decision as to which option to select is sought. These options are:</i>			
<i>(1) To seek Cabinet's decision in principle to grant a leasehold interest in land at Cadwell Lane, Hitchin to Hitchin Bridge Club; or</i>			
<i>(2) To seek Cabinet's agreement to place the matter into abeyance until Hitchin Bridge Club obtains pre-application advice from the local Planning authority and Highway authority on their proposed development at Cadwell Lane; or</i>			
<i>(3) To reject the proposal to grant a leasehold interest in the land to Hitchin Bridge Club with reason(s).</i>			
List all actions identified to address/mitigate negative impact or promote positively			
Action	Responsible person		Completion due date
<i>Subject to the decision of Cabinet, a lease between NHDC and Hitchin Bridge Club will be agreed in due course formalising their use of the leased property and setting out obligations and expectations to help ensure the facility is open to the community for reasonable periods of time. This will help mitigate the negative impact of loss of part of the public recreation ground at Cadwell Lane.</i>	<i>NHDC's Senior Estates Surveyor.</i>		<i>June 2022 (estimated)</i>
When, how and by whom will these actions be monitored?			
<i>NHDC's Senior Estates Surveyor by negotiating a lease between NHDC and Hitchin Bridge Club over the next 12 – 18 months (estimated timeframe), subject to Cabinet deciding to pursue a lease of the land.</i>			
<b>7. Signatures</b>			
Assessor			
Name: Christopher Robson	Signature** <i>C G Robson</i>		
Validated by			
Name: Steven Crowley	Signature** <i>Steven Crowley</i>		
<b>Forward to the Corporate Policy Team</b>			
Signature** <i>Reuben Ayavoo</i>			
Assessment date: 06/01/2021		Review date: June 2022	

**\*\* Please type your name to allow forms to be sent electronically.**

**A copy of this form should be forwarded to the corporate policy team and duplicate filed on the council's report system alongside any report proposing a decision on policy or service change.**

## Environmental Implications assessment

<b>1. Name of activity:</b>	Proposal to lease out circa 0.35 acres of 4.19 acre public recreation ground at Cadwell Lane, Hitchin.				
<b>2. Main purpose of activity:</b>	To facilitate construction of clubhouse and surface car park by Hitchin Bridge Club (prospective tenant).				
<b>3. List the information, data or evidence used in this assessment:</b>	<ul style="list-style-type: none"> <li>Document entitled "Community Asset Transfer Request by Hitchin Bridge Club" (source: NHDC's Place Directorate).</li> <li>Expression of interest and related information (source: Hitchin Bridge Club).</li> </ul>				
<b>Area of Potential Impact</b>	<b>Examples to Consider (non-exhaustive)</b>	<b>Neutral (X)</b>	<b>Negative (X)</b>	<b>Positive (X)</b>	<p><i>Describe the contribution/impact on the area that the decision may have - assess whether this impact is a negative or positive or neutral one.</i></p> <p><b>Negative: What are the risks?</b></p> <p><b>Positive: What are the benefits?</b></p>
<b>1. Impact on greenhouse emission and support adaption to the effects of climate change</b>	<p>Will energy needs be met through renewable sources?</p> <p>Will it reduce emissions through retrofitting new technology?</p> <p>Will it reduce greenhouse gas emissions by reducing energy consumption and the need to travel?</p>		X		<p><b>Negative</b></p> <p><i>The use of the clubhouse once built will necessitate consumption of energy to power appliances that will regulate the internal temperature, humidity and occupier comfort. Depending on the energy source, the use may therefore generate new greenhouse gas emissions.</i></p> <p><i>Lease terms will seek to secure adoption by tenant of as many environmentally friendly and green measures as reasonably practicable</i></p>

					<p><i>in the development. These to include measures that:</i></p> <ul style="list-style-type: none"> <li><i>Aim to minimise operational energy usage and carbon emissions – for example ensuring adoption of renewable energy sources such as solar panels, passive environmental controls and good quality build standards to reduce reliance on artificial more energy-intensive forms of controlling the internal temperature and humidity of the clubhouse.</i></li> </ul>
					<b>Positive</b>
					<b>Negative</b>
<p><i>2. Use of natural resources including water and energy</i></p>	<p>Will it reduce water consumption?</p> <p>Will it reduce energy consumption?</p>		X		<p><i>Construction of the clubhouse and car park will require natural resources, some of which (for example glass and concrete) will carry embodied carbon from their sourcing, manufacture, construction, installation and transportation.</i></p> <p><i>Lease terms will seek to secure adoption by tenant of as many environmentally friendly and green measures as reasonably practicable</i></p>

					<p><i>in the development. These to include measures that:</i></p> <ul style="list-style-type: none"> <li><i>Aim to minimise the embodied carbon of the development – for example approving the selection of construction materials or methods with lower whole life carbon footprints, materials that contribute to sequestration of carbon (such as wood materials) and selecting materials which can be recycled.</i></li> <li><i>Aim to encourage water saving or retention practices such as grey water systems.</i></li> </ul>
					<b>Positive</b>
					<b>Negative</b>
<p><i>3. Minimisation of flood risks to the area (i.e. promotion of SUD's. protect surface and ground water quality)</i></p>	<p>Will it minimise flood risk from all sources of flooding?</p> <p>Will it reduce property damage due to storm events/ heavy rainfall by improving flood resistance and flood resilience?</p>		X		<p><i>The development will introduce hard surface areas to what is currently a naturally drained parcel of land. This increases the risk of flooding and water runoff into the adjacent natural watercourse.</i></p> <p><i>Lease terms will seek to secure adoption by tenant of as many environmentally friendly and green measures as reasonably practicable</i></p>

					<p>in the development. These to include measures that:</p> <ul style="list-style-type: none"> <li>Promote permeable surface treatments and landscaping to aid controlled drainage, such as prioritising grasscrete rather than expanses of concrete for the car park.</li> </ul>
					<b>Positive</b>
					<b>Negative</b>
<p>4. To protect, enhance and create environments that encourage and support biodiversity</p>	<p>Will it protect, enhance and increase biodiversity and protect habitats?</p> <p>Will it improve access to and promote educational value of sites of biodiversity interest?</p>		X		<p>An area of natural green space will be lost to development of the clubhouse and car park. Whilst the biodiversity value of the land is arguably limited by its current use as a football pitch, there will be loss of an area that provides a feeding ground for birds and fauna.</p> <p>Lease terms will seek to secure adoption by tenant of as many environmentally friendly and green measures as reasonably practicable in the development. These to include measures that:</p> <ul style="list-style-type: none"> <li>Aim to harmonise the development within its adjoining environment – for example by requiring</li> </ul>





					<p><i>incorporation of green and natural landscaping and boundary treatments – prioritising hedging and planting over “hard” treatments to encourage biodiversity.</i></p>
					<b>Positive</b>
<p><b>5. To improve Air Quality</b></p> <p><i>(air quality describes how polluted the air we breathe is)</i></p>	<p>Will it improve air quality?</p> <p>Will it reduce emissions of key pollutants?</p>		X		<p><b>Negative</b></p> <p><i>Location of development will necessitate travel by car more than by sustainable transport modes such as public transport, cycling or walking. This is likely to increase carbon emissions.</i></p> <p><i>Lease terms will seek to secure installation of electric vehicle charge points in the development’s car park to encourage travel by electric cars over combustion engine cars in an attempt to limit carbon emissions.</i></p>
					<b>Positive</b>
<p><b>6. To reduce need to travel, the use of private motorised vehicular transport as well as</b></p>	<p>Will it encourage increased walking, cycling and use of public transport?</p> <p>Will it increase the proportion of journeys using modes other than a car?</p>		X		<p><b>Negative</b></p> <p><i>Location of development will necessitate travel by car more than by sustainable transport modes such as public transport, cycling or</i></p>

<i>encourage walking, cycling, and use of public transport</i>					<p>walking. This is likely to increase carbon emissions.</p> <p>Lease terms will seek to secure installation of electric vehicle charge points in the development's car park to encourage travel by electric cars over combustion engine cars in an attempt to limit carbon emissions.</p>
					<b>Positive</b>

<i>7. To reduce waste production and increase recycling, recovery and reuse of waste</i>	Will it lead to reduced consumption of materials and resources?	X			<b>Negative</b>
	Will it reduce household waste?				
	Will it reduce construction waste?				<b>Positive</b>
	Will it increase recovery recycling and re-use?				
<i>8. To enhance the public realm and street improvements</i>	Will it reduce litter?	X			<b>Negative</b>
	Will it enhance the quality of public realm?				
					<b>Positive</b>

9. To protect, enhance and seek opportunities to increase open space	<p>Will it improve open space?</p> <p>Will it improve landscape character?</p> <p>Will it minimise development on Greenfield sites?</p>		X		<b>Negative</b>
					Development of the clubhouse and car park will represent a loss of circa 8.5% of the public open space at Cadwell Lane. It may also make accessing other parts of the open space more difficult. The lease will seek to retain public access rights over the leased property to the adjacent public open space to reduce the impact on access.
					<b>Positive</b>
10. To reduce noise and impact of noise	<p>Will it reduce noise pollution from vehicles?</p>	X			<b>Negative</b>
					<b>Positive</b>

6.0 Results			
	Yes	No	
Were positive impacts identified?	<input type="checkbox"/>	X	
Were negative impacts identified (what actions were taken)	X	<input type="checkbox"/>	<p>Actions are outlined above. In essence, the lease will seek to stipulate obligations that address a proportion of the potential negative impacts identified. Further, if Hitchin Bridge Club secures Planning permission for the development, such permission is likely to be subject to a number of conditions influencing the nature of the development and its use.</p>
7.0 Consultation, decisions and actions			
Describe the decision on this activity (refer to section 3.2)			
Adjust the proposal.			
List all actions identified to address/mitigate negative impact or promote positive impact			
Action	Responsible person		Completion due date
<p>Should Cabinet decide to pursue leasing the land to Hitchin Bridge Club, the lease to be negotiated with the Club will incorporate obligations requiring the tenant to adopt as many measures as reasonably practicable to address the negative impacts outlined in this assessment. Examples of mitigating obligations are outlined above.</p> <p>Should Cabinet decide to reject leasing the land to Hitchin Bridge Club, alternative options may be explored with the Club, such as using existing buildings at Swinburne Recreation Ground and Ransoms Recreation Ground to adapt for use as a clubhouse. Repurposing one of these existing buildings would obviate the need to build the new clubhouse at Cadwell Lane thus saving on associated resources and embodied carbon.</p>	NHDC's Senior Estates Surveyor		June 2022 (estimated)
When, how and by whom will these actions be monitored?			
NHDC's Senior Estates Surveyor by negotiating a lease between NHDC and Hitchin Bridge Club over the next 12 – 18 months (estimated timeframe), subject to Cabinet deciding to pursue a lease of the land.			
8.0 Signatures			
Assessor (report author):			
Name: Christopher Robson	Signature** 		
Validated by (line manager):			
Name: Steven Crowley	Signature** 		
Forward to the Corporate Policy inbox: <a href="mailto:corporatepolicy@north-herts.gov.uk">corporatepolicy@north-herts.gov.uk</a>			

Signature** Reuben Ayavoo	
Assessment date: 06/01/2021	Review date: June 2022

**\*\* Please type your name to allow forms to be sent electronically.**

**A copy of this form should be forwarded to [corporatepolicy@north-herts.gov.uk](mailto:corporatepolicy@north-herts.gov.uk) and a duplicate filed on the council's report system, alongside any report proposing a decision on policy or service change.**

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**CABINET  
16 MARCH 2021**

**\*PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: CLIMATE CHANGE STRATEGY 2021 -2026**

REPORT OF THE POLICY AND COMMUNITY ENGAGEMENT MANAGER

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR THE ENVIRONMENT AND LEISURE

COUNCIL PRIORITY: RESPOND TO CHALLENGES TO THE ENVIRONMENT

**1. EXECUTIVE SUMMARY**

- 1.1 This report proposes a refreshed Climate Change strategy for adoption for 2021-2026.

**2. RECOMMENDATIONS**

- 2.1 That Cabinet adopt the following documents, taking into consideration the recommendation from the Cabinet Panel for the Environment to alter the target date for achieving Net Zero be brought forward from 2050 to 2040:
- Appendix 1 Climate Change Strategy 2021-2026
  - Appendix A Proposed Actions
  - Appendix B Achievements.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1 In 2019, the Council passed a motion to declare a Climate Emergency, in this motion the Council pledged their commitment to do everything within their power to make North Hertfordshire carbon zero by 2030. The revised strategy sets out how the council will do this. At the beginning of 2020, the Council adopted a revised strategy to reflect the undertaking of this motion and reflect the latest legislation and most pertinent international research regarding Climate Change.

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 There are no alternative options to be considered.

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

- 5.1 The discussions at the Cabinet Panel for the Environment have been taken into consideration in the renewal of the Strategy. The Cabinet Panel for the Environment endorsed the Climate Change strategy and recommended that the target date for achieving Net Zero be brought forward from 2050 to 2040. As part of the approval of the Climate Change Strategy, the proposed and completed actions, contained within the appendices, have been agreed by the Leadership Team (comprising of Managing Director and Service Directors), Executive members and Public Liaison Board.

## **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 14 November 2020.

## **7. BACKGROUND**

- 7.1 NHDC has held climate action as one of its long-term corporate priority areas. Following the passing of the Climate Change Emergency Motion in 2019, the Climate Change Strategy was updated. The Climate Change Strategy relates primarily to the reduction of carbon emissions but in conjunction with the Environment Panel and the Climate Change Implementation Group, the Council is enabled to address the full range of issues relating to climate change (both mitigation of and adaption to the effects of climate change) and environmental matters (such as biodiversity and waste) in North Hertfordshire. As such, this Strategy contains certain actions related to waste and biodiversity in so far as they relate to carbon and greenhouse gas reduction. With this mind, this Strategy will act as the overarching strategy from which other relevant policies/strategies will follow if required from various Council service areas.(for example the Electric Vehicle Strategy would sit in support of the umbrella Climate Change Strategy).
- 7.2 The Council are also pulling together an overarching programme entitled 'Sustainable North Hertfordshire'. This programme will seek to develop and support policies that encourage electric vehicle use (i.e. the Electric Vehicle Strategy) and other 'cleaner air' initiatives across the district, and these actions will support the Climate Change Strategy, which are listed in appendix A (Proposed Actions) under the 'Enabling Carbon Savings section (page 4).
- 7.3 The Council has considerable scope to both reduce carbon emissions, support a transition towards zero carbon and to enhance sustainability in new development across the district through its role as statutory local planning authority. This can be achieved through its role in plan and policymaking and in development management when determining planning applications.
- 7.4 The Council are also proposing the preparatory works on a revised and updated programme of Supplementary Planning documents - including a Sustainability Supplementary Planning Document (SPD), a biodiversity SPD and Green Infrastructure Strategy as highlighted in the Local Plan Implementation report that will be presented to Cabinet alongside this report on the 16th March 2021.



## **8. RELEVANT CONSIDERATIONS**

8.1 The strategy outlines the international frameworks and agreements that informed the global response to Climate Change. In the Intergovernmental Panel on Climate Change (IPCC) 2018 special report on Global Warming it highlighted that any effort to limit global warming to 1.5°C as agreed in the Paris accord would require rapid, far-reaching and unprecedented changes in all aspects of society and the declaration of a Climate Emergency. In tandem, the UK Committee on Climate Change (CCC) similarly asserted in 2019, that Climate Change requires more ambitious reductions and radical actions by national government, local authorities, businesses, communities and individuals. The CCC concluded that if radical steps are taken the UK can end its contribution to global warming within 30 years. In line with this research, The Climate Change Act 2008 was amended in 2019 to introduce a target for a 100% reduction of greenhouse gas emissions (compared to 1990 levels) in the UK by 2050. The Climate Change Act 2008 (2050 Target Amendment ) Order 2019 came into effect on June 2019. Additionally, in December 2020, the UK Prime Minister announced a new target to reduce the UK's emissions by at least 68% by 2030, compared to 1990 levels.

8.2 In light of these national legislative changes the Climate Change strategy has been further refined to reflect the changes. The Objectives within the strategy have been amended to the following:

### **Objectives**

- Achieve Carbon Neutrality for the Council's own operations by 2030 (at least Scope 1 and Scope 2)<sup>i</sup>.
- Ensure all operations and services are resilient to the impacts of climate change.
- Achieve a Net Zero Carbon district by 2050.
- Become a district that is resilient to unavoidable impacts of climate change.

8.3 The Strategic Priorities have also been refined to read as follows;

1. Taking Action – taking direct action to reduce the Council's carbon emissions.
2. Enabling Carbon Savings – ensuring that our policies enable citizens and businesses to reduce their emissions.
3. Inspiring the Community – encouraging citizens and businesses to take action to go further and faster in cutting carbon emissions.

## **9. LEGAL IMPLICATIONS**

9.1 Cabinet's Terms of Reference include at 5.6.1 the power 'to prepare and agree to implement policies and strategies other than those reserved to Council'. The proposed actions at Appendix A are a continuation of the those already agreed as part of the adoption of the Council Plan 2021-2026. The strategic priorities for 2021-2026 will provide high level reference points to assist the Council making clear and effective decisions to reduce environmental impact.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 A number of the proposed actions detailed in Appendix A will require additional resource and costs to achieve. As part of the budget planning process it will be necessary to determine the ways that the actions can be achieved, and the costs involved. There is likely to be a need to prioritise the actions, in terms of the extent to which they can be delivered and the timing of delivery, to ensure that the overall programme is affordable within the resources that the Council has available. The budget for 2021/22 onwards sets a target for the delivery of net savings of £2m per year by the end of 2025/26. As this is a net target, this does allow for additional costs relating to new priorities but does require that these will increase the gross savings (efficiencies, income generation or service changes) that need to be delivered. Some of the proposed actions will involve capital expenditure. Whilst this will come from capital funding sources (including borrowing), this will also have revenue budget implications/ opportunity costs. Where the actions reduce the Council's energy usage then there will be reductions in ongoing energy costs. A business case will be required to assess the financial and environmental case. Where available the Council will look to access funding from other sources.

## **11. RISK IMPLICATIONS**

- 11.1 If the Council fails to plan and respond to the potential negative impacts of Climate Change, there is a risk that Council services are not able to adapt or respond to changes linked to Climate Change. This could lead to Services becoming less resilient and becoming ineffective in responding to adverse weather conditions/events.
- 11.2 Following adoption of the Strategy, officers will review the current Risk Register entry entitled "Delivering the NHDC Climate Change Strategy 2020-25". The updated risk will reflect the risks and opportunities relating to the delivery of the revised strategic priorities and actions and to the achievement of the objectives specified. This will subsequently be referred to the Risk Management Group and the Finance, Audit and Risk Committee for further consideration.

## **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 negative impacts attached to this strategy. However further equality impact assessments may be undertaken for individual proposed projects.

## **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 Each of the Proposed Actions will have an individual Environmental impact assessment completed as the projects come to fruition.

## **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1 A number of the proposed actions detailed in Appendix A will require additional staffing resource to achieve. They will have impacts across a number of teams including planning, estates, property services, leisure, waste, green space, parking and policy. Some of the work may be able to be incorporated in to existing and developing work plans, but it will mean that other activities will be deprioritised.

## **16. APPENDICES**

- 16.1 Appendix 1 – Climate Change Strategy 2021 - 26
- 16.2 Appendix A – Proposed actions
- 16.3 Appendix B - Achievements

## **17. CONTACT OFFICERS**

- 17.1 Reuben Ayavoo Policy and Community Engagement Manager:  
Email: [Reuben.ayavoo@north-herts.gov.uk](mailto:Reuben.ayavoo@north-herts.gov.uk) 01462 474212

Contributors:

- 17.2 Ian Couper Service Director - Resources:  
Email: [ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk) 01462 474243
- 17.3 Jo Keshishian Interim Human Resources Services Manager:  
Email: [Jo.kershishian@north-herts.gov.uk](mailto:Jo.kershishian@north-herts.gov.uk) 01462
- 17.4 Jeanette Thompson Service Director – Legal and Community Monitoring Officer:  
Email: [Jeanette.thompson@north-herts.gov.uk](mailto:Jeanette.thompson@north-herts.gov.uk) 01462 474370.
- 17.5 Tim Everitt, Performance & Risk Officer  
Email: [tim.everitt@north-herts.gov.uk](mailto:tim.everitt@north-herts.gov.uk) 01462 474646
- 17.6 Georgina Chapman Corporate Policy Officer  
Email: [Georgina.chapman@north-herts.gov.uk](mailto:Georgina.chapman@north-herts.gov.uk) 01462 474121
- 17.7 Alice Sims Trainee Policy Officer  
Email: [Alice.Sims@north-herts.gov.uk](mailto:Alice.Sims@north-herts.gov.uk) 01462 474220

## **18. BACKGROUND PAPERS**

- 18.1 None

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<sup>i</sup> According to the Carbon Trust, *Scope 1* covers direct *emissions* from owned or controlled sources. *Scope 2* covers indirect *emissions* from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company. *Scope 3* includes all other indirect *emissions* that occur in a company's value chain  
<https://www.carbontrust.com/resources/briefing-what-are-scope-3-emissions>

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## Foreword/Introduction

The issues caused by climate change will have a profound effect on the lives of everyone for many years or even decades. That is why in May 2019 North Herts District Council declared a climate emergency and committed to take action to address the causes of climate change across the district. We undertook to engage with the community to identify ways in which the council could work towards the goal of achieving a district with zero carbon emissions. We recognise that the influence of the council is wider than the services that it delivers.

This revised Climate Change Strategy updates our plans and commitments to build on the results of the work with the community and with other councils across Hertfordshire. Firstly, it sets out what the council will do to reduce its own carbon emissions to achieve a carbon neutral position by 2030. Secondly it describes how the council will change its policies to enable others to reduce their carbon emissions. Thirdly it explains how we will lead the way to encourage the residents and businesses of the district to reduce their own carbon emissions.

Achieving the goals set out in this strategy will not be easy but is essential if we are to avoid an even greater impact on the lives of people across North Hertfordshire.

## What is Climate Change

**Climate change refers to a large-scale identifiable change in the planet's weather patterns that persists for an extended period, typically decades or longer.**

The current period of warming is occurring more rapidly than in the past. Scientific evidence indicates that the natural fluctuation of temperature has been overtaken by a human-induced warming. This warming has come as a result of the changes that have occurred since the onset of the industrial revolution. These changes have serious implications for the future stability of the planet.

## Mandate for Climate Action

At the twenty first meeting of the United Nations Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change (UNFCCC) in Paris, member states, including the British government reached a historic agreement to strengthen the global response to Climate Change. This agreement included a landmark commitment to *“holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels”*.

Following the Paris Climate Agreement, in 2018 the United Kingdom became the first major developed economy to assess how it will meet the terms of the agreement. After an original target to reduce its greenhouse gas emissions by 80% on 1990 levels and transition to a low-carbon economy by 2050, in June 2019 parliament passed legislation requiring the government to reduce the UK's net emissions of greenhouse gases by 100% relative to 1990 levels by 2050. This target was adjusted on the recommendation of the UK Committee

on Climate Change (CCC), following both the Paris Agreement and a report from the Intergovernmental Panel on Climate Change (IPCC) indicating aspiration to limit warming to 1.5C rather than 2C. The CCC note that the target is achievable with current technologies and improvements in people's lives, but that it will require the introduction of more stable, challenging, and well-designed policies.

Already, the increase in temperature is having widespread impacts across the UK. Over the last ten years the UK has experienced a variety of climate-related extremes, including record wet winters, major floods and heatwaves. In 2018 the UK Met office scientists published their climate projections for the next century based on different rates of greenhouse gas emissions into the atmosphere. The high emission scenario demonstrated that:

- Summer temperatures could be up to 5.4C hotter by 2070; Winters could be up to 4.2C warmer
- The chance of a summer as hot as 2018 is around 50% by 2050
- Sea levels in London could rise by up to 1.15 metres by 2100
- Average summer rainfall could decrease by up to 47 per cent by 2070, while there could be up to 35 per cent more precipitation in winter.
- The Committee for Climate Change stated in its 2018 report – *Managing the coast in a changing climate*, that coastal communities, infrastructure and landscapes in England were already under significant pressure from flooding and erosion.

Subsequently, the Intergovernmental Panel on Climate Change (IPCC) 2018 special report on Global Warming highlighted that any effort to limit global warming to 1.5°C as agreed in the Paris accord would require rapid, far-reaching and unprecedented changes in all aspects of society and the declaration of a Climate Emergency. In line with this, in their 2019 report the CCC similarly asserted that Climate Change requires more ambitious reductions and radical actions by national government, local authorities, businesses, communities and individuals. The CCC concluded that if radical steps are taken the UK can end its contribution to global warming within 30 years.

### Current National Policy Environment

The Climate Change Act 2008 is the UK's long-term framework for tackling Climate Change. The Act aims to facilitate the UK's transition to a low-carbon economy by 2050. Since the Climate Change Act 2008, a number of national initiatives have been introduced to help meet targets.

- **The Carbon Plan 2011** identifies the emission reductions needed in five key areas of the economy; buildings; transport; industry; electricity; and agriculture to meet targets.
- **The Clean Growth Strategy 2017** outlines the plan to grow the national income while cutting greenhouse emissions.
- **The 25 Year Environment Plan** published in 2018, sets comprehensive goals and targets to improve the UK's air and water quality and protect threatened plants, trees and wildlife species.
- **The Resource and Waste Strategy 2018** outlines the actions the UK will take to minimise waste, promote resource efficiency and move towards a circular economy.

- **The Clean Air Strategy 2019** demonstrates how the national government will tackle all sources of air pollution and boost the economy.
- **Climate Emergency Motion** affirmed Parliament's commitment to addressing Climate Change. While there is no single definition of a Climate Emergency, the general consensus is to work toward becoming carbon-neutral by 2030.

At the Paris Climate Conference (COP21) Agreement placed emphasis on the notion that the real solution to climate change would require wide scale collaboration and sharing of best practices. Whilst Britain leaving the EU will not necessarily mean that Britain will stop collaborating with international partners, there may be a change in the manner this collaboration takes place

### NHDC Approach

Climate action has been a long-term corporate priority area for NHDC, and it is currently pursued through our objective to *Respond to Challenges in the Environment*. The warming of the earth brings milder and wetter winters, hotter and drier summers, more intense downpours and more frequent and intense flooding for North Hertfordshire. These changes pose great risk to the Council's service delivery. In accordance with this, the Council will continue to provide a clean and safe environment, in consultation and partnership with local people. We will continue to protect the natural and built-up environments and address the impacts of the climate emergency; in our approach to waste and recycling, food hygiene, environmental crime and the management of air quality areas.

Over the last two decades the Council has worked continuously to reduce our waste, reduce our CO<sub>2</sub> emissions and improve energy efficiency across the district. In 2007 we signed the Nottingham Declaration on Climate Change. In 2009 we published our original Climate Change Strategy, which we updated in 2013. Since then, the Council has passed several motions with the aim of encouraging residents, businesses and Council staff to Reduce, Reuse and Recycle plastics. Most notably, in 2019, the Council passed a motion to declare a Climate Emergency, in this motion the Council pledged their commitment to do everything within its power to make North Hertfordshire Carbon Zero by 2030. This declaration asserted the Council's commitment toward Climate Action beyond current government targets and international agreements.

Following this declaration, the Council established a Cabinet Panel on the Environment. The Panel is an advisory panel chaired by the Executive Member for Environment and Leisure, and Recycling and Waste alternatively. The panel meets approximately six times per year, and the community and any person or body are welcomed and enabled to participate at meetings.

As part of the declaration, when Council policies are reviewed, specific consideration is given to how the policies and related decisions and actions affect our contribution to climate change, and where necessary, update these policies to reduce our impact where possible. The inclusion of an Environmental implications section within the report and delegated decision template will ensure that impacts and mitigation measures and risks are identified at an early stage.

The Council has formed a Climate Change Implementation Group which has begun meeting regularly. This group supports and receives input from the Cabinet Panel, co-ordinates and formulates climate change actions and makes recommendations in relation to policy development.

The Council will undertake to conduct regular analysis of our activities in order to identify gaps for further action.

The Climate Change Strategy relates primarily to the reduction of carbon emissions but in conjunction with the Environment Panel and the Implementation Group, the Council is enabled to address the full range of issues relating to climate change (both mitigation of and adaption to the effects of climate change) and environmental matters (such as biodiversity and waste) in North Hertfordshire.

As such, this Strategy contains certain actions related to waste and biodiversity in so far as they relate to carbon and greenhouse gas reduction. For instance, a particular form of organic waste management called anaerobic digestion captures the greenhouse gases that may be otherwise released from alternate waste handling practices and produces a source of renewable energy. As such, use of this management process has the potential to limit greenhouse gas emissions and to reduce future reliance on carbon.

High biodiversity levels can improve ecosystem reliability and increase the effectiveness of their functions, one of which is carbon capture. Recent research, for example, has shown that high levels of plant diversity can enhance storage of soil organic carbon.

Trees are probably those most often noted for their carbon sequestration abilities, but hedgerows, grasslands, and wildflower areas also have the capacity to absorb significant amounts of carbon, storing it in woody growth, in leaves, in roots and in the soil.

Efforts to increase biodiversity can therefore be an important means of reducing the amount of carbon dioxide currently in the atmosphere and of off-setting future carbon emissions.

The Council remains committed to playing a leadership role in local efforts to address the climate emergency. We will continue to approach climate action in an inclusive, fair and effective manner. However, with limited policy tools and resources available, successfully achieving carbon zero aspirations will require cross sector partnerships between NHDC, Hertfordshire County Council (HCC), the Hertfordshire Climate Change Sustainability Partnership (HCCSP) - which is comprised of HCC, all ten district and borough councils, and the Hertfordshire Local Enterprise Partnership - local businesses, and voluntary and community groups. We will also explore other means of appropriate funding, investment, and sponsorship opportunities with key suppliers, local authority partners and private enterprise to help us stay on the cutting edge of technology.

This Strategy will act as the foundation upon which actions arising from other service areas across the council are built.



## Objectives

- Achieve Carbon Neutrality<sup>i</sup> for the Council's own operations by 2030 (at least Scope 1 and Scope 2)<sup>ii</sup>.
- Ensure all operations and services are resilient to the impacts of climate change.
- Achieve a Net Zero Carbon district by 2040.
- Become a district that is resilient to unavoidable impacts of climate change.

## Strategic Priorities

1. Taking Action – taking direct action to reduce the Council's carbon emissions.
2. Enabling Carbon Savings – ensuring that our policies enable citizens and businesses to reduce their emissions.
3. Inspiring the Community – encouraging citizens and businesses to take action to go further and faster in cutting carbon emissions.

### 1. Taking Action – taking direct action to reduce the Council's carbon emissions

#### Overview

The UK Committee on Climate Change has identified reducing emissions from local authority owned buildings, estates and operations as a key responsibility for local authorities. NHDC has made significant efforts to reduce emissions from its estate and operations over the past eighteen years and will continue to plan our work with a view to reducing our energy usage from our own estate. The **three** key areas of focus, below contribute most to the Council's carbon footprint and are areas where the Council has the most scope to influence emissions:

- A. Reducing emissions from the District Council's estate and operations.
- B. Reducing the need to travel and improving use of sustainable transport in our operations.
- C. Reducing our consumption of resources, increasing recycling and reducing waste.

### 2. Enabling Carbon Savings – ensuring that our policies enable citizens and businesses to reduce their emissions

#### Overview

The UK Committee on Climate Change emphasises the leadership role local authorities have in supporting residents and businesses to reduce their emissions. The Council will continue seeking to ensure that its policies open up opportunities which enable and make it easier for citizens and businesses to reduce their own emissions.

This will include seeking to provide leadership and support for both businesses and residents to switch to renewable energy, and to adapt to the impacts of planning projects. The Council can play an important role as local planning authority, in reducing carbon emissions and providing further supplementary planning guidance to encourage more sustainable development and work towards carbon neutrality. This is especially

important given the strategic amount of growth planned in the district, and the need for the Council to secure sustainable communities through a masterplan-led process and through place leadership.

Alongside this, the Council's overall transport vision for North Hertfordshire remains one based on sustainable transport. We recognise the many benefits of sustainable transport, both to individuals, places, and the environment more widely, and want to seek to reduce car use overall across the district in favour of public transport and active travel. Encouraging people to move towards ultra-low emission vehicles and other forms of sustainable transport is critical to help us achieve our climate change and air quality ambitions.

The Council will thus seek to progress policies in support of the transition to low and zero emission vehicles in line with national targets, ensuring that residents can take advantage of technological changes and that North Hertfordshire remains accessible and attractive for all. Due to limited resources, and acknowledging the advancement of technology through significant private sector investment, this will entail broad partnership working and exploring other means of appropriate funding in order to best and maximally enable carbon savings across the district.

### **3. Inspiring the Community – encouraging citizens and businesses to take action to go further and faster in cutting carbon emissions**

#### **Overview**

The Climate Emergency is a wide-spread cross-cutting issue, and requires a concerted and coordinated effort. In recognition of the value of community-led responses in helping contribute to the wider decarbonisation of the district and to reaching the national net zero target of 2050<sup>iii</sup>, inspiring the community forms a key part of the strategy. Local authorities can play a key role in stimulating community-led action and in encouraging behaviour change which will see residents, community groups, and businesses reduce their impact on the environment and make more sustainable choices. We will continue to work in partnership with those in our community in order to consult, inform, and inspire action which will ensure we mitigate and adapt to the Climate Emergency.

#### **Measuring, Monitoring and Evaluating Impact**

This strategy is accompanied by an Action Plan (appendix A), and a List of Achievements (appendix B). Impact and delivery of the strategy will be measured and monitored annually, and a fuller evaluation will be undertaken in 2025. In addition to this, the Strategy will undergo an annual review which will consider whether it needs to be amended or added to, based on developments in national policy, new research, changed circumstances, available funding opportunities, or our own gap analysis (see NHDC Approach).

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<sup>i</sup> *Carbon Neutrality* is defined by Oxford Languages, as 'making or resulting in no net release of carbon dioxide into the atmosphere, especially as a result of carbon offsetting'. *Net Zero Carbon* is typically held to indicate the same concept, often being described as the balancing of carbon emissions with removal (i.e. you offset or sequester the same amount of carbon emissions that you emit). Though, as The Carbon Trust noted in November 2019, 'Net Zero' does in fact lack an official or commonly agreed definition.

In contrast, *Zero Carbon* is typically considered to mean that there is no emission of Carbon Dioxide at all from a product or service, and therefore no use of offsetting.

It should be further noted, however, that all of the above terms have frequently been used interchangeably and without precision in public discourse.

<sup>ii</sup> According to the Carbon Trust, Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company. Scope 3 includes all other indirect emissions that occur in a company's value chain  
<https://www.carbontrust.com/resources/briefing-what-are-scope-3-emissions>

<sup>iii</sup> In June 2019, parliament passed legislation requiring the government to reduce the UK's net emissions of greenhouse gases by 100% relative to 1990 levels by 2050. In December 2020, the Prime Minister announced a new target to reduce the UK's emissions by at least 68% by 2030, compared to 1990 levels.  
<https://www.gov.uk/government/news/uk-sets-ambitious-new-climate-target-ahead-of-un-summit>

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# North Hertfordshire District Council Climate Change Strategy Proposed Actions 2021- 2026

## **Taking Action**

Taking direct action to reduce the Council's carbon emissions

## **Enabling Carbon Savings**

Ensuring that our policies enable citizens and businesses to reduce their emissions

## **Inspiring the Community**

Encouraging citizens and businesses to take action to go further and faster in cutting carbon emissions



# TAKING ACTION

## Reducing the Council's own carbon emissions by targeting:

### Council Buildings and Property

- Consider thoroughly, and ensure that new system installations are renewable electricity rather than gas-fired, where this is deemed the best option
- Consider replacing gas with electricity from renewable sources where appropriate
- Ensure no new buildings use gas-fired systems
- Explore use of heat pumps (ground source or air source) to provide heating as the technology develops
- Continue to identify ways to improve building energy management systems to reduce waste
- Improve building insulation and conduct lighting surveys to reduce energy outputs
- Increase incorporation of green clauses in leases and licenses for NHDC's property estate (e.g encouraging tenants to consider whole life carbon assessments when selecting construction methods or materials in their leased property)
- Build on the environmental, economic, and social sustainability principles presented in NHDC's Property Acquisition & Development Strategy when appraising prospective property acquisitions, to ensure pre-acquisition due diligence is comprehensive and not solely focused on financial drivers
- Explore and progress on-site generation of electricity from solar or wind
- Explore opportunities for the sustainable heating of swimming pools

### Transport

- In accordance with the Council's 2019 resolution, continue replacing all future operational vehicles leased or purchased by the Council with Ultra Low Emission Vehicles (ULEVs) or zero emission vehicles until the last non-ULEV vehicle leases expire (2022); and encourage contractors to adopt similar measures
- Begin transitioning to zero emission vehicles as leases come up for expiry from 2025
- Reduce staff and Councillor business travel through use of Zoom and similar technologies as much as possible
- Reduce staff commuting through home working as much as practical
- Explore opportunities around low-emission refuse freighters
- Explore the creation of a 5-Year Plan to reduce emissions from the waste fleet





## TAKING ACTION

### Offsetting

- Quantify how much land we would need to plant trees on to offset 5% of the Council's 2019/20 carbon emissions, and work towards this goal as is feasible, both as area planting and single specimen planting
- Seek to retain and preserve scrub and woodland edges to protect trees and maintain natural boundaries to woodlands
- Where appropriate, change grass verge cutting regimes to allow more plant species to grow
- Create more wildflower areas across the district
- Seek to strengthen hedgerows and have them connect fragmented habitats

### Explore options for the preparation of an evaluation, updated each year showing:

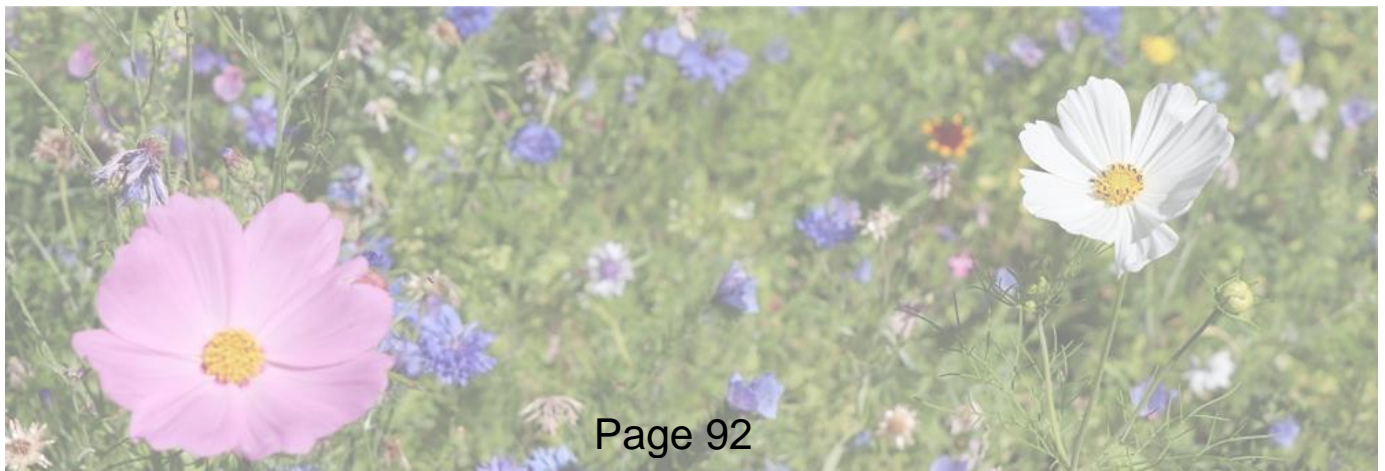
- Carbon savings that have been achieved since the 2019/20 baseline
- The savings identified to make progress towards the carbon neutral by 2030 target
- The savings still to be identified

**Continue to consult with the public and with interest groups on strategies for achieving zero carbon emissions by 2030**



## ENABLING CARBON SAVINGS

- As part of the 'Sustainable North Hertfordshire' programme, work to develop and support policies that encourage electric vehicle use and other 'cleaner air' initiatives across the district, including:
  - Providing more electric car charging facilities in our car parks
  - Exploring the possibility of making it cheaper for zero emission vehicles to use Council car parks
  - Working with the County Council to improve the provision of on-street Electric Vehicle (EV) charging
  - Exploring the opportunities for a holistic approach to a town-wide Electric Vehicle strategy which will include all users and operators, both public and private
  - Working with other public and private entities/partners to improve provision of EV charging
  - Progressing the implementation of a better cycle network in North Herts, linking the district and beyond
  - Working with the relevant portfolio holders to prepare an annual Electric Vehicle Action Plan
- Further to the requirement for all new and replaced taxi vehicles to be ultra-low emissions from 2028, explore how we can support transitions to low emission vehicles before this date and to zero emission vehicles when the necessary infrastructure is in place
- Ensure that masterplans and planning applications for new development are designed around streets and routes for active travel (rather than cars) and create walkable neighbourhoods
- Explore how a Sustainability Supplementary Planning Document (SPD) could encourage and provide guidance on how new development can use resources more efficiently, reduce carbon emissions, incorporate carbon sequestration measures, and adapt to climate change
- Introduce a standard within a Sustainability SPD to support more energy efficiency buildings to the equivalent of Level 4 of the Code for Sustainable Homes
- Set out comprehensive planning guidance within a Sustainability SPD on reducing carbon emissions, adapting and mitigating climate change





## ENABLING CARBON SAVINGS

- Require Passivhaus, BREEAM, or similar standards for all developments on land sold by the Council
- Explore how a Biodiversity SPD could help to provide a clear ecological network plan, further enhance and create new habitat (e.g. woodlands, grasslands, and hedgerows) within new development and on Council owned land as part of an offsetting strategy to deliver biodiversity net gain
- Update the Council's Green Infrastructure Strategy to identify where new green spaces and corridors should be provided as part of new development to support further carbon sequestration, biodiversity, and flood and surface water management
- Signpost residents to funding for retrofitting of insulation, heating and energy reduction features to improve the energy efficiency of existing homes
- Lobby government to introduce more funding for retrofitting of insulation, heating and energy reduction features, for both privately-owned and social housing
- Work with the Herts Waste Partnership (HWP) to investigate how we could secure the use of anaerobic digestion to deal with food waste from 2024
- Ensure recycling and waste collection arrangements promote reduction and reuse
- Encourage and support community tree planting initiatives
- Explore opportunities for Solar schemes for residents, businesses, and community groups – such as those run by West Suffolk Council and South



## INSPIRING THE COMMUNITY

- Enable residents to assess their carbon emissions, comparing them with the district and best practice
- Encourage residents to make behaviour changes by highlighting positive actions that can be taken, and informing them of more environmentally friendly options
- Encourage alternative models of working to reduce commuting levels across the district
- Promote zero carbon construction (timber buildings, offsetting of carbon, etc.)
- Run food waste awareness programmes
- Run waste reduction awareness programmes and continue to support community plastic free initiatives
- Explore opportunities for certification/awards for Green/Sustainable businesses
- Explore the possibility of tree planting awards
- Consult with the public to identify further means by which the Council can assist the residents and businesses of North Herts to achieve the target of zero emissions across the district by 2050
- Develop communications to raise awareness of the benefits of retrofitting of insulation, heating and energy reduction features, and the long-term cost-saving potential





# North Hertfordshire District Council Climate Change Strategy Completed Actions 2020

## REDUCING OUR CARBON FOOTPRINT

- **We have engaged a consultant to help identify the Council's current carbon footprint.**

- We have received a report detailing the carbon emissions from our main sites and buildings, as well as energy efficiency measures and possibilities for investment in renewable energy which could help the Council reduce its carbon footprint.
- We have created an action tracker based on the energy efficiency measures recommended in the report.
- We are also having the emissions related to the Council's vehicle fleet, grey fleet, commuting, water, and waste assessed, and expect to receive similar reports for these elements which lay out the opportunities for carbon reduction.

- **The Council has made the switch to renewable electricity and green gas to power and heat our buildings.**

- **The Council has worked with Stevenage Leisure Limited (SLL) to eliminate single use plastics from Leisure Centres and Swimming Pools.**

- Blue plastic overshoes were removed from Royston Leisure Centre and Hitchin Swim Centre on 13/12/2019 and 24/02/2020 respectively.



## REDUCING OUR CARBON FOOTPRINT

- **Changes to the Taxi and Private Hire Licensing Policy were approved to limit emissions. These changes included:**

- No idling points system introduced to enforce against drivers who do not comply.
- Restricted use taxi ranks - when the infrastructure is in place, it is intended to restrict use of prime location taxi ranks to environmentally friendly vehicles. This serves both as an incentive for licence holders to purchase environmentally friendly vehicles and addresses the issue of vehicle emissions in residential areas such as town centres.
- Require all new and replaced vehicles from 2028 to be ultralow emission vehicles (uLEVs) – this allows trade time to prepare ahead of the government target date with local regulation.

- **The council's Community Safety Team have replaced their vehicles with new, hybrid, Ultra Low Emission Vehicles**

- **Regular meetings are now taking place to engage with the local community about public transport.**

- Forum meetings are being held regularly, with the most recent having taken place in January 2021.

- **Our Estates & Asset Management have placed increased emphasis on introducing green clauses in leases and other property agreements.**

- **As part of the 'Sustainable North Hertfordshire', we have worked to develop and support policies that encourage electric vehicle use and other 'cleaner air' initiatives.**

- For example, we carried out a consultation to inform the development of an Electric Vehicle Strategy and are looking at options for electric vehicle charging infrastructure.





## REDUCING OUR CARBON FOOTPRINT

- **We have committed to using the Section 106 Sustainable Transport Funds** we currently hold for measures that encourage cycling and walking as well as public transport.
- **We have made a successful submission for Hitchin to be part of the Intalink Feasibility studies.** This is a collaboration between Hertfordshire County Council, bus rail operators, district and borough councils in order to improve the bus network and user experience.
  - This will see bus priority measures in Hitchin from 2022-2023.
- **Letchworth Garden City and Royston have been approved for inclusion in the first round of the Sustainable Travel Towns Programme.**

## LEADERSHIP ACROSS THE DISTRICT

- **We have continued to engage with individuals and the community**, to act as a sounding board on community ideas and projects, and to seek evidence and views as appropriate through our Cabinet Panel on the Environment. The panel has held the following meetings:
  - 7 July 2020: Introductory Session - Reducing Emissions from Transport and Travel
  - 9 September 2020: A New 'Normal' - Recovering from the Pandemic (to include biodiversity, air quality, and council operations moving forward)
  - 17 November 2020: Food Waste, Waste, and Recycling (to include food waste reduction and capture from the residual stream)



## LEADERSHIP ACROSS THE DISTRICT

- We have invested in glassware and related commercial cleaning equipment for events at Hitchin Town Hall, in order to avoid plastic.

- Where glassware is inappropriate for an event, we have replaced plastic vessels with compostable alternatives.

- We have appointed a Waste Awareness Officer to increase public awareness of waste and recycling issues.

- We have installed nine new on-street recycling bins in Royston Town Centre.

- We established Waste Electrical and Electronic Equipment (WEEE) Events, to help residents dispose of their electrical equipment to be repurposed/recycled. These events have currently been put on hold due to the pandemic.

- We led environmental health action days such as those held on the 9/12/2019 in Letchworth and the 3/12/2019 in Hitchin. (with topics including dog fouling, fly tipping, and dumping of waste).

- The Corporate Policy Team have created a regular update of actions that support the Council's aim to reduce its impact on the environment. This is posted to the Council's website on its 'Climate Change' page in order to keep residents informed.

- A Green Space Audit has been completed.

- This has identified areas within the district where biodiversity can be encouraged through annual 'cut and lifts', wildflower meadows, hedgerows, woodland edge creation and tree planting.





## PARTNERSHIP WORKING

- **We continue to work within the Hertfordshire Climate Change and Sustainability Partnership (HCCSP)** which brings together representatives from Hertfordshire County Council, all 10 district councils, the Hertfordshire Local Enterprise Partnership, as well as external stakeholders and experts such as water companies and the Herts Middlesex Wildlife Trust, to tackle climate change in the county.

- As part of this partnership we have led the Biodiversity Subgroup which seeks to explore ways of conserving and improving biodiversity in Hertfordshire.
- We have produced a scoping document for a county-wide biodiversity baseline. This will enable us to understand the state of biodiversity in Hertfordshire as well as lay the foundations for exploring what and where are the key opportunities for increasing biodiversity.

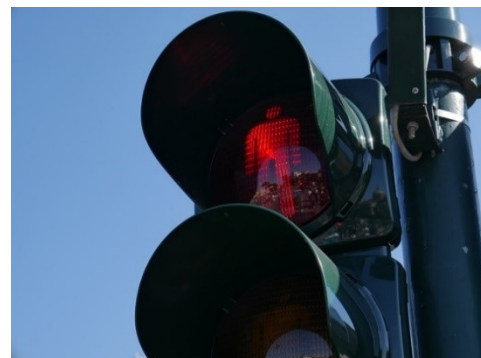
- **We took a role at the virtual HCCSP annual conference on the 3rd December to highlight the strategic work of the partnership.** All ten districts informed the attendees of the work of the sub- groups and answered a range of questions at the Q&A plenary session.

- **We have worked with Hertfordshire County Council to deliver new cycle stands in the district as part of the Department for Transport Emergency Active Travel Fund.**

- **We have continued to work with Hertfordshire County Council to develop a Local Cycling & Walking Infrastructure Plan.**

- **We have continued to work with Plastic Free Letchworth and Plastic Free Hitchin to deliver Plastic Free Communities.**

The Climate Change Strategy has been reviewed in 2021 and these achieved outcomes are in line with targets set in the previous year. Impact will be measured and monitored annually, and a full evaluation will be undertaken in 2025.



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<b>CABINET</b> <b>16 MARCH 2021</b>
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<b>*PART 1 – PUBLIC DOCUMENT</b>
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**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

**1. EXECUTIVE SUMMARY**

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

**2. RECOMMENDATIONS**

- 2.1. That the report on strategic planning matters be noted.
- 2.2. That the correspondence in Appendices A and B be noted and endorsed by Cabinet.

**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** – [Hearings on the Welwyn Hatfield Local Plan](#) resumed on Monday 22 February 2021 and run until Thursday 18 March 2021. These cover a range of housing issues including objectively assessed need, Green Belt, housing supply and proposed allocations. Any further modifications to the Plan arising from these sessions, including any matters which might impact upon North Hertfordshire such as housing sites close to the shared administrative boundary, will require consultation.
- 8.2. **St Albans** – The Council has published a [Local Development Scheme \(LDS\)](#) – the statutory document setting out a timetable – for its replacement Local Plan. A first consultation is anticipated in early 2022. Early consultation on the joint South West Hertfordshire Joint Strategic Plan is anticipated later this year.
- 8.3. **Central Bedfordshire** – Following the resumed hearings in December 2020, [the Inspectors wrote to the Council](#) setting out views on a number of soundness matters and direction on the way forward for the examination. This included clarification on the proposed allocations and policies relating, in particular, to RAF Henlow and Arlesey, both of which are close to the District boundary. Consultation on Main Modifications is anticipated in the Spring.
- 8.4. **East Hertfordshire** – Full Council adopted a [Supplementary Planning Document \(SPD\) on Sustainability](#) on 2 March 2021. The proposed approach to this Council's SPDs is subject to a separate report to this meeting.

### *North Hertfordshire Local Plan*

- 8.5. An update on the Local Plan examination and next steps is contained in a separate report to this meeting.

### *Neighbourhood Plans*

- 8.6. It was agreed at Cabinet in January 2021 that the Baldock, Bygrave and Clothall Neighbourhood Plan should proceed to a referendum. This will take place on 6 May 2021.
- 8.7. The Ashwell Neighbourhood Plan has been submitted to the local planning authority for public consultation. Consultation will take place until April 15 2021. Once the consultation period has ended, an independent examiner will be appointed in consultation with the Parish Council to undertake an examination of the neighbourhood plan.

### ***Hertfordshire Growth Board and North-East-Central (NEC) Hertfordshire***

- 8.8. As part of the Hertfordshire Growth Board work, Councillor Stears-Handscorn is chairing a workstream within the North East and Central Herts Strategic Planning work on Reinvigorating our Town Centres. As well as officers, the steering group includes three of the Leaders of the Hertfordshire Districts and Boroughs as well as representatives of the Local Enterprise Partnership, the County Council and Professor Julie Newlan from the University of Hertfordshire. Evidence has been sought from practitioners in the field and the next stage is a workshop to develop the tools needed to establish the baseline in each of our towns from which to ensure they are able to flourish in the post pandemic world.
- 8.9. Any further updates will be reported verbally to the meeting.

### ***Government announcements***

- 8.10. The Government's latest [Housing Delivery Test \(HDT\) results](#) were released in late January 2021. This is a measure of the number of homes delivered against Local Plan targets or, in the absence of an up-to-date Plan, Government estimates of the number of homes required.
- 8.11. The latest results show the Council delivered 36% of the homes considered necessary under this measure. This was down from 44% the previous year. The National Planning Policy Framework sets out a number of steps that authorities should take in response to their HDT results. The latest figures are well below the 75% threshold at which the 'presumption in favour of sustainable development' for planning applications is to be applied. It will also be necessary to update [the HDT Action Plan approved by Cabinet in June 2020](#). This will be reported to a future meeting of Cabinet. The latest result for North Hertfordshire was the fourth-lowest figure of almost 300 local authorities in the country.
- 8.12. Following release of the results, the Housing Minister Christopher Pincher MP has written to all authorities and also specifically enquired about the reasons for North Hertfordshire's low results via the Rt. Hon Sir Oliver Heald QC, Member of Parliament for North East Hertfordshire. The Executive Member's letter to Sir Oliver is attached as Appendix A.
- 8.13. This recognises that significant improvement upon the HDT measure will only be achieved on resolution of the current Local Plan examination. However, it reinforces the need to ensure measures in the current Action Plan are being delivered upon. As set out above, the proposed next steps in relation to both the examination and implementation of the Local Plan are subject to separate reports to this meeting.
- 8.14. The Government has outlined its [long-term ambition for the Oxford – Cambridge Arc](#). This includes developing a spatial framework for the area to support accelerated economic growth and housing delivery and consideration of a Growth Body to drive these programmes. North Hertfordshire borders the Arc along its boundaries with Cambridgeshire and Bedfordshire. Officers will keep emerging proposals under review.
- 8.15. The Government has made a number of further announcements relating to good design and the Future Homes standard. These are set out in Section 7 of the Local Plan implementation report and are not repeated here.

- 8.16. In response to the publication of the [National Model Design Code](#), the Council submitted an expression of interest to act as a pilot authority using the proposed new developments around Knebworth as a case study. Outcomes are due to be announced during the week commencing 8<sup>th</sup> March and a verbal update will be provided at the meeting.

### ***London Luton Airport***

- 8.17. Officer meetings regarding the proposed expansion for London Luton Airport (LLA) are continuing. 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.
- 8.18. A response to the proposed changes to LLA arrivals airspace consultation which concluded on 5 February 2021 was sent following consultation with HCC and the Executive Member and Deputy. A copy is attached at Appendix B.

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

- 8.19. **LCWIP (Local Cycling and Walking Infrastructure Plan)** – NHDC and HCC are currently in the process of producing an LCWIP for the District; LCWIP's were identified in the DfT's first Cycling and Walking Investment Strategy (2017) as a new strategic approach to identifying cycling and walking improvements at a local level. By having an adopted LCWIP this will enable both NHDC and HCC to be in a stronger position to bid for any future Government funding opportunities. Work commenced in December 2020 and it is anticipated to be completed in Autumn 2021, with an officer working group meeting fortnightly.
- 8.20. **Active Travel Fund** – HCC are currently consulting on a series of proposed Active Travel Schemes following the award of £6.4m funding from the DfT. The schemes are intended to improve cycling and walking facilities across Hertfordshire. One of the proposals for a scheme in Stevenage partly comes into North Hertfordshire, the location being between Stevenage Old Town and Graveley Road. If completed this is likely to see a new separated cycleway along the route connecting with the wider cycleway network in Stevenage. The consultation runs between 16 February and 15 March 2021, NHDC officers will provide comments to the consultation.
- 8.21. **Hitchin Intalink Feasibility Study** – as part of the Intalink Enhanced Partnership, which was launched in April 2020, HCC via the Intalink Partnership commit to undertaking three feasibility studies per year to identify bus priority measures either in town centres or corridors. In 2020/21 Watford, St. Albans and Stevenage were chosen; for 2021/22 Hitchin has been one of the locations chosen. Each study is anticipated to last for three-four years, with scheme improvements identified in the first year, with subsequent years covering design and delivery. HCC has established a working group for the Hitchin feasibility study and NHDC officers recently met with them to discuss outline proposals prior to the commencement of more detailed work.

- 8.22. **DfT Rural Mobility Fund** – a final decision is expected by the end of March from the DfT as to the application for funding for a new DRT (Demand Responsive Transport) bus service that was submitted by HCC, in partnership with NHDC, East Herts. District Council and Stevenage Borough Council. The application process is a two-phase process and was one of three applications submitted by HCC but was the only one to be shortlisted for phase 2. If successful, the North East Herts DRT service will provide a step change in local bus provision for a large number of villages and hamlets in the proposed area of operation across North and East Hertfordshire, currently served either by limited bus services or none at all.
- 8.23. **Sustainable Travel Towns** – the officer working group's for both the Letchworth Garden City and Royston Sustainable Travel Town's schemes are continuing to meet on a fortnightly basis to develop high level action plans that will be submitted for final approval to HCC's Growth, Infrastructure, Planning and the Economy Panel in July.

## **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. Appendix A – Letter from Cllr Clark to Rt. Hon. Sir Oliver Heald QC MP
- 16.2. Appendix B – NHDC response to Luton Airport arrivals airspace consultation

## **17. CONTACT OFFICERS**

- 17.1 Ian Fullstone, Service Director of Regulatory  
01462 474480 [ian.fullstone@north-herts.gov.uk](mailto:ian.fullstone@north-herts.gov.uk)

### **Contributors**

- 17.2 Nigel Smith, Strategic Planning Manager  
01462 474847 [nigel.smith@north-herts.gov.uk](mailto:nigel.smith@north-herts.gov.uk)
- 17.3 Louise Symes, Strategic Projects & Infrastructure Manager  
01462 474359 [louise.symes@north-herts.gov.uk](mailto:louise.symes@north-herts.gov.uk)
- 17.4 Clare Skeels, Senior Planning Officer  
01462 474424 [clare.skeels@north-herts.gov.uk](mailto:clare.skeels@north-herts.gov.uk)

- 17.5 Daniel Washington, Transport Policy Officer  
01462 474368 [daniel.washington@north-herts.gov.uk](mailto:daniel.washington@north-herts.gov.uk)
- 17.6 Nurainatta Katevu, Property & Planning Lawyer  
01462 474364 [nurainatta.katevu@north-herts.gov.uk](mailto:nurainatta.katevu@north-herts.gov.uk)
- 17.7 Ian Couper, Service Director of Resources  
01462 474243 [ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk)
- 17.8 Jo Keshishian, Acting Human Resources Services Manager  
01462 474314 [Jo.keshishian@north-herts.gov.uk](mailto:Jo.keshishian@north-herts.gov.uk)
- 17.9 Reuben Ayavoo, Policy and Community Engagement Manager  
01462 474212 [reuben.ayavoo@north-herts.gov.uk](mailto:reuben.ayavoo@north-herts.gov.uk)

**18. BACKGROUND PAPERS**

- 18.1 None

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26 January 2021

Rt. Hon Sir Oliver Heald QC  
Member of Parliament for North East  
Hertfordshire

Contact Officer: Nigel Smith  
Direct Line: 01462 474847  
E-mail: Nigel.smith@north-herts.gov.uk

By Email only

Dear Sir Oliver,

### **Housing Delivery in North Hertfordshire**

Thank-you for your recent correspondence regarding the latest *Housing Delivery Test* results released by the Government for North Hertfordshire and your meeting with the Housing Minister, Christopher Pincher.

The latest figures for our District say that we have delivered less than half the number of homes required, making North Hertfordshire, on paper, one of the worst performing authorities in the country. We have also received the Housing Minister's letter on this matter.

However, we consider the latest results do not paint a full or fair picture of the situation in North Hertfordshire. Following the release of the previous *Housing Delivery Test* (HDT) figures (published February 2020), we produced an Action Plan in line with Government requirements. That was adopted and published in June 2020 and can be viewed [on the Council's website](#).

Our Action Plan identifies that the biggest single step we can take to improve our 'performance' under the HDT is to complete the examination of the Local Plan and adopt it. As you will be aware, our Plan was submitted to the Secretary of State (SoS) for examination in June 2017 and it presently remains with his appointed Inspector more than three and a half years later.

Absent an up-to-date Plan - which sets an agreed housing requirement for the District (which, in turn would form the basis of the HDT calculation) and identifies the sites to meet it – we cannot substantively improve upon our HDT result.

We have permitted a number of schemes, including several sites around Royston, in advance of the Plan in order to maintain and boost housing supply as best we can. However, you will also be aware our Plan proposes the release of a number of sites from the Green Belt to meet North Hertfordshire's identified housing needs in full as well as making a positive contribution towards unmet housing need from neighbouring Luton. These require a clear indication they have the backing of the SoS' Inspector before we can allow schemes to proceed. This includes proposed sites in your constituency around Letchworth Garden City and Baldock.

Resumed Local Plan hearings were held in November / December 2020 (delayed from March 2020 by the current pandemic). Following these, the Inspector undertook to alert us to any substantive concerns with our proposals by the end of January. Beyond that point – and subject to no significant issues being raised - we would hope to proceed through the final stages of examination and consultation this year.

Completion of our examination and adoption of our Local Plan would result in an immediate and significant improvement of our 'performance' under the *Housing Delivery Test*. It would also help better protect the Council against hostile applications for inappropriate development which can be harder to resist in our current situation.

Should our Local Plan receive the backing of his Inspector following extensive scrutiny over a number of years, we would therefore strongly urge the Housing Minister to resist any requests to further delay its implementation through call-in or any other action.

We continue to work towards the other measures in the Action Plan which aim to further improve our internal resources and processes so that we can deliver housing in a timely manner without compromising on quality or the provision of essential supporting infrastructure.

If you or the Housing Minister would like to discuss any of the matters in this letter in further detail, please contact my officers using the details provided.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Paul Clark', written in a cursive style.

Cllr Paul Clark  
Deputy Leader and Executive Member for Planning & Transport

London Luton Airport – Changes to London Luton Airport Arrivals Consultation –

Copy of NHDC on-line Response Submitted 5/02/2021

Your Views:

In accordance with the UK Civil Aviation Authority's CAP 1616 airspace change process, consultation responses will be published on Citizen Space via the Airspace Change Portal. Responses will be subject to moderation by the Civil Aviation Authority. If you wish your response to be published anonymously your personal details (name, postcode, email) will be redacted and only be seen by LLA, NATS and the Civil Aviation Authority.

(Required)

☒ Yes I want my response to be published with my details.

☐ No I want my response to be published anonymously.

What is your name?

Louise Symes, Strategic Infrastructure & Projects Manager

Who are you representing? (Self or an Organisation)

Organisation- North Hertfordshire District Council

What is your postcode?

SG6 3JF

What is your email address?

[louise.symes@north-herts.gov.uk](mailto:louise.symes@north-herts.gov.uk)

1. To what extent do you agree that Option 1 is an acceptable solution for Runway 07 (easterly)?

- ☐ Strongly agree
- ☒ Agree
- ☐ Neither agree nor disagree
- ☐ Disagree
- ☐ Strongly disagree

Please add your reason for your answer here (optional)

For the reasons set out in the attached document.

**2. To what extent to you agree that Option 1 is an acceptable solution for Runway 25 (westerly)?**

- ☐ Strongly agree
- ☒ **Agree**
- ☐ Neither agree nor disagree
- ☐ Disagree
- ☐ Strongly disagree

**Please add your reason for your answer here (optional)**

[For the reasons set out in the attached document.](#)

**3. To what extent do you agree that Option 2 is an acceptable solution for Runway 07 (easterly)?**

- ☐ Strongly agree
- ☐ Agree
- ☐ Neither agree nor disagree
- ☒ **Disagree**
- ☐ Strongly disagree

**Please add your reason for your answer here (optional)**

[For the reasons set out in the attached document.](#)

**4. To what extent do you agree that Option 2 is an acceptable solution for Runway 25 (westerly)?**

- ☐ Strongly agree
- ☐ Agree
- ☐ Neither agree nor disagree
- ☒ **Disagree**
- ☐ Strongly disagree

**Please add your reason for your answer here (optional)**

[For the reasons set out in the attached document.](#)

**5. Do you prefer Option 1 or Option 2?**

- ☒ **Option 1 – Vectoring**
- ☐ Option 2 - PBN Routes and Vectoring
- ☐ No preference
- ☐ Don't know

**Please add your reason for your answer here (optional)**

[For the reasons set out in the attached document.](#)

**6. If Option 2 is progressed, how frequently would you like to alternate between the routes, from the hold to the runway in use, to provide a degree of respite?**

- ☐ Daily
- ☐ Every two days
- ☐ Weekly
- ☒ **No preference**
- ☐ Other (specify below)
- ☐ Don't know

**Please add your reason for your answer here (optional)**

**7. If Option 2 is progressed, at what time of day would you like to change between the two routes from the hold to the runway in use?**

- ☐ Around midnight
- ☐ Early morning
- ☐ Mid-morning
- ☒ **No preference**
- ☐ Don't know

**Please add your reason for your answer here (optional)**

**8. Technical Question (no requirement to respond). What classification of airspace would you like the high level additional controlled airspace to the north of Luton to be?**

- ☐ Class A
- ☐ Class C
- ☐ Class E
- ☐ No preference

**Please add your reason for your answer here (optional)**

**9. Technical Question (no requirement to respond). To what extent would your flight operations be impacted by the proposed Class D airspace, which is required to contain the RNAV1 Transition to Runway 07 north of Leighton Buzzard (PBN Route 2)?**

- ☐ No impact
- ☐ Some impact

- ☐ Moderate impact
- ☐ Significant impact
- ☐ Major impact

**Please add your reason for your answer here (optional)**

**10. If you have any other comments you would like to make, please provide them here:**

**Additional Comments:**

[Please see additional comments set out in the attached document.](#)

**Airspace Change Proposal  
London Luton Airport Arrivals (AD6)  
LLA-NATS Consultation 19<sup>th</sup> October 2020 – 5<sup>th</sup> February 2021**

**North Hertfordshire District Council Response**

North Hertfordshire District Council welcomes the opportunity to comment on the above mentioned consultation and request that this letter is read as the Council's supporting reasons to the on-line survey at questions 1 to 5.

The Council is supportive of the overall proposal of creating a new hold further north to deal exclusively with LLA arrivals. While this is viewed as having an overall benefit particularly to the Royston area in terms of noise reduction, the Council expresses its concern regarding the likely noise impacts on other parts of the District when considering the two options associated with the proposed change in the arrival airspace.

In reviewing the Full Options Appraisal together with Hertfordshire County Council, the Council has the following observations:

1. The Full Options Appraisal finds that on the whole, when considering the technical assessment of data/metrics, there is very little to differentiate between the options that would point to a preference for one or the other, even on most noise metrics. It is the Council's view that when noise impacts are monetarised that Option 1 is favoured technically. The consultation presents Option 2 as the sponsors' preferred option because (not exclusively) of its longer term resilience -it being compatible with forthcoming strategic airspace change, i.e. the Airspace Modernisation Strategy (FASI-S) [AMS] process that will introduce Performance Based Navigation (PBN) technology and flight concentration).
2. NHDC together with Hertfordshire County Council, has commissioned specialist noise advice to advise on the noise implications of this airspace change proposal (**a copy of that advice is attached to this response**). The advice generally supports the way in which the noise implications have been technically assessed and its outputs.

*'On balance, Option 1 is preferable to Option 2 in terms of noise effects in the local community. The differences are small: neither Option 1 nor Options 2 is expected to give rise to substantially higher or lower noise levels at any location compared to the current baseline.'*

3. The attached advice at paragraph 4.2 also goes on to confirm the findings of the Full Options Appraisal – when the impacts are monetarised the assessment '*seem to unequivocally identify that Option 1 is superior to Option 2.....*'.
4. However, this finding is based on the outputs of analysis of data/metrics relating to areas in North Hertfordshire in relatively close proximity to the Airport in final approaches where impacts are greatest (as they relate to noise contours). Noise

contours do not extend into the area north of the Airport which are subject to the largest changes in aircraft arrival routing. It is therefore not possible to quantify noise level changes in any of these geographic locations. However, the information provided can be used to obtain some qualitative information on likely noise changes, as the routing diagrams and flyover contours do enable a visual identification of likely changes in routes and route concentration – and statistics in relation to overflight, in particular over areas of Letchworth and Baldock in terms of the westerly runway (Runway 25).

*‘The smaller area covered to the north of the airport for Option 2 reflects the concentration of arrival routes due to the adoption of the selected PBN routes for both westerly and easterly arrivals. While they can be seen quite clearly, these changes do not factor into the quantitative assessment summarised above and in Table 9.2 of the Full Options Appraisal.’*

*‘What it is feasible to conclude, however, is that the noise advantages enjoyed by Option 1 over Option 2 as indicated by the quantitative assessment above 45 dB LAeq,T, are likely to be reinforced by the effects occurring further north of the airport. At these locations, aircraft are higher and therefore generating lower noise levels on the ground, but that does not mean they will not be audible. While they may not be generating adverse effects in the sense defined in relation to Observed Adverse Effect Levels, evidence suggests they may be perceived as annoying and any changes must still be factored into the decision making process.’*

5. NHDC is aware that Hertfordshire has recent experience of an airspace change introducing PBN technology to concentrate air traffic along Runway 26 Brookmans Park Departure Route, which sought to achieve more focussed flight departures and prevent overflight of densely populated northern parts of Hemel Hempstead and St. Albans. While HCC has advised that the airspace change was indeed successful in achieving this, but in doing so has had adverse noise consequences for communities along that more focussed departure route. It is our understanding that the scale of those consequences is such that a further airspace change process is underway to try to address the impacts. Such experience would therefore suggest exercising some caution when considering the introduction of PBN/flightpath concentration.
6. The Full Options Appraisal assesses and compares the options looking ten years ahead – which is normal practice. However, were London Luton Airport Limited’s 32mppa Development Consent Order (DCO) proposal to be approved, it is currently not anticipated to reach its full throughput until the late 2030s – so closer to a 20 year timeframe. The assessment undertaken to inform the consultation exercise therefore does not assess the potential ‘worst case’ scenario – of either Option 1 or 2. It might seem reasonable to assume that the monetised adverse negative impacts of Option 2 would escalate (to a greater extent than for Option 1) if the assessment took account of full implementation of the 32mppa DCO proposal (were it to be approved). It might also be reasonable to assume that the qualitative judgements about the balance between Option 1 and 2 further afield from the Airport would similarly be reinforced. However, there is no evidence currently available



within the consultation documents to help support these assumptions and this is considered to be an omission in the data.

7. It is not clear whether the forecast/projection of future households/populations potentially impacted by the proposal at 2031/2 take account of proposed additional development being brought forward, but not yet implemented, through in-force/emerging local plans prepared by local planning authorities (development which is known to fall within areas that are potentially impacted by the options). It appears that the forecast/projections may be generic in nature and therefore may not fully account for development as it materialises in practice– and as a consequence the appraisal of the options might not be as sensitive to the location of future development as it might be. This again is of concern to the Council.

NHDC appreciates that there are a number of ways of approaching the options. Given the assessment appears to favour Option 1 in noise terms (when monetarised), and that beyond monetarised areas there are significant levels of concentration under Option 2, over which the Council expresses its concern given experience elsewhere in Hertfordshire and Hertfordshire County Council's cause for caution in relation to flight concentration, it is the Council's preference that Option 1 could be viewed as an appropriate way forward in the short term, even though this would simply defer the introduction of Option 2 concentration for a relatively short time until the Airspace Management Strategy (FASI-S) is implemented.

The Council recognises that there are pros and cons to both approaches. However, on balance, the Council is of the view that:

- on quantitative evidence presented on monetarised impacts, Option 1 is preferable in noise terms than Option 2.
- on qualitative judgements of the evidence presented, Option 2 appears to potentially introduce substantive concentration on areas beyond those areas where impacts are monetarised.
- it might seem reasonable to assume that the adverse negative impacts (quantitative and qualitative) of Option 2 would escalate (to a greater extent than for Option 1) if the assessment took account of full implementation of the DCO proposal (were it to be approved).
- it would be better to make fully informed decisions with the benefit of a worst case scenario of full DCO implementation. The 10 year assessment accompanying the consultation does not provide this. A full assessment of options through the AMS process will facilitate a greater understanding of the longer term full implementation of the DCO proposal, were it to be approved, for both options.
- it would be better to make fully informed decisions that take greater account of the physical location of developments being brought forward by local planning authorities in their local plans (on the assumption they have not been accounted for in this current exercise). There will be greater clarity on long term physical development by the time the AMS moves substantively forward in the medium term.
- We are aware that Hertfordshire communities have suffered adverse noise consequences as a result of implementation of PBN on departures (Runway 26 Brookmans Park Departure Route) from the Airport and this

would point to exercising some degree of caution in relation to options that involve flight concentration (Option 2).

- and that as a consequence, on balance, Option 1 is favoured by the Council for this airspace change for the short term, with a comprehensive fully informed airspace change taking place through the AMS process in the medium term to bring forward medium-long term airspace change.

**Attachment** – Advice Note: Luton Airport AD6 Arrivals - Airspace Change Proposals: Noise by Vernon Cole dated 7 January 2021.

## Memorandum

**Project:** Luton Airport AD6 Arrivals  
**Subject:** Airspace Change Proposal: Noise  
**Reference:** VC 20-04/M1-0  
**Date:** 7 January 2021

### 1 Introduction

London Luton Airport Operations Limited (LLA) and NATS have embarked on an Airspace Consultation with a view to changing the arrival procedures at Luton Airport (LTN). The objective is to improve capacity by separating arrivals to LLA from those to Stansted which currently share high level airspace (>8,000ft). The consultation is at Stage 3.

The key change will involve the creation of a new airborne hold, or stack, for LLA arrivals almost directly north of LLA above an area between St. Neots and Huntingdon. The new hold will have associated airspace and air routes above 8,000ft. From the hold, LLA arrivals will be routed to the airport using vectoring methods similar to today but with the option of establishing some predetermined PBN arrival routes which could be flown automatically.

It is aircraft operations between the new hold and the airport that are most consequential in terms of noise effects in the local communities and the consultation documents include an analysis of the expected noise resulting from each option using a variety of established metrics. This memo sets out my findings following a review of the LLA Arrivals Consultation Document and the associated NATS-LLA SAIP AD6 Full Options Appraisal.

It first considers the extent of the technical information provided as compared to the recommendations contained in CAP 1616a. It then summarises the overall noise differences between the assessed cases, identifying whether there are clear benefits arising from Option 1 compared to Option 2 and the scale of those benefits. It then considers, in broad terms the areas affected by changes in noise levels due to changes in arrival routes.

### 2 Summary

On balance, Option 1 is preferable to Option 2 in terms of noise effects in the local community. The differences are small: neither Option 1 nor Options 2 is expected to give rise to substantially higher or lower noise levels at any location compared to the current baseline.

This conclusion is drawn from an evaluation of the quantitative assessment of noise by reference to the presented noise contours and the WebTAG assessment. It covers only those areas affected by noise above 45 dB  $L_{Aeq,T}$  (day and night) and therefore does not factor in changes in the noise environment experienced at locations that are not under the final approach paths.

However, the indications are that communities to the north of the airport that are in areas expected to experience noticeable changes in aircraft routing and number of apparent flyovers will also experience better aggregate noise conditions under Option 1 compared to Option 2. While this advantage cannot be quantified, it can be determined from a visual inspection of flight route plans and flyover contours that are presented for each case.

### 3 CAP 1616a

#### 3.1 Context

The results of the noise assessment carried out for the consultation are contained in the Consultation Document Annexes D, E and F. The exercise should be carried out having regard to CAP 1616a, which is a technical annex to the airspace design documentation that gives an outline of relevant methodologies for use in the assessment of environmental associated with the proposed changes.

In relation to noise metrics, the table below summarises its recommendations.

Standard Metric	Range
$L_{Aeq,16h}$ day, $L_{Aeq,8h}$ night	From 51 dB day, from 45 dB night 3 dB intervals
Population and area counts	Within the $L_{Aeq,16h}$ contours
Noise sensitive buildings	e.g. hospitals, schools, places of worship
100 per cent $L_{eq}$ contours	Single runway usage mode
Difference Contours	In bands, typically from $\pm 1-2$ dB, to $\pm >9$ dB
N65 day, N60 night	Typically in the range 10 to 500
$L_{Amax}$ noise levels	For specific aircraft types at a number of locations
Operational Diagrams	Useful when noise information cannot be portrayed
Overflight	Residents living within a $48.5^\circ$ angle of overflight

#### 3.2 $L_{Aeq,16h}$ day, $L_{Aeq,8h}$ night

These metrics are fully evaluated.

The relevant contours are plotted at 3dB intervals from 51 to 72dB for  $L_{Aeq,16h}$  and at 3dB intervals from 45 to 72dB for  $L_{Aeq,8h}$ . Additionally, a 45 dB  $L_{Aeq,16h}$  contour is provided. Population and household counts within each contour are tabulated as is the number of hospitals, places of worship and schools.

The noise assessment is carried out for the relevant operating scenarios identified in CAP 1616a, namely:

- Current baseline: provided for 2021;
- Situation following airspace change; provided for 2021, Option 1 and Option 2;
- Future baseline: provided for 2031, assuming no airspace change;

- Future situation after airspace change; provided for 2031, Option 1 and Option 2.

Two additional assessment scenarios are presented that allow for the proposed Luton 32mppa DCO to have been consented and implemented. These are:

- Future baseline: provided for 2031 with DCO, assuming no airspace change;
- Future situation 10 years after airspace change with DCO; provided for 2031, Option 1 and Option 2.

It should be noted that the last two scenarios do not represent the airport operating at its full DCO capacity, as this is not expected to occur until some time after 2031.

### 3.3 100% LAeq Contours

These metrics have not been included. This is a surprising omission given that westerly arrivals occur 70% of the time and are therefore 233% more numerous than easterly arrivals. I do not believe this is a serious omission, however, given the relatively small changes that are indicated by the  $L_{Aeq,16h}$  and  $L_{Aeq,8h}$  analyses.

### 3.4 Difference Contours

Normally presented in terms of  $L_{Aeq,16h}$  and  $L_{Aeq,8h}$ , these metrics have not been included. This is an unhelpful omission as difference contours would have provided a clear visual indication of where noise levels would be expected to increase or decrease as a result of the airspace change options. In particular, a comparison of Option 1 to Option 2 would have been helpful.

I recognise that noise level differences are expected to be small, and that locations at which differences can be shown will be limited to within the noise contour extent, but that does not invalidate the proposition that they would have been a useful indicator of the noise consequences for people living in areas most affected by aircraft noise.

It would also have been helpful to display difference contours for N65 and N60 and for daytime and night-time overflights.

### 3.5 N65 day, N60 night

These metrics are fully evaluated.

Both sets of contours are plotted at values of 1, 5, 10, 20, 50, 100, 200, as against the typically recommended range in CAP 1616a of 10 – 500. (Note: 500 overflights would not be expected at any location in the community around LLA.)

### 3.6 $L_{Amax}$ noise levels

These metrics have not been included. I do not consider this a serious omission as I would not expect any significant changes in areas most affected by aircraft noise.

### 3.7 Operational Diagrams

These are provided.

### 3.8 Overflight

These metrics are fully evaluated for daytime and night-time at an overflight angle of 48.5°, at values 10-20, -50, -75, -100, 125, -150, -175, -200, >200. This approach is appropriate.

## 4 Noise Effects

### 4.1 Contour Analysis

As a general point, the presentation of the various noise contours in Annexes D, E and F does not give any clear indication as to which of the assessed scenarios (Baseline, Option 1 or Option 2) gives rise to the lowest overall noise impact. The problem is principally due to the very small differences in noise level over the range presented that can be attributed to the different arrival routings. This is exacerbated, however, by the fact that the contours are presented at very small scale and with no real definition in the underlying maps.

More instructive are the tabulated contour areas and population numbers presented for each arrivals option, as these give some clear numerical indication as to differences arising. Setting aside household numbers (which are implied by the population numbers anyway) and the far less numerous non residential receptors, broad indications can be gleaned for each assessment scenario.

#### 2021

$L_{Aeq,16h}$ : Option 2 is better than Option 1, which is better than Baseline at all noise levels. Differences are marginal, <0.3% improvement in number of people affected;

$L_{Aeq8h}$ : Option 2 is better than Option 1, which is better than Baseline at the lower noise levels. Differences are even smaller than for daytime;

N65: Option 2 is better than Option 1, which is better than Baseline at all N values except 50. Differences are marginal, <0.5% improvement in number of people affected;

N60: Option 2 is better than Option 1, which is better than Baseline at all N values except 20. Differences are even smaller than for daytime;

Flyover daytime: Option 2 is better than Option 1, which is substantially better than Baseline at all values. Differences between 1 and 2 are small, ~13% improvement in number of people affected, but between Baseline and 2 are substantial ~65% improvement in number of people affected;

Flyover night-time: the situation is mixed, with neither Option 1 or Option 2 being systematically better than each other or the Baseline. Differences are smaller than for daytime.

#### 2031

$L_{Aeq,16h}$ : Option 2 is better than Option 1, which is better than Baseline at most noise levels. Differences are marginal, <0.3% improvement in number of people affected;

$L_{Aeq8h}$ : Option 2 is better than Option 1, which is better than Baseline at the higher noise levels. Differences are even smaller than for daytime;

N65: Option 2 is better than Option 1, and than Baseline at all N values above 5. Baseline is better than Option 1 at most N value. Differences are marginal, <0.7% improvement in number of people affected;

N60: There are virtually no differences between either of the Options or between them and the Baseline;

Flyover daytime: the situation is mixed, with Option 2 better than Option 1 and Baseline at flyover values of 1 and 20, but worse at other values;

Flyover night-time: we would query the results in the population and household table as the values are identical to those for the daytime N65 given in the preceding section. The flyover contours are clearly different so it seems the table figures may be in error.

#### 2031 with DCO

$L_{Aeq,16h}$ : Option 2 is better than Option 1, which is better than Baseline at some but not all noise levels. Differences are marginal, <0.3% improvement in number of people affected;

$L_{Aeq8h}$ : again, Option 2 is better than Option 1, which is better than Baseline at some but not all noise levels. Differences are even smaller than for daytime;

N65: differences between either of the Options or between them and the Baseline are very small and mixed, with no clear pattern of betterment in any N value range;

N60: Option 2 is better than Option 1, which is better than Baseline at virtually all noise levels. Differences are marginal, <0.3% improvement in number of people affected;

Flyover daytime: the situation is mixed, with Option 2 better than Option 1 and Baseline at flyover values of 1 to 20, but worse at other values;

Flyover night-time: the situation is again mixed, with Option 2 better than Option 1 and Baseline at a flyover value of 1, but worse at higher values.

#### Contours: general conclusions

There is no simple, definitive conclusion that can be drawn as to which of Options 1 or 2 is preferable in noise terms simply by considering the noise contours. What we can say is:

- Differences in noise levels and the number of people affected at any given noise level are very small;
- At higher noise levels, there is virtually no difference in effects arising from either of the Options or the Baseline. This is to be expected, as higher noise levels are experienced in areas where the arrival flight path remains unchanged, i.e. on final approach;

- Only as noise levels reduce, since aircraft are further from the airport and therefore at higher altitude, are some differences in noise level apparent. Even then the differences are small and there is no consistent correlation between level and routing option;
- The largest differences in numbers of people affected can be found when considering the flyover metric at low values. This is because flyovers can be registered at properties long before the associated flyover noise level is high enough to contribute to overall levels above the low value contour cut-off. CAP 1616a recommends this should be the LOAEL (Lowest Observed Adverse Effect Level: 51 day and 45 night) as below this value noise effects are not generally not observed to be adverse. The Consultation plots daytime contours to the even lower value of 45dB  $L_{Aeq,16h}$ , but still the extent of the noise contours falls far short of the extent of the flyover contours.

#### 4.2 WebTAG Analysis

In the absence of any information to the contrary, I would expect the basis on which the WebTAG analysis reported in the Full Options Appraisal has been undertaken is the July 2020 v1.13.1 version. This assigns monetary value to noise from aviation based on  $L_{Aeq,16h}$  for the daytime and  $L_{night}^1$  for the night-time in the range 45dB to 81dB. Therefore, there is no monetisation of noise effects at levels below 45dB, which is to say that I do not believe that noise effects occurring outside the contours shown in Annexes D, E and F will have been taken into account.

Although a WebTAG analysis seems also to have been undertaken for air quality and CO<sub>2</sub> effects, the following pertains only to the WebTAG noise assessment.

##### Option 1

Description *positive value reflects a <b>net benefit</b> (i.e. a reduction in noise)	2032 No DCO Option 1		2032 With DCO Option 1	
	WebTAG assessment	Sensitivity test excluding impacts below 51 dB (for aviation proposals only)	WebTAG assessment	Sensitivity test excluding impacts below 51 dB (for aviation proposals only)
Net present value of change in noise (£, 2010 prices):	£532,201	-£34,125	£646,127	£454,597
Net present value of impact on sleep disturbance (£, 2010 prices):	£266,991	£111,673	-£118,937	£138,655
Net present value of impact on amenity (£, 2010 prices):	£318,814	-£92,194	£681,713	£232,591
Net present value of impact on AMI (£, 2010 prices):	£5,470	£5,470	£13,365	£13,365
Net present value of impact on stroke (£, 2010 prices):	-£23,480	-£23,480	£27,977	£27,977
Net present value of impact on dementia (£, 2010 prices):	-£35,594	-£35,594	£42,009	£42,009
Households experiencing increased daytime noise in forecast year:	2252		2798	
Households experiencing reduced daytime noise in forecast year:	2959		3858	
Households experiencing increased night time noise in forecast year:	872		979	
Households experiencing reduced night time noise in forecast year:	1156		934	

The WebTAG assessment indicates that Option 1 gives rise to net benefits in noise terms when using this monetised analysis tool. The benefit is higher if the DCO is factored in.

Interestingly, the benefit reduces if one ignores noise effects below 51dB, which has relevance for daytime noise as this is the LOAEL but not necessarily for night-time noise as

<sup>1</sup> Strictly speaking,  $L_{night}$  is the 8 hour average night noise level based on annual average movements, whereas the provided contours are for  $L_{Aeq,8h}$  which is a summer average, and likely to be marginally higher. It is not clear whether a correction factor has been applied or whether the analysis uses  $L_{Aeq,8h}$  directly.



the LOAEL is lower at 45dB. It is not clear what is being claimed by this sensitivity result, nor indeed what it even means, but we can conclude that the bulk of the noise benefits, such as they are, seem to be occurring at lower noise levels between 45 and 51dB.

I believe that at higher noise levels, above 57dB, there will be very little difference in noise levels between the Baseline and either of the options as final approach flight paths will not alter as result of this airspace change. Therefore, WebTAG seems to telling us that the bulk of the noise disbenefits probably occur between 51 and 57dB.

## Option 2

Description <small>*positive value reflects a <b>net benefit</b> (i.e. a reduction in noise)</small>	2032 No DCO Option 2		2032 With DCO Option 2	
	WebTAG assessment	Sensitivity test excluding impacts below 51 dB (for aviation proposals only)	WebTAG assessment	Sensitivity test excluding impacts below 51 dB (for aviation proposals only)
Net present value of change in noise (£, 2010 prices):	-£1,414,348	-£648,080	-£852,718	-£309,106
Net present value of impact on sleep disturbance (£, 2010 prices):	-£663,767	-£88,820	-£634,150	-£222,270
Net present value of impact on amenity (£, 2010 prices):	-£579,977	-£388,656	-£196,366	-£64,633
Net present value of impact on AMI (£, 2010 prices):	-£1,615	-£1,615	-£8,095	-£8,095
Net present value of impact on stroke (£, 2010 prices):	-£67,330	-£67,330	-£5,663	-£5,663
Net present value of impact on dementia (£, 2010 prices):	-£101,659	-£101,659	-£8,444	-£8,444
Households experiencing increased daytime noise in forecast year:	1411		2070	
Households experiencing reduced daytime noise in forecast year:	582		1859	
Households experiencing increased night time noise in forecast year:	661		794	
Households experiencing reduced night time noise in forecast year:	81		340	

The WebTAG assessment indicates that Option 2 gives rise to net disbenefits in noise terms when using this monetised analysis tool. The disbenefit is lower if the DCO is factored in.

## WebTAG: general conclusions

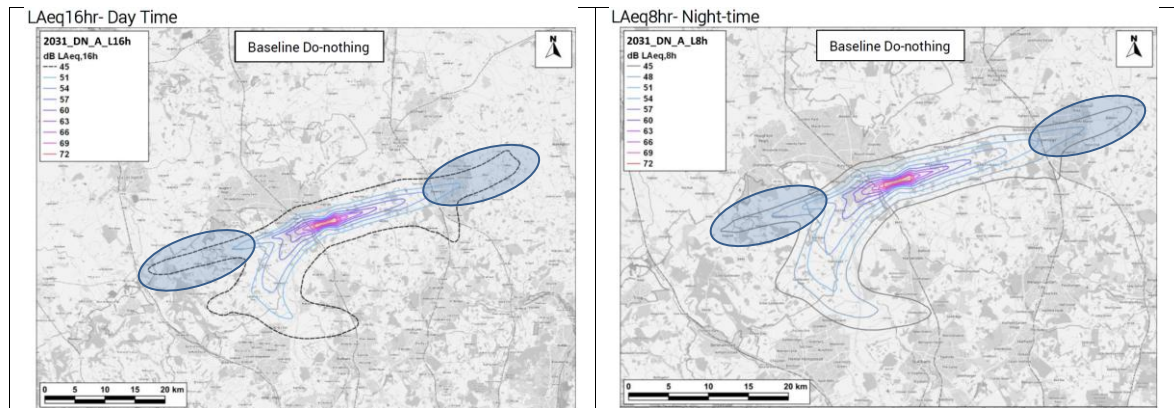
The tables above seem to unequivocally identify that Option 1 is superior to Option 2 when considering the derivation of a single figure, monetised noise comparator. The benefit amounts to around £1.95M if the DCO is not factored in, reducing to around £1.5M if the DCO proceeds.

What role these numbers play in the overall cost benefit analysis reported in Section 7 of the Full Options Appraisal is, however, not clear as there appears to be no relation between them and the monetised community benefit attributed to noise in any of tables 5, 6, 7 and 8.

## 5 Localised Effects

My understanding is that the noise assessment, whether considering the noise contours or the WebTAG assessment, addresses only those areas subject to average noise levels in excess of 45 dB both daytime ( $L_{Aeq,16h}$ ) and night-time ( $L_{Aeq,8h}$ ). These areas are subject to noise from aircraft on the straight line, final approach to the runway: it is not possible to quantify noise effects in areas overflowed by landing aircraft that are further from the airport.

Taking the baseline contours from Annex F (2031 with DCO) the areas in question can be identified:

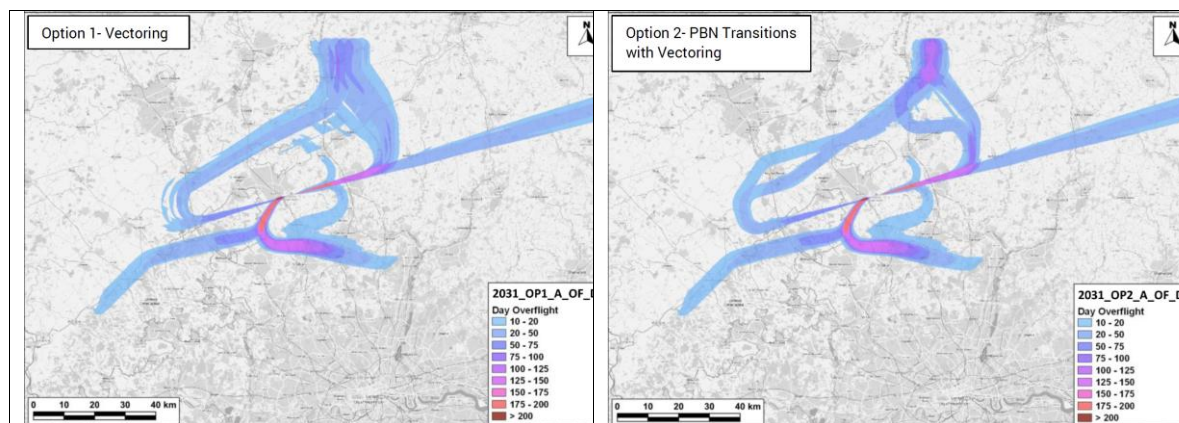


The highlighted sections of the contours are the primary areas of interest in terms of changes to arrivals routings, as these are the only aspects of the contours that will change from Baseline to Option 1 to Option 2. The bulk of the area covered by the contours to the south of the airport is determined only by departures, and these do not alter under present proposals.

Note: I believe the  $L_{Aeq,8h}$  contours shown for Options 1 and 2 in Annex F are incorrect in that they appear to show on westerly landings and departures and even then not on all departure routes.

It should also be noted that the contours do not extend into the area north of the airport which are subject to the largest changes in aircraft arrival routing. It is not, therefore, possible to quantify noise level changes in any of these geographics locations. Which is not to say that the information provided cannot be used to obtain some qualitative information on likely noise changes, as the routing diagrams and flyover contours do enable a visual identification of likely changes in routes and route concentration.

Taking the overflight contours, again from Annex F, Options 1 and 2 during the daytime are shown below:



The smaller area covered to the north of the airport for Option 2 reflects the concentration of arrival routes due to the adoption of the selected PBN routes for both westerly and easterly arrivals. While they can be seen quite clearly, these changes do not factor into the quantitative assessment summarised above and in Table 9.2 of the Full Options Appraisal.

What it is feasible to conclude, however, is that the noise advantages enjoyed by Option 1 over Option 2 as indicated by the quantitative assessment above 45 dB  $L_{Aeq,T}$ , are likely to be reinforced by the effects occurring further north of the airport. At these locations aircraft are higher and therefore generating lower noise levels on the ground, but that does not mean they will not be audible. While they not be generating adverse effects in the sense defined in relation to Observed Adverse Effect Levels, evidence suggests they may be perceived as annoying and any changes must still be factored into the decision making process.

It should be noted that PBN routes are promoted by the CAA as a means of optimising noise levels in communities surrounding airports. Advice on the construction of PBN routes to minimise noise effects can be found in CAP 1378 of April 2016, PBN Design. No information is provided in the Stage 3 consultation documents as to how the particular PBN routes on easterly and westerly approaches have been determined, and it is disappointing that they offer no benefits over more dispersed, vector routing. It would be worth querying whether further work on other, alternative PBN routes is being undertaken to establish whether better options leading to lower noise effects might be available.

 End of Section

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**CABINET  
16 MARCH 2021**

**PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: LOCAL PLAN – FURTHER MAIN MODIFICATIONS**

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

**1. EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to inform Members of the progress with the examination of the new Local Plan and to seek approval to conduct a consultation upon the Inspector's proposed Further Main Modifications to the Plan and documentation produced under delegated authority.

**2. RECOMMENDATIONS**

- 2.1. That the range of additional documentation produced for the Examination since the Cabinet decision of 10 December 2018 and listed in Appendix 1 is noted and endorsed.
- 2.2. That officers are authorised to conduct a consultation on the proposed Further Main Modifications and relevant supporting documents, subject to the receipt of a schedule of modifications from the Inspector which do not raise materially different issues from those discussed in this report or reported orally at this meeting.
- 2.3. That the Service Director: Regulatory in consultation with the Executive Member for Planning and Transport make any such necessary arrangements for that consultation including final review of any detailed modifications issued by the Inspector.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1. To ensure that North Hertfordshire continues to progress a new Local Plan for management of development in the District.

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1. None. Members will be aware that the Council has a statutory duty to keep its Local Plan under review and that failing to continue preparation of the Local Plan in a timely fashion carries significant risks. It is the view of officers that the outcomes from the latest rounds of hearing sessions presently appear unlikely to alter the agreed 'direction of travel' from the previous decisions of Full Council on 11 April 2017, Cabinet on 10 December 2018 and Full Council on 08 October 2020. Any alternate would represent a significant and unexpected change of position.

- 4.2. Members do not have the power to add to, amend, remove or otherwise change any proposed Further Main Modifications as only the Inspector may recommend changes to the submitted Plan at this stage.
- 4.3. If Members were minded for any reason at this meeting that a consultation on any Further Proposed Main Modifications should not proceed, Officers would recommend that Members were very clear as to their reasons for doing so in order that the Inspector might be alerted to the outcome and rationale.
- 4.4. Any substantive delay to this decision or the associated proposed consultation risks undermining the positions set out to the Inspector at the examination hearings in November & December 2020 particularly on the matters of housing supply and delivery which were recognised as being time critical.

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

- 5.1. Members, external organisations and the public have been consulted and kept informed throughout the Local Plan examination process:
  - Cabinet receives reports at each meeting on Strategic Planning Matters within which the Local Plan is a standing update on progress and issues. Both the Full Council decision of April 2017 and the Cabinet decision of December 2018 on the proposed Main Modifications requested that Members be kept informed on the progress of the Examination in this way;
  - The proposed Main Modifications consultation in 2018 provided the public with further opportunity to comment on the changes proposed to the Plan;
  - Cabinet approved a Housing Delivery Action Plan in both 2019 and 2020 within which progression of the Local Plan is a key action;
  - The Extraordinary Full Council meeting of 08 October 2020 considered two of the key issues of principle underpinning the plan that were subsequently scrutinised by the Inspector in the latest rounds of hearing sessions, namely the matters of housing need and housing supply;
  - A Local Plan Project Board was set up in February 2016 to provide the necessary strategic guidance and direction for the production of the Local Plan within the Council;
  - The Executive Member and Deputy are regularly kept up to date with regard the Local Plan at fortnightly briefings.

## **6. FORWARD PLAN**

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public on 14 September 2020.

## **7. BACKGROUND**

- 7.1. Members will be aware of, and familiar with, many of the issues surrounding the Local Plan from the regular Strategic Planning Matters reports and the reports to the Cabinet and Full Council meetings of 17 April 2017, 10 December 2018 and 08 October 2020 referenced above.

- 7.2. However, for the purposes of placing the proposed Further Main Modifications and the remainder of this report in context, the following dates and steps are highlighted:
- 7.3. On 10 December 2018 Cabinet approved consultation upon the proposed Main Modifications to the submitted Local Plan. Main Modifications are the mechanism by which an Inspector may fix, or ‘make sound’ those parts of the Local Plan submitted for examination which are not considered fit for purpose. The consultation approved by Cabinet in 2018 was upon the Main Modifications to the Local Plan that, at that point, the Inspector considered necessary following hearing sessions held between November 2017 and March 2018.
- 7.4. Following this decision, consultation on the proposed Main Modifications took place between January and April 2018. The responses to the consultation were then returned to the Inspector for his consideration.
- 7.5. In July 2019, and following consideration of the responses to the above consultation, the Inspector wrote to the Council identifying a series of ‘issues and reservations’ with the Plan. The Inspector wrote a further letter to the Council in August 2019 setting out a range of additional questions. Responses to the Inspector’s letters were prepared in consultation with the Local Plan Project Board and submitted to the Inspector for consideration in late 2019 under the delegated authority granted by Full Council in April 2017.
- 7.6. Further hearing sessions to consider the matters raised in the Inspector’s letters were scheduled to be held in March 2020. However, these were postponed due to the Covid-19 pandemic. Prior to the hearings being rescheduled, new household projections for England were released. These are a key input into the Plan’s assessment of future housing requirements. In July 2020, the Inspectors for the Central Bedfordshire and North Hertfordshire local plan examinations wrote to both local authorities asking for additional information on this matter.
- 7.7. A response was submitted in August 2020 and resumed hearings were scheduled to commence on 28 September 2020. However, these were again postponed following the calling of an Extraordinary meeting of Full Council on 08 October 2020 to further consider the Council’s August 2020 response. At that meeting, Council resolved not to amend the position that had been put to the Inspector.

#### Progress since Extraordinary Full Council meeting of October 2020

- 7.8. Following the resolutions of the Extraordinary Full Council meeting, the hearing sessions were rearranged and commenced on 23 November 2020. The sessions were held virtually on Zoom and live streamed on the Council’s YouTube channel. Prior to Christmas, 11 days of hearings were held. These considered a range of matters from the overall assessment of housing need, to Green Belt, to proposed alterations to a number of sites that had been proposed through the original Main Modifications. Following those hearings, a small number of further papers were prepared by the Council at the Inspector’s request and submitted to the Examination.

- 7.9. At the conclusion of the pre-Christmas hearings, the Inspector held a 'wash-up' session with the Council to discuss the matters arising and next steps. This session was held in public following the same arrangements as above. At that session the Inspector stated that, going forward, the Council could expect one of two things to happen; either to receive a letter setting out any concerns or going out consultation on further main modifications. The Inspector undertook to write to the Council raising any concerns in relation to the issues heard to date by the end of January at the latest. He further undertook that he would indicate to the Council through the Programme Officer if the Council should expect to receive a letter in advance of this point. The Inspector was clear that any further main modifications would be those that he considered necessary for the soundness of the Plan and that he would not allow modifications with which he was not happy to be consulted upon.
- 7.10. By the end of January 2021, no letter had been received from the Inspector setting out any concerns and no indication was received through the Programme Officer that any such letter should be expected to be received. Officers therefore consider that the Inspector is now unlikely to raise any substantive concerns on the matters he heard evidence on during November and December 2020. The Inspector has not requested the drafting of any Modifications that would result in a substantive change to the positions presented by the Council.
- 7.11. To allow further consideration of matters that arose in the run up to and during the 2020 hearings, two further sessions were arranged and held on 1 and 2 February 2021 to consider one of the proposed housing allocation sites in Barkway and the Council's proposed approach to the masterplanning and delivery of the largest proposed sites in the Plan. These hearings did not go to key matters of principle in the same way as those matters discussed prior to Christmas. Following these sessions, the Inspector has advised Council officers that the site in Barkway should remain in the Local Plan.

## **8. RELEVANT CONSIDERATIONS**

- 8.1. Progressing the examination towards a conclusion in a timely fashion is a priority for both the Council and the Inspector.
- 8.2. Where the Inspector recommends that Main Modifications are required to the Plan, the authority must adopt the Plan with those Modifications. In this regard, Members do not have the discretion to amend or otherwise change any proposed Further Main Modifications either at the point they are issued by the Inspector or at any future adoption of the Plan. A decision on any consultation on modifications is therefore largely procedural. If Members were unhappy with the direction of travel at this point, they would need to resolve to not proceed with any future consultation and notify the Inspector of their intentions and reasons.
- 8.3. For the reasons set out in this report, officers are of the view that Members can have sufficient comfort to enable an 'in principle' decision to be made now on the holding of a consultation. This position has regard to the facts that there appears to be an appropriate degree of certainty (i) as to the likely nature of the Further Main Modifications once issued and (ii) that the nature of those modifications appears likely to largely align with the positions considered by Members at Full Council and set out by the Council at the Examination.



- 8.4. At the time of writing, the Inspector's modifications have yet to be published. Should this position change in advance of the meeting, any modifications (and other relevant supporting documentation) will be tabled as an addendum to this report, including any updated recommendations. Should it become clear the modifications will not be received by the time of the meeting, officers in consultation with Members will consider whether the tabled recommendations provide sufficient latitude to allow consultation to proceed in a timely fashion upon their receipt (and after the local elections) given there will not be a further scheduled meeting of Cabinet until June.

Additional documentation produced under delegated powers

- 8.5. The ongoing nature of the Local Plan examination has seen a range of additional information produced by the Council since the decision of Cabinet in December 2018. This has included papers in response to queries from the Inspector, hearing statements and statements of common ground with other parties such as Hertfordshire County Council and Luton Borough Council.
- 8.6. These have been produced and submitted under the delegated authority granted to the Service Director and Executive Member by Full Council in April 2017. In many instances, the Council's response has been formulated in consultation with the Local Plan Project Board which meets informally to provide strategic guidance and cross-party input prior to delegated authority being exercised.
- 8.7. A list of the additional document produced by the Council is attached at Appendix 1. It is requested that this is noted by Cabinet.

Likely nature of the proposed modifications

- 8.8. At the Inspector's request, Council officers prepare a draft schedule of proposed Further Main Modifications based upon the information submitted prior to the hearings, matters discussed at the hearings themselves, and matters on which the Inspector requested additional information having heard evidence at the hearings. These have been sent to the Inspector for his review and approval. Through the Programme Officer, the Inspector has requested some minor drafting changes. As set out above, he has not raised any significant issues of concern. The Inspector is yet to formally publish the schedule of proposed Further Main Modifications for consultation. However, in broad terms, the draft modifications requested by and submitted to the Inspector do not require changes to the position set out by the Council in relation to the matters below.
- 8.9. Of the matters specifically considered by Extraordinary Full Council on 08 October 2020, and to date the Inspector has not requested any modifications (or changes to the submitted draft modifications) or raised any concerns substantively affecting:
- The objectively assessed need for housing within the District over the period 2011-2031 of 11,500 homes;
  - A housing supply to meet that need in full, from a range of sites that might deliver over 13,000 homes during the same period;
  - The resultant 'buffer' between the housing requirement and the housing supply; and
  - The release and use of sites presently in the Green Belt in order to achieve this.

- 8.10. Of the other matters considered by the Inspector between November 2020 and February 2021, the Inspector has not requested any modifications (or changes to the submitted draft modifications) or raised any concerns substantively affecting:
- The Council's proposed approach to masterplanning of significant development sites (which is also subject to a separate report to this meeting);
  - Assisting in meeting unmet housing needs from Luton by allocating land to the east of the town within North Hertfordshire for development;
  - The approach to the selection and allocation of housing sites;
  - The deletion of allocations for those sites which now benefit from planning permission and are being implemented;
  - A proposed allocation for Gypsy and Traveller provision at Danesbury Park Road in the south of the District, a site which presently benefits from a temporary planning permission;
  - Biodiversity; or
  - Changes arising from the Government's changes to the Use Class Order (which sets out how different uses of land are classified for planning purposes).
- 8.11. The majority of the anticipated proposed Further Main Modifications will be to change the Plan in order to reflect the latest position on the above matters.
- 8.12. The main changes arising from the November and December 2020 and February 2021 hearings and anticipated to be included in the proposed Further Main Modifications for consultation upon their publication are:
- The re-labelling of the proposed "villages for growth" (Barkway, Codicote, Ickleford, Knebworth and Little Wymondley) to address concerns that this might suggest a more permissive approach to development outside of the sites specifically allocated for new homes;
  - The retention of site BK3 in Barkway (which is not in itself a modification but is counter to the position presented by the Council at examination) and
  - The deletion of a proposed allocation for Gypsy and Traveller provision at Pulmer Water near Codicote as the Council was unable to demonstrate evidence of this site being occupied for this purpose or clear evidence of future need.
  - The deletion of a number of proposed housing allocations in locations such as Royston, Whitwell and Ashwell where development has now commenced or been completed making the relevant policies obsolete.
- 8.13. Should further information on the modifications be made available in advance of the meeting, this will be published as an addendum or reported verbally.

#### Potential next steps

- 8.14. Subject to the agreement of Cabinet to the recommendations in this report and satisfying of the relevant conditions, a consultation will be held on the proposed Further Main Modifications. This will be hosted and administered by the District Council. The consultation would be available on the Council's website with a prominent link from the homepage throughout the consultation period. The start of the consultation would additionally be publicised through use of the Council's social media channels and press releases.

- 8.15. The length and format of the consultation is not prescribed in regulations. Guidance issued by the Planning Inspectorate is that consultation on Main Modifications should generally reflect that undertaken at the proposed submission stage. It is therefore recommended that consultation should run for a period of six weeks. Due to the restrictions associated with the pre-election period, it is proposed that consultation would start after the planned local elections in May 2021 though the proposed modifications themselves will be published on the Council website in advance of this time once they are published by the Inspector.
- 8.16. Any consultation will be upon the latest proposed changes to the Plan only. It is not an opportunity for interested parties to (re-)submit comments upon general principles or policies within the Plan which are not subject to proposed amendments, or upon those (parts of the) Modifications previously consulted upon in 2019 which are not subject to further change. Any Modifications are put forward without prejudice to the Inspector's final conclusions on the Plan. Alongside the consultation on the latest proposed changes to the Plan, respondents will also be able to comment on other relevant documents produced since the first Main Modifications consultation in 2019.
- 8.17. All representations received during the six-week consultation period will be collated by the Council and sent to the Inspector. At this point it is for the Inspector to determine what additional actions (if any) are required to address the issues raised in the consultation responses. The progress of the examination remains at the Inspector's discretion. Once any such further steps have been completed to the Inspector's satisfaction, he will complete and issue his final report. This will set out his findings on key issues relating to the Plan and his recommendations. Subject to a positive outcome and recommendation, the Plan (incorporating any modifications required by the Inspector) will be brought to Full Council for adoption. Although it is not possible to provide a definitive timetable, it is presently anticipated that this would be in the second half of 2021.
- 8.18. In terms of planning decision-making, Paragraph 48 of the 2019 NPPF states that local planning authorities may give weight to relevant policies in emerging plans subject to three conditions, summarised as: the stage of preparation; the extent of unresolved objections; and consistency with national policy.
- 8.19. The examination is now at a very advanced stage. Key issues of principle (such as housing numbers, sites and Green Belt) have been thoroughly re-examined through the latest hearings and the Inspector has made clear public commitments as to the next steps and the nature of any modifications issued at this stage (see paragraphs 7.9 and 7.10). In this context, it is considered that the Plan as proposed to be modified will – without prejudice to the outcomes of the consultation and the Inspector's report – provide a clear direction of travel and indication as to the likely content of the Plan at the conclusion of the examination process. This will be reflected appropriately in Development Management reports and decisions on a case-by-case basis.
- 8.20. Officers will continue to provide updates on progress with any consultation and subsequent steps through the regular Strategic Planning Matters reports presented to each meeting of the Cabinet.

## **9. LEGAL IMPLICATIONS**

- 9.1 Under the Terms of Reference for Cabinet, paragraph 5.6.18 of the Constitution states that the Cabinet may exercise the Authority's functions as Local Planning Authority .... (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 legal framework for the preparation, submission, examination and adoption of Development Plan Documents is set out in the Planning & Compulsory Purchase Act 2004 (as amended). Detailed regulatory requirements are contained in the Town & Country Planning (Local Planning) (England) Regulations 2012.
- 9.3 The powers of the Inspector to recommend modifications at the request of the Local Planning authority are established in Section 20 of the Planning & Compulsory Purchase Act 2004 (as amended). The Council requested that the appointed Inspector exercise these powers when the Plan was submitted in June 2017.
- 9.4 To date, the Examination of the emerging Local Plan has been conducted in accordance with the resolutions of Full Council of 11 April 2017 and 08 October 2020 and Cabinet of 10 December 2018.
- 9.5 During the period between the date on which the Notice of Election is published 29 March and polling day there are restrictions that apply to the way in which the Council operates, including use of Council resources and to the publicity which it can issue, and taking 'sensitive'/ controversial decisions. PERP is sometimes also referred to under the old terminology of purdah, but the two terms have the same meaning. PERP runs from **29 March** until **6 May 2021** (polling day) inclusive of both dates.
- 9.6 The main statutory provision are Sections 2 and 4 of the Local Government Act 1986 and the guiding principle is whether a proposed course of action may cause the Council to be perceived as favouring a particular political party or candidate in the elections
- 9.7 The Council's business should continue as normal during PERP subject to the guiding principle and a number of restrictions for example the Council should not commence any consultations during PERP unless they are unavoidable or required by law, in which case they should be presented neutrally and not associated with any political party or candidate.

## **10. FINANCIAL IMPLICATIONS**

- 10.1. The costs of submitting and examining the Local Plan and associated work are covered in existing revenue budgets for 2020/21 of approximately £140k. These budgets are supplemented by an accrued reserve of approximately £100k. It is anticipated that expenditure in 2020/21 will exceed the revenue budget but fall comfortably within the buffer of the accrued reserve. The remaining reserve will be carried forward into 2021/22 to cover any further costs.

- 10.2. Since the Full Council decision in April 2017 the total expenditure to date on the Local Plan Local Plan Examination has been approximately £845k excluding officer time. Within this amount, key costs include approximately:
- £400k on legal support as detailed in the recent delegated decision published in the Members' Information Service (MIS);
  - £150k for the Inspector;
  - £235k for consultancy support, including statutory environmental assessment and the preparation of updated evidence; and
  - £60k for administrative support, venue and equipment hire (due, in part, to the refurbishment of the Council Offices)
- 10.3. Any decision on the Local Plan must be made on its planning merits but there are potentially significant financial risks attached to not having a plan in place.
- 10.4. Without an up to date Local Plan the Council is increasingly vulnerable to planning applications in areas where it may wish to resist development. The cost of trying to resist developments is generally far higher than the cost of negotiating developments by an up to date Local Plan.
- 10.5. Without an up-to-date Local Plan, the Council is unable to introduce a Community Infrastructure Levy (CIL) (which is subject to a separate report to this meeting), thus limiting future options for how the Council may wish to secure financial contributions from development.
- 10.6. The Council Tax income from a new property exceeds the direct costs of providing services (e.g. waste collection) to that property. The net additional available funding could be estimated at over 50% of the Council Tax income, which can be used to improve the sustainability of the Council and invest in services. The report to Full Council of October 2020 identified that the proposals in the Local Plan could equate to additional Council Tax income of almost £3m (NHDC element).
- 10.7. The Council currently receives some funding from New Homes Bonus for growth in housing numbers. It was announced that the New Homes Bonus would be phased out and replaced with an alternative mechanism for encouraging housing growth. A consultation was launched in February on the future of New Homes Bonus. This consultation addresses a lot of the themes that have been consulted on previously, and therefore it looks like the change will be more of a refresh than a completely new model. This consultation again includes whether New Homes Bonus should be withheld from those Authorities that either do not have a Local Plan or are not making satisfactory progress towards adopting a Local Plan. The extent of any lost New Homes Bonus income from not having a Local Plan is impossible to estimate as the consultation also considers changes to the tier splits, deadweight, using it to support investment in areas with low land values and incentivising modern methods of construction..

## **11. RISK IMPLICATIONS**

- 11.1. The Council's new risk Management Framework specifies that we will now actively manage and monitor risks scoring 4 or higher on the risk matrix. As of the latest assessment (October 2020), the Local Plan is assessed as one of the highest risks that the Council currently faces with a risk score of 9. The identified consequences on the Local Plan risk – largely related to the risks for not getting a Plan approved - include:

- Failure to have sound Development Policy Documents;
- Failure to have a 5-year land supply;
- Failure to recognise the long term needs for Town Centres;
- Failure to meet the requirements under Duty to Cooperate;

11.2. These risks then are identified as leading to:

- Increased uncertainty of planning policy base;
- Intervention by the Secretary of State;
- Legal challenge to the Local Plan;
- Detrimental effect of economic situation on New Homes Bonus.

## **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. An Equality Impact Assessment has been produced assessing the plan's compliance with relevant legislation and requirements. The Planning Inspectorate specifically requested that this document accompanied submission of the local plan.

## **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. The Local Plan is subject to extensive, statutory environmental assessments which consider the social, economic and environmental implications of proposed policies and allocations. Any consultation on proposed Further Main Modifications would be accompanied by a further environmental assessment. Any proposed Further Main Modifications will be 'screened' to determine if they are likely to have significant effects and if necessary, will be subject to full appraisal which may lead to recommendations to alter the wording of policies to address any identified likely significant effects.

## **15. HUMAN RESOURCE IMPLICATIONS**

15.1. There are no new human resource implications as a direct result of this report. The Planning Policy team is not fully staffed with one permanent vacancy. The Principal Planning Officer post, approved as a Budget growth bid in February 2020, was recruited to in November 2020. Temporary staff and/or consultants have helped progress the Local Plan to its current point.

## **16. APPENDICES**

16.1. Appendix A - Examination Documents Submitted by NHDC to the Examination between July 2019 and March 2021

## **17. CONTACT OFFICERS**

- 17.1 Ian Fullstone, Service Director of Regulatory  
01462 474480 [ian.fullstone@north-herts.gov.uk](mailto:ian.fullstone@north-herts.gov.uk)

### **Contributors**

- 17.2 Nigel Smith, Strategic Planning Manager  
01462 474847 [nigel.smith@north-herts.gov.uk](mailto:nigel.smith@north-herts.gov.uk)
- 17.3 Nurainatta Katevu, Property & Planning Lawyer  
01462 474364 [nurainatta.katevu@north-herts.gov.uk](mailto:nurainatta.katevu@north-herts.gov.uk)
- 17.4 Ian Couper, Service Director of Resources  
01462 474243 [ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk)
- 17.5 Jo Keshishian, Acting Human Resources Services Manager  
01462 474314 [Jo.keshishian@north-herts.gov.uk](mailto:Jo.keshishian@north-herts.gov.uk)
- 17.6 Reuben Ayavoo, Policy and Community Engagement Manager  
01462 474212 [reuben.ayavoo@north-herts.gov.uk](mailto:reuben.ayavoo@north-herts.gov.uk)

## **18. BACKGROUND PAPERS**

- 18.1. [Report to Full Council 11 April 2017 - Submission of the Local Plan](#)
- 18.2. [Report to Cabinet 10 December 2018 - Main Modifications Consultation](#)
- 18.3. [Report to Extraordinary Full Council 08 October 2020](#)
- 18.4. [North Hertfordshire Local Plan Examination Documents](#)
- 18.5. [National Planning Policy Framework 2012](#)
- 18.6. [Planning Inspectorate Procedure Guide for Local Plan Examinations](#)
- 18.7. Strategic Planning Matters reports to Cabinet:
- [11 June 2019](#)
  - [30 July 2019](#)
  - [24 September 2019](#)
  - [31 October 2019](#)
  - [17 December 2019](#)
  - [28 January 2020](#)
  - [24 March 2020 \(Cancelled\)](#)
  - [23 June 2020](#)
  - [21 July 2020](#)
  - [15 September 2020](#)
  - [15 December 2020](#)
    - [26 January 2021](#)

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## Appendix A – Documentation submitted under delegated authority

### Examination Documents submitted by NHDC to the Examination between July 2019 and March 2021

ID	Date	Document title
ED167	18 Jul 2019	<a href="#">Council's letter to the inspector's letter (ED166)</a> (PDF 111Kb)
ED169	26 Sep 2019	<a href="#">Council's response to Inspector's letter of 9 August, 2019 (ED168)</a> (PDF 134Kb)
ED170	29 Nov 2019	<a href="#">Council's further response to Inspector's letter of 9 August (EX168)</a> (PDF 1,450Kb)
ED171	29 Nov 2019	<a href="#">Council's response to Inspector's letter of 9 July (ED166) Paper A - OAN</a> (PDF 993 Kb)
ED172	29 Nov 2019	<a href="#">Council's response to Inspector 9 July 2019 Letter - Paper B Green Belt</a> (PDF 589 Kb)
ED173	29 Nov 2019	<a href="#">Council's response to Inspector 9 July 2019 Letter - Paper C (East of Luton)</a> (PDF 4,878 Kb)
ED174	29 Nov 2019	<a href="#">Council's response to Inspector 9 July 2019 Letter - Paper D (West of Stevenage)</a> (PDF 287 Kb)
ED175	29 Nov 2019	<a href="#">Council's response to Inspector 9 July 2019 Letter - Paper E (Additional Land)</a> (PDF 6,786 Kb)
ED176	29 Nov 2019	<a href="#">Council's further proposed modifications in response to Inspector's letters</a> (PDF 710Kb)
ED177	10 Dec 2019	<a href="#">Council's response to Question 6 in Inspector's Letter of 9 August (ED168) including Statement of Common Ground between NHDC and Hertfordshire County Council</a> (PDF 444Kb)
ED178	17 Jan 2020	<a href="#">NHDC Updated 5 Year Housing Land Supply Paper</a> (PDF 521Kb)
ED191A	6 Aug 2020	<a href="#">NHDC response to Inspector's letter on 2018 based household projections (ED190)</a> (PDF, 1MB)
ED191B		<a href="#">Appendix 1: NHDC 5 year housing land supply at 1 April 2020</a> (PDF, 947Kb)
ED203	Oct 2020	<a href="#">NHDC Proposed Modifications relating to the recent Use Classes Order (PDF, 820Kb)</a>
ED210	23 Nov 2020	<a href="#">NHDC note to Inspector concerning Site BK3 Barkway</a> (PDF, 454Kb)
ED214	7 Dec 2020	<a href="#">North Herts District Council's Further Proposed Main Modifications to the Use Classes Order</a> (PDF, 325Kb)
ED215	7 Dec 2020	<a href="#">NHDC note on Matter 22 of the Further Hearing Sessions: (Housing Supply) and the buffer</a> (PDF, 392Kb)
ED216	16 Dec 2020	<a href="#">Masterplanning Proposed Main Modifications: Proposed Main Modifications for SP9 and Strategic Sites</a> (PDF, 997Kb)
ED224	Dec 2020	<a href="#">Statement of Common Ground between NHDC, Luton Borough Council, Bloor Homes and The Crown Estate re: Luton Market Housing Area.</a> (PDF, 287Kb)
ED228	22 Dec 2020	<a href="#">North Hertfordshire District Council: Note on Local Plan provision for Gypsy &amp; Traveller Accommodation</a> (PDF, 526Kb)

ID	Date	Document title
ED230A	29 Jan 2021	<a href="#">North Herts District Council letter to Town Legal re: Barkway Site BK3 (see ED218A and ED218B) (PDF, 214Kb)</a> <a href="#">Email to Nigel Smith from Councillor Paul Clark (PDF, 175Kb)</a> <a href="#">NHDC Note on Barkway Site BK3 (PDF, 117Kb)</a> <a href="#">Email from Nigel Smith to Councillor Paul Clark (PDF, 84Kb)</a>
ED230B	17 Jan 2021	
ED230C	18 Jan 2021	
ED230D	19 Jan 2021	

## Written Hearing Statements by NHDC to the Examination between February 2020 and January 2021

[Matter 21 – Objectively Assessed Need](#)

[Matter 22 – The supply of land for housing](#)

[Matter 23 – Green Belt](#)

[Matter 24 – The proposed East of Luton sites](#)

[Matter 25 – New land proposed for allocation \(site GA2, Great Ashby\)](#)

[Matter 25 – New land proposed for allocation \(site WY1, Little Wymondley\)](#)

Matter 25 – New land proposed for allocation ([site BA2](#) / [site BA3](#), Baldock)

[Matter 25 – New land proposed for allocation \(site SI1, St Ippolyts\)](#)

[Matter 25 – New land proposed for allocation \(site BK3, Barkway\)](#)

[Matter 25 – New land proposed for allocation \(Danesbury Park Road, nr. Welwyn\)](#)

Matter 26 – Villages for Growth [*no statement submitted, included for completeness*]

[Matter 27 – Water and Internal Space Standards](#)

[Matter 28 – Biodiversity](#)

[Matter 29 – Changes to the Use Classes Order](#)

[Matter 30 – Barkway and site BK3](#)

[Matter 31 – Policies SP9 and SP14 to SP19 inclusive \[masterplanning\]](#)

<b>CABINET</b> <b>16 MARCH 2021</b>
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<b>PART 1 – PUBLIC DOCUMENT</b>
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**TITLE OF REPORT: UPDATE ON CORPORATE PEER CHALLENGE ACTION PLAN**

REPORT OF THE MANAGING DIRECTOR

EXECUTIVE MEMBER: LEADER AND DEPUTY LEADER

COUNCIL PRIORITY: BE A MORE WELCOMING AND INCLUSIVE COUNCIL

**1. EXECUTIVE SUMMARY**

- 1.1 This report updates on the progress made against each action on the Corporate Peer Challenge Action Plan agreed by Cabinet on 23 June 2020, following the recommendations of the Corporate Peer Challenge (CPC) held in January 2020.

**2. RECOMMENDATIONS**

- 2.1. That the progress made on the Corporate Peer Challenge Action Plan as set out at Appendix A be noted.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1. To ensure that Cabinet maintains an overview of the Council response to the matters identified within the CPC report, ensuring that the benefits of the CPC process are realised.

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1. None considered, given the Action Plan has previously been approved.

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

- 5.1. The Cabinet reports of 24 March 2020 and 23 June 2020 have previously updated on the CPC and how members, officers and external stakeholders were involved in the process. The CPC Action Plan has been updated in consultation with the Leadership Team and Executive Members. This update will also be considered by Overview and Scrutiny Committee at its meeting on 9 March 2021.

**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 Cabinet reports of 24 March 2020 and 23 June 2020 set out the background to the CPC process, report from the peer team and the subsequent action plan that was developed.
- 7.2. Since the CPC Action Plan was adopted on 23 June 2020 officers and the administration have sought to progress the various recommendations and actions set out in the plan. Each Action has a lead (or leads) who have been tasked with implementing the actions. The Action Plan is reviewed and updated approximately every quarter.

## **8. RELEVANT CONSIDERATIONS**

- 8.1. The updated CPC Action Plan is attached at Appendix A. Members will recall that at the time of adoption there was a great deal of uncertainty over timescales for implementing many of the actions, due to the impact of the pandemic. Therefore much of the timescales column was previously blank, with consideration of appropriate timescales delegated to the Leader, Deputy Leader and Managing Director. The updated CPC Action plan sets out the expected timescale for each action, with an additional 'Updates' column to provide a narrative update for each action. Completed actions are highlighted in green.
- 8.2. Members will note that progress has been made against many of the actions, with 17 of the 60 actions marked as completed. A number of the actions are for the medium to long term (for example those related to Shaping our Future or the transformation programme) and therefore whilst they are underway will not be completed for some time.
- 8.3. There are two significant factors that have impacted progress against the CPC Action Plan. Firstly the pandemic which has diverted time and resources to supporting our community and running the Council remotely, thereby limiting the time available to dedicate to progressing the CPC actions. Secondly the progress of the Local Plan Examination, itself delayed by the pandemic, which needs to be concluded in order to provide the policy background against which some of the actions will be developed. However overall it is felt excellent progress has been made given the circumstances.

## **9. LEGAL IMPLICATIONS**

- 9.1 Cabinet's terms of reference include at paragraph 5.6.13 "To consider the reports of external review bodies on key aspects of overall service delivery".
- 9.2. The CPC is a voluntary process and therefore there is no legal obligation to either host a CPC or act upon the recommendations. However, it is best practice to undertake a CPC and having done so, to act upon the issues identified.

## **10. FINANCIAL IMPLICATIONS**

- 10.1. There are no specific financial implications associated with this report. The majority of the actions contained within the plan do not require additional funding. Specific funding has been allocated from the Special Reserve for the early stages of the transformation project.

- 10.2. The recommended minimum level of reserves referred to in the CPC feedback report only applies to General Fund reserve. When the Council sets its budget each year, there is a requirement for the Chief Finance Officer to recommend a minimum level. This minimum level is set after considering other factors, including the level of specific revenue reserves. Since the CPC report was provided, the pandemic has resulted in additional expenditure and reduced income which has reduced the level of reserves the Council holds. The budget for 2021/22 forecasts a further significant decrease in General Fund balances, and the risks associated with the pandemic have necessitated an increase in the recommended minimum General Fund balance.

## **11. RISK IMPLICATIONS**

- 11.1. The CPC feedback report provided the Council with an opportunity to reflect on its priorities and the actions it was taking to address these. This helps to reduce risk by ensuring that the Council is focused on what it wants to achieve. The CPC feedback report made some specific references to risk (i.e. recommendations 8 and 29). The response to these is detailed in Appendix A.

## **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 known equalities implications that apply to this report. Individual actions on the plan may require equalities impact assessments in due course as solutions are developed.

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1. The Social Value Act and “go local” requirements do not apply to this report. Individual actions on the plan may have social value implications and these will be considered in due course as solutions are developed.

## **14. ENVIRONMENTAL IMPLICATIONS**

- 14.1. There are no known Environmental impacts or requirements that apply to this report. Individual actions on the plan may require environmental impact assessments in due course as solutions are developed.

## **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1 The work set out in the Action Plan has been incorporated into the work programmes of the relevant service areas. In most cases this is additional work, which is why it has been necessary to focus on other priorities during the pandemic. The Shaping our Future programme is a commitment to, and investment in, our staff to ensure that the organisation is able to deliver the programme envisaged.

## **16. APPENDICES**

- 16.1 Appendix A – Updated Corporate Peer Challenge Action Plan

## **17. CONTACT OFFICERS**

- 17.1 Anthony Roche, Managing Director  
[anthony.roche@north-herts.gov.uk](mailto:anthony.roche@north-herts.gov.uk); ext 4588
- 17.2 Ian Couper, Service Director Resources  
[ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk); ext 4243
- 17.3 Jeanette Thompson, Service Director: Legal and Community  
[Jeanette.thompson@north-herts.gov.uk](mailto:Jeanette.thompson@north-herts.gov.uk) ; ext 4370
- 17.4 Reuben Ayavoo, Policy and Community Engagement Manager  
[reuben.ayavoo@north-herts.gov.uk](mailto:reuben.ayavoo@north-herts.gov.uk); ext 4212

## **18. BACKGROUND PAPERS**

- 18.1 Report to Cabinet, 24 March 2020 – Corporate Peer Challenge Report
- 18.2 Report to Cabinet, 23 June 2020 – Corporate Peer Challenge Action Plan

		Recommendation	Action	Led by	Timescale	Updates
1	Key 1	Broaden the council's focus to an ambitious place shaping agenda	<p>Agreed. This will be considered as part of the review of the Council Plan. The agenda needs to include political support for key projects and proposals (e.g. Local Plan post adoption, significant planning applications), recognising and promoting the benefits of development and the necessity for us to support this under current Govt policy.</p> <p>This work also needs to clearly identify the role(s) the Council wishes to take during and after the delivery of growth through a consistently applied narrative (see Key 3 below), ensuring there is a clear joint, Member and Officer, view and direction of travel.</p>	Executive Members Leadership Team	Post-Local Plan adoption, post-pandemic	<p>Initial work includes an enhancement of the master planning approach in the emerging Local Plan.</p> <p>Once the Local Plan is adopted, it will allow our focus to shift to place shaping, including the work with partners as part of the Hertfordshire Growth Board and North East Central Herts corridor.</p> <p>The role of this agenda in the post-pandemic recovery will also be considered.</p>
2	Key 2	Align all your resources, policies, capacity to achieve your priorities	Agreed. This will be considered as part of the budget review and review of Council Plan	Executive Members Leadership Team	2021	The continuing uncertainty over local government funding makes the timing of this work difficult. Some bigger savings have a long lead-in time.

						<p>Consideration will be given as to how to set the organisation up to deliver on priorities, also in alignment with the transformation programme.</p> <p>The review of the Council Plan and Medium Term Financial Strategy in 2021/22 will seek better alignment between priorities and affordability. We are currently investigating using the LGA to facilitate a session on alignment of these key documents.</p> <p>The Procurement Strategy review agreed by Cabinet on 26/01/21 is part of this work.</p>
3	Key 3	Develop a narrative for place	<p>Agreed, it is proposed to develop a place narrative around sustainability as a key issue of importance to the whole district, given the Council declared a Climate Emergency in May 2019. The place narrative will also need to link to the wider Hertfordshire Growth Board work and the place narrative being developed for the whole county.</p>	Executive Members Leadership Team	Post Local Plan adoption	<p>This is linked to Key 1 above. Master planning policy sought to be strengthened through the Local Plan Examination process.</p> <p>Initial discussions have taken place on a potential narrative around sustainability, but this needs to be fully developed in conjunction with officers, councillors, residents and key stakeholders. Other relevant policies will then be aligned to that narrative.</p>



4	Key 4	Use reserves to fund internal and external transformation capacity	Agreed, to set a “target level” of reserves that provides greater flexibility to fund transformation that aligns to Council priorities. Subject to understanding the impact of the COVID-19 pandemic on our financial reserves and future reserve baseline	Executive Member Finance and IT SD Resources	Partially underway and remainder on hold	<p>From October 2020, reserves are being used to fund the transformation programme (18 month funding).</p> <p>Reserves need to be retained until the impact of COVID-19 is fully known, particularly in relation to leisure. The full impact is unlikely to be known until 2022/23.</p>
5	Key 5	Take a corporate approach to transformation – top down and programme managed	It is proposed to create a new Director of Transformation post (part-time, fixed term, funded from reserves) and identify appropriate staffing resource to support the director. This transformation team will take the lead on our transformation programme, ensuring a corporate approach	Leader Deputy Leader Managing Director	Service Director Transformation in post 19 October 2020	The scope for the transformation programme was agreed prior to recruitment of the service director. A transformation team has been established and the programme is underway.
6	Key 6	Use external partnerships to benefit North Hertfordshire	Agreed. The Council recognises that the impacts of austerity and the cuts to its budget mean that we need to be an outward looking and ambitious authority, working with partners to deliver our aspirations	Executive Members Leadership Team	Post-pandemic	A positive outcome of our pandemic response has been establishing closer working arrangements with partners in order to support the community. Examples of this include the provision of food, or additional funding, as well as working across numerous sub-groups of the Local Resilience

						Forum / Strategic Coordinating Group. The focus so far has been on the pandemic response, but that gives a platform for working closely on other matters going forward.
7	Key 7	Best practice needs to look beyond the Hertfordshire area	Agreed. The Council already looks to authorities throughout the country and beyond for inspiration, but this could and should be reinforced and better communicated to ensure we do more and learn from the best examples	Executive Members Leadership Team	Ongoing	<p>Identifying areas of best practice is ongoing.</p> <p>The Council links into a number of regional bodies, at different levels across the organisation e.g. EELGA, CCIN.</p> <p>The Commercial Team have built relationships with equivalent colleagues across the country, as well as the private sector, in order to test and share ideas for commercial activity.</p>
8	Key 8	Be brave	Agreed. Officers and Members should be prepared to question each other if we are failing to be brave in our aspirations, policy setting and decision making, however this needs to be a constructive challenge whilst ensuring that we remain risk aware. We believe the	Executive Members Leadership Team	Ongoing	<p>This needs to be embedded within culture of the organisation.</p> <p>The impact of the pandemic on local authority finances has shown the importance of being risk aware, being brave, but not being foolhardy.</p>

			<p>actions set out above show our willingness to be brave.</p> <p>Consideration will be given to external speaker(s) to inspire innovation/ change of attitude.</p>			
9	Place and Priority setting	Shift service delivery focus towards a more people and place-based approach.	Agreed, this will form a key part of the transformation programme	Executive Members Leadership Team	October 2020 onwards	<p>The pandemic has required a more people and place-based approach, proactively seeking out members of the community who need support, or who are eligible for support.</p> <p>This is linked to recommendation 34 below.</p>
10	Place and Priority setting	Realign Town Talk meetings to inform strategic direction, policy shaping and decision making and to proactively take council and place-based issues out to local communities.	We recognise the potential benefits of using Town Talks in this way and will consider how best to utilise them and how they interact with the new Community Engagement Panel	Executive Member Community Engagement SD Legal and Community	Ongoing	<p>Some Town Talks have been used for specific discussions e.g. Hitchin and support of the arts on 19 October 2020.</p> <p>Virtual town talks have increased engagement with the community.</p> <p>The recommendation is mainly being delivered through the three Cabinet Panels, although Area Committees are free to take this forward, with the support of Community Engagement.</p>

11	Place and Priority setting	Use a strategic needs analysis to inform the council plan and policy shaping.	Agreed.	Executive Members Leadership Team	Commence Autumn 2021	<p>We need the transformation programme workstream on 'becoming data enabled' to take place, to facilitate better use and analysis of data and provide a platform to meet this objective.</p> <p>We will also use information obtained through the upcoming National Census, when available.</p> <p>The availability of the above data will inform when we are able to start using it to inform the Council Plan and policy shaping.</p>
12	Place and Priority setting	NHDC would benefit from visiting other councils' that have achieved or are some way working towards the objectives and outcomes NHDC is seeking to deliver, such as place shaping, large scale housing development and commercial development.	<p>Agreed. The Council will seek out Councils who have faced and overcome similar challenges, including with areas where large scale housing development by developers has followed adoption of Local Plan. It is also worth noting that part of 'being brave' might mean doing things differently to other Councils.</p> <p>South Cambridgeshire and East Hertfordshire are two</p>	Executive Members Leadership Team	Ongoing	This will be revisited post-pandemic, as the capacity to undertake this work for both ourselves and other authorities is currently limited due to the focus on pandemic response.

			<p>immediate neighbours with large-scale, strategic growth projects, recently adopted Plans and existing structures and mechanisms for dealing with delivery.</p> <p>The Council will also consider how best to enable Corporate level 'sounding boards' (or equivalent) for key schemes as it is crucial that there is clear and consistent messaging of the Council's asks and approaches, as well as a common understanding of where compromise on the strict application of all policy requirements (e.g. affordable housing vs open space vs social infrastructure) is required to ensure successful delivery and the best overall outcome.</p>			
13	Place and Priority setting	Place-shaping could be accelerated and supported by maximising the opportunity of working in closer partnership with the Hertfordshire Local Enterprise Partnership (LEP).	<p>Establish regular meetings with LEP.</p> <p>Partnership working should also extend to other key local partners such as Hertfordshire County Council, LGCHF, settle, First Garden Cities Homes, neighbouring</p>	<p>Leader Deputy Leader Managing Director</p> <p>Relevant Executive Members and Service Directors</p>	Ongoing	<p>We are feeding into an accelerated housing programme as part of the Hertfordshire Growth Board work.</p> <p>Engagement has begun with Hertfordshire LEP on potential future opportunities for the</p>

			<p>authorities. England's Economic Heartland and national partners such as Homes England etc</p> <p>Clarity of a common narrative and agenda will enable discussions and engagement to be undertaken with confidence.</p>			district through the NEC strategic planning work.
14	Leadership of Place	A clear narrative for place is needed to support partners and staff in understanding how they can better contribute towards outcomes and assess strategically how resources can be deployed for maximum impact.	Agreed. The focus will be on an issue that unites the whole district, for example sustainability, emphasising co-operation between settlements rather than competition. The narrative needs to be carefully prepared in order to enable the Council to provide a focus for the District and not inhibit our ambitions.	Executive Members Leadership Team	Post Local Plan, Post-pandemic	Linked to Key 3 above, which needs to be determined first. Once that narrative is determined, it will inform our response to this recommendation.
15	Leadership of Place	Councillors should be leading the way as brand ambassadors, 'selling' the district and promoting what is good about North Hertfordshire	Agreed.	All Councillors Communications Manager	Delayed due to pandemic	<p>To be considered as part of the coronavirus recovery communications plan. Communications manager will explore ways of utilising councillors in a programme of positive PR opportunities.</p> <p>This recommendation is also linked to the development of place narrative and the</p>

						promotion of that once adopted.
16	Leadership of Place	Feedback regarding consultation from Citizens Panel representatives regarding consultation specifically and the future of the district generally	<p>The consultation strategy is due to be reviewed in 2020 and the comments will be considered during that review</p> <p>The points regarding the future of the district to be explored further as we develop the clear place narrative</p>	Leader Communications Manager	Consultation strategy review delayed to 2021 due to impact of pandemic on workloads	<p>This has been delayed due to work priorities of the communications team during the pandemic.</p> <p>Initial scoping meeting to be held with Leader and Executive Member Community Engagement in Spring 2021.</p> <p>Draft strategy will be consulted on with the Citizens Panel and previous comments will be taken into account.</p>
17	Leadership of Place	More can be done to actively inform citizens of the work NHDC has delivered and how their council tax is being invested.	Agreed. We will look to see what others do that we do not already provide	Leader Deputy Leader Communications Manager	Ongoing	<p>As part of the review of the Financial Management Code, it has been agreed to publish an Outlook article on how the Council delivers Value for Money. To be published in July 2021 edition.</p> <p>Ongoing programme of public information is to be developed.</p>
18	Leadership of Place	Ensure the differences in places, main settlements and villages are recognised in policy making	Agreed, provided those differences are used to build a stronger whole rather than being used to divide and create competition within the district.	Executive Members Leadership Team	Ongoing	<p>This approach is embedded within the emerging Local Plan policies.</p> <p>Better understanding of our district through data analytics and census results will inform our approach.</p>

19	Organisational Leadership and Governance	There needs to be clarity about the roles and responsibility of officers and members.	Agreed and has already been subject to a development session between the administration and the leadership team. Further consideration will be given to how to clarify the roles and responsibilities	Executive Members Leadership Team	Ongoing	<p>We are creating Councillor videos for virtual induction sessions. This will move back to Councillors attending staff inductions when we can be face-to-face again. The induction will also cover an introduction to Local Government and the role of Executive Members.</p> <p>We will continue to run and promote in-house Political Sensitivity training for relevant staff. We have also previously used LGIU training for Senior Managers, so will look again at that and similar options.</p> <p>This will be explored further through the shaping our future programme.</p> <p>Following elections, Members are supplied with the following link to the LGA website regarding the role of a Councillor and are encouraged to look at the Councillor workbooks on that page <a href="https://www.local.gov.uk/our-support/guidance-and-resources/councillors-guide-201718/councillors-role">https://www.local.gov.uk/our-support/guidance-and-resources/councillors-guide-201718/councillors-role</a></p>
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						<p>One of the workbooks includes effective Councillor Officer relations.</p> <p>The Member induction programme has been developed in partnership with the Learning and Development Member Champions who have requested a session where newly elected Members can meet and talk with more experienced Members to provide guidance on the role/ responsibility/ expectation of being a Councillor.</p> <p>The LGA could be approached to provide a more formal session to complement their Councillor's Workbook on Effective Councillor/Officer Relationships.</p>
20	Organisational Leadership and Governance	There is an opportunity to involve staff more in the development of the new organisational development and people strategy.	Agreed, it was always the intention that the Shaping Our Future programme would include widespread consultation at all stages and this was agreed by Political Liaison Board prior to the Corporate Peer Challenge	Service Director Resources	From September 2020	<p>Initial staff workshops were held in October 2020, which saw really good levels of staff engagement.</p> <p>A structure has been established for Shaping our Future that seeks to enable and</p>

						encourage ongoing involvement.
21	Organisational Leadership and Governance	Peers identified an opportunity to use the RPR process to gather information on career development (as done by other councils) and see career aspirations and personal development as an ongoing conversation as people's circumstances, positions and aspirations frequently change.	This is already a component of the RPR process, therefore no action required beyond reminding managers of approach to RPRs	Learning and Development Manager	Ongoing support provided to Managers to help them use the RPR process as described	Manager/ employee conversations are likely to be more short-term focused currently, but the format will enable longer term discussions too.
22	Organisational Leadership and Governance	All learning and development should be aligned to the emerging organisational development plan and council plan delivery.	Agreed, to the extent that it does not prevent the individual development requirements of staff and members. This will be explored as part of the Shaping Our Future programme	Service Director Resources	From September 2020	Shaping our Future is providing an ongoing link between learning and development and overall strategy.
23	Organisational Leadership and Governance	It is recommended that the emerging organisational development strategy identifies the future skills and behaviour	Agreed, this was always the intention	Service Director Resources Member Training Champions	From September 2020	This will be linked to the various themes that are emerging through Shaping Our Future.

		requirements and identifies how those skills and capabilities will be developed across the workforce, either in job design, specific learning interventions or other approaches to ensure skills acquisition keeps up with pace and change of organisational priorities.				
24	Organisational Leadership and Governance	As an integral component of future organisational performance, it is recommended that there is an increased focus on management and political oversight of learning & development (for both officers and members) with regular reporting and assessment of impact and readiness e.g. being ready to cope with future increased planning applications post-Local Plan.	Agreed, the mechanism for oversight will be considered as part of setting up the Shaping Our Future programme and the monitoring of its impacts	Executive Members Leadership Team Learning and Development Manager	From September 2020	Shaping our Future is providing an ongoing link between learning and development and strategy.  Member training champions provide an oversight of councillor learning and development.
25	Organisational Leadership	The peer team recommends that there	Agreed, this was planned to be part of the development	Leader Deputy Leader	Ongoing	This is being taken forward through regular staff briefings

	and Governance	is a focused period of time where all staff have the opportunity to understand the direction of the council and the council plan and ensure there is an increased outward-focus for the organisation to help staff to make the shift to understanding the place-shaping agenda and NHDC's role in facilitating curation of place.	of the Shaping Our Future programme	Managing Director		and monthly half day sessions for learning and development, which give staff space to understand the strategic aspirations and direction of the Council.  Further work on this will be undertaken post-pandemic as we develop the recovery plan and place narrative.
26	Organisational Leadership and Governance	Staff reflected that they would like to see more of the Chief Executive and leading more of the internal communication forums.	We have made improvements to the visibility of the leadership team and will continue to look for ways to further improve, in particular as the new Managing Director post develops	Managing Director Communications Manager	Ongoing	Prior to lockdown, Service Directors (SDs) were all featured in Insight and took slots at staff briefings. Since working from home, we have introduced zoom staff briefings, also streamed on YouTube and video content for the Managing Director's foreword in the staff magazine 'Insight'.  Regular global emails from MD and SDs have been sent to offer reassurance to staff and MD has adopted a more informal and engaging tone to communicating with staff.

						<p>A communications plan for when staff return to DCO will include our approach to ensure the visibility of leadership team.</p> <p>The impact of this work will be monitored through regular staff surveys.</p>
27	Organisational Leadership and Governance	The peer team were surprised that only low / negative PI's were debated at O&S and those reports were shared publicly. Publishing positive performance alongside amber and red performance would provide the public with a rounded summary of performance, allowing NHDC to outwardly celebrate what is being delivered to agreed performance levels.	Agreed. Reports will reflect this going forwards	Chair and Vice Chair Overview and Scrutiny Committee Controls, Risk and Performance Manager	Completed March 2020	
28	Organisational Leadership and Governance	Peers understand that the full performance report is sent to councillors one month before O&S to provide the opportunity for requesting the appropriate lead	Agreed. Chair of Overview and Scrutiny to remind committee members of this opportunity	Members of Overview and Scrutiny Committee Controls, Risk and Performance Manager	Completed and now incorporated in to regular performance indicator e-mail, from March 2020	

		executive member and officer to attend O&S to be accountable for questioning. This opportunity has never been requested and should be used in order to strengthen the debate and challenge at O&S.				
29	Financial Planning and Viability	<p>There is a strong need to ensure there is an agreed risk framework shared between officers and members in order to maximise performance and outcomes and ensure the commercial team begins to deliver benefits.</p> <p>The peer team recommends that NHDC defines its approach to risk within the context of the council being more outward facing and ambitious for place, as well as being aligned to the council plan.</p>	<p>The Council updated its Risk Management Framework in March 2020</p> <p>Agreed that there needs to be a strategic approach to the Council's risk appetite, also noting the Peer team's recommendation to 'be brave'. A strategic discussion around risk will be facilitated at the Political Liaison Board, as this is felt to be more of an issue of attitude rather than policy. A review of some existing practices may be needed to achieve this, as it is arguable these have not facilitated the required culture to date.</p>	<p>Leader Deputy Leader SD Resources</p>	<p>Framework Complete</p> <p>Ongoing</p>	<p>PLB session on risk took place and provided an interesting discussion.</p> <p>Focus on the pandemic has affected the opportunities to explore this further in the short term.</p>

30	Financial Planning and Viability	Peers questioned if commercial plan business cases were taking into account non-cash benefits such as increased social value / outcomes, affordable homes, zero carbon homes and not just solely on financial returns.	Business plans do take into account non-cash benefits, although the financial situation of the Council means financial returns have to be prioritised. We will review our approach to ensure we are happy with the balance being taken.	Executive Member Enterprise and Co-Operative Development SD Commercial		Social value has been added into the evaluation process for business cases. This was completed in November 2020.
31	Financial Planning and Viability	The council should invest some reserve budget into funding the transition to the new council plan and making early investment in capacity to deliver place shaping and transformation, inside and outside the council.	Agreed, to set a “target level” of reserves that provides greater flexibility to fund transformation that aligns to Council priorities. Subject to understanding the impact of the COVID-19 pandemic on our financial reserves and future reserve baseline	Executive Member Finance and IT SD Resources	Initial investment in transformation programme.  Review post-pandemic	See linked recommendations above. This may not now be affordable, due to impact of the pandemic on finances.
32	Financial Planning and Viability	Peers questioned whether a statutory / discretionary service and base-budget review is the priority for delivering transformation. The team recommend that starting with the customer and aligning the council plan objectives with the	The Council will consider its approach to the reviewing the budget, which has been complicated by the COVID-19 pandemic and delays to the Comprehensive Spending Review and the delay to work on a medium-term funding settlement until 2021/22 (for years from 2022/23 onwards)	Executive Member Finance and IT SD Resources	Budget Challenge Process commenced. To continue in to 2021/22 and incorporate public consultation	During Autumn 2020 we conducted a challenge board process with each directorate to review budgets. This process is ongoing and has included strategic discussions about the future operation of the Council.  See also Key 2 above for further information.

		MTFS is a more appropriate point to initiate the design of and impact on services.				
33	Capacity to Deliver	Although the introduction of new technologies was viewed as positive, the peer team recommend that the council ensure this approach fits within the strategic context and is sustainable after the IT graduate resources have left their placement.	Agreed. This will be a consideration for the transformation team to ensure work undertaken is sustainable	Executive Member Finance and IT SD Customers	Transformation programme from October 2020	Transformation team is in place and work is underway. Required outcomes of the programme include making it part of business as usual after the programme ends.
34	Capacity to Deliver	NHDC would benefit from an agreed target operating model (TOM) which would support an overall approach to how operational services are delivered. A TOM would support closing the gap between customer experience, ensuring that services have a common look and feel, supporting customers to navigate around services with more independence and	The Council has been progressing work in this area for some time, particularly in relation to digital interaction with the Council. For example, customer and member portals have been procured and will be implemented during 2020. This recommendation will be considered when setting the objectives for the transformation programme	Leader Deputy Leader Managing Director	From October 2020 onwards	<p>TOM to be considered as part of post-pandemic recovery plan. It is important that we ensure that this adds to the customer experience and provides something useful.</p> <p>A new Council website will be launched later in 2021 as the current website will shortly become unsupported. This gives an opportunity to develop our response to this recommendation, linking the look and feel of the new website to how we present ourselves as an organisation,</p>



		decreasing more costly and avoidable demand.				<p>including refreshed brand style and corporate identity guidelines.</p> <p>The Customer portal has been launched with initial features, and further functionality is to be added.</p> <p>Discussions are underway as to how we can ensure we provide customers with a more consistent experience across different departments.</p>
35	Capacity to Deliver	Project and programme management resourcing and planning could be improved as peers identified that resources and timescales were often underestimated, resulting in projects being delayed and staff having to manage the pressure of delivering day-to-day operational requirements whilst taking projects forward.	It is worth noting that whilst there may have been delays on some of the Councils most complex and high-profile projects, many progress without issue. The resourcing of projects is considered on a project by project basis and with the change to a single Managing Director post we recognise that this has resource implications for delivering projects. The Council has a pool of trained project managers with different skills and experience and we will look at that pool to see if there is a suitable project manager, whether	Executive Members Leadership Team	Ongoing	<p>Service Director Transformation post has been created, with support of a small team to project manage and deliver the transformation programme. This provides an example of how we are likely to need to approach projects in the future.</p> <p>The Commercial Team has recently (January 2021) set up Business Partners to work with specific departments. The aim of the Business Partners is to work closely with departments and assist with projects that have a commercial approach. It is hoped this will allow projects to be implemented where</p>

			they are within the commissioning department or not. This will also give the opportunity for staff to broaden their experience of different areas of the Council. This recommendation and the recommendations of the independent review of the District Wide Museum project will be considered as projects are established			previously there was not the resource to undertaken them.
36	Capacity to Deliver	The peer team recommend that the organisational development plan addresses the future skills needs and supports staff, managers and leaders in building the required place-shaping capacity at a strategic level.	Agreed, this was always the intention for the Shaping Our Future programme	Service Director Resources Member training champions	From September 2020	Ongoing as part of Shaping Our Future programme
37	Capacity to Deliver	The peer team suggest that there could be a pooling of roles with generic, flexible skills that could move around the organisation where the work dictates. This pool could operate as a corporate transformation	A transformation team will be established to support a new Director of Transformation, initially to deliver the transformation programme on a time limited basis funded from reserves. Once the initial programme is concluded further consideration will be given to	Managing Director	Transformation team from October 2020	Our pandemic response has shown flexibility within teams, shifting priorities and work around in order to support services under pressure.  The transformation team has been created as a central resource pool to deliver the transformation programme,

		resource pool and be assigned to projects through a programme management approach.	this recommendation, as it clearly has financial implications given the budgetary pressures on the Council.			with the aim of making that work business as usual by the end of the programme.
38	Planning Committee	Have planning training provided by an external trainer with broad experience, to aid understanding of the National Planning Policy Framework (NPPF) and what are material planning considerations.	Agreed. An ongoing training programme will be developed for members and officers, to cover the planning basics plus new policies and specific areas of interest and relevance. Initial contact has already been made with Planning Advisory Service (PAS) for web-based training in light of social distancing restrictions.  Training will also be considered for other groups such as Parish Councils.	Planning and Conservation Manager Member training champions	Completed October 2020	Members resolved on 9 July 2020 'That training be a requirement for elected Members who wish to take part in the planning process.' A Member champions MIS setting out training was issued on 14 July 2020.  A programme of three training sessions provided by PAS was completed by October 2020. One specifically for the Chair and Vice Chair and two for Committee and all Members.  Additional session(s) will be held in Spring 2021 for the Parish Councils.
39	Planning Committee	Submit 'issues paper' to the planning committee early in the process so officers are aware of the concern's members want addressing. This will ultimately lead to less deferments.	Agreed for major and strategic applications and must go on website for public scrutiny. Members need to identify issues in advance of the Committee so they can be addressed in advance of the application being heard. This will allow engagement	Planning and Conservation Manager	To be considered further post local plan	A discussion has been held with Executive and Deputy Members, all Members are encouraged to discuss concerns with the case officer or via the Executive Member.  Upon adoption of Local Plan when strategic sites become

			with the applicant to seek to limit deferments and any refusal to extend the statutory deadline.			<p>fixed, consideration of raising 'issues' will be agreed.</p> <p>The Principal Strategic Planning Officer emails relevant ward councillors and invites them to be briefed with regard strategic applications.</p> <p>Master planning approach will allow early identification of issues on strategic sites and the ability to route map solutions.</p>
40	Planning Committee	Arrange specific training for the Chair and Vice Chair of planning committee as they have a key role, and this will support the development of a strongly led committee.	Agreed, see above comments regarding training generally for the Committee. Additionally training on chairing meetings has been identified for Chairs and Vice Chairs.	Planning and Conservation Manager	Post Annual Council and appointment of chair and vice chair, however timescales may not allow external training to be implemented prior to the first planning committee in the new civic year.	Completed by PAS in September 2020, please see 38 above.
41	Planning Committee	Lessen the number of call-ins by tightening up criteria for a call-in. Give reasons related to material planning considerations only, not simply in the "public interest" which is too vague and raises	Proposal to Full Council to tighten the criteria, to be supported by training for all councillors on appropriate use of the call-in procedure. Planning Advisory Service (PAS) training can include this item, important as current objections from a Parish Council require Ward	Group Leaders Monitoring Officer Planning and Conservation Manager	Completed in June 2020 constitution review	

		objectors' expectations for refusal.	Councillor support and the training should reinforce that public interest is not a planning ground for call in.			
42	Planning Committee	Consider starting meetings earlier. Members and officers are not performing at their best at late night meetings after a full day's work and there is an increased risk of challenge from applicants if it was perceived that an application had been rushed because of a long meeting.	<p>Moving meeting times is not supported politically at the current time due to concerns it may dissuade people with caring responsibilities from standing to be Councillors.</p> <p>Alternative of allowing officers to attend meetings virtually from home to be explored</p> <p>It is proposed that this is reviewed once the other recommendations have been implemented regarding call ins, issues paper, training and chairing of meetings to establish whether it remains an issue or has been resolved by other action.</p>	Group Leaders Monitoring Officer	Considered during 2020 constitution review. Complete on basis that Members have decided not to implement it	
43	Planning Committee	Consider reducing the size of the planning committee.	Proposal to Full Council to reduce Committee size to 12	Group Leaders Monitoring Officer	Reduced to 12, completed in June 2020 constitution review	
44	Planning Committee	Produce supplementary report to table on evening of the planning committee that updates	Agreed, noting may still need some verbal updates if any last minute changes after publication of supplementary	Planning and Conservation Manager	Consideration needs to be given to any timing of this as representations are	Discussion held with Executive Member and Deputy that this will be on an exception basis where there are significant

		members on changes / updates since publication of report. Currently there is a verbal update at committee which is time that could be saved.	report which would need to be published the day before the Committee to allow participants time to read it. Tabling a supplementary report at the Committee will simply replace time taken for verbal update with reading time.		often received in the days leading up to a committee so would still require verbal updates. Also, Committee Members require time to consider the update report.	updates to be provided, given this predominately relates to large applications and verbal updates would still be required.
45	Planning Committee	Have specialists at planning committee for example, highways officers where there are highways issues.	<p>Agreed and this already occurs where possible, subject to the availability of those specialists who may not be employed/contracted by the Council.</p> <p>Alternative of allowing external specialists to attend meetings virtually to be explored.</p> <p>Consideration will be given to including sessions with specialists as part of the training programme, so that their role and input is better understood</p>	Planning and Conservation Manager	Complete, this is a regular situation where required	Virtual / hybrid meetings has and will make this easier and more accessible.
46	Planning Committee	Strong and clear legal advice can help.	Agreed. A Planning Control Committee decision aide memoire has already been agreed with the Chair, Vice Chair, Group Leader and relevant officers to assist.	Service Director Legal and Community/ Legal Regulatory Manager	Ongoing	An MIS note was circulated in February 2021 (following Chair PCC consultation) regarding post PCC decisions and debate of these in other formal public meetings.

47	Planning Committee	Strong chairmanship of committee required, especially post Local Plan.	Agreed. Chair and Vice Chair will receive the planning training and chairing training referred to above.	Chair and Vice Chair of Planning Control Committee	Ongoing	The current Chair is managing the meetings very well and has benefited from the PAS training.  We need to ensure future chairs learn from approach taken.
48	Planning Committee	Committee reports - Highlight in bold the key material planning considerations.	Report template to be reviewed to ensure material planning considerations are clear to reader	Planning and Conservation Manager	Aim for new civic year 21/22	Review of template has been delayed due to the current pandemic. This will take into account recent external training and will seek best practice examples from PAS.
49	Planning Committee	Committee reports - Location plan to show wider context.	Agreed. Will be included in review of report template	Planning and Conservation Manager	Aim for new civic year 21/22	Linked to 48 above
50	Planning Committee	Committee reports - Training will help understanding of the key points.	Agreed. Review of template to be undertaken prior to training so that it can be included. Training can be delivered by officers as part of the training programme.	Planning and Conservation Manager	Aim for new civic year 21/22	Training to follow implementation of 48 and 49 above
51	Planning Committee	Have up to date council plan and supplementary planning documents.	Council Plan is reviewed annually each summer  SPDs will be reviewed post conclusion of Local Plan Examination	Executive Member Planning and Transport SD Regulatory	Post Local Plan	Local Plan still progressing through Examination process, latest sessions in February 2021.
52	Planning Committee	Cabinet member or Leader to speak in support of applications at planning committee that support the Council's priorities and	Agreed, where it is appropriate	Leader and/or Executive Member	Ongoing	Will keep under review as relevant applications come forward

		where the specifics would amount to a material planning consideration.				
53	Overview and Scrutiny Committee	Executive members should lead at O&S and be visibly accountable for decisions and performance.	Agreed as recommendation	Executive Members	Completed, has become standard practice.	
54	Overview and Scrutiny Committee	Future meetings would benefit from taking a longer-term view of the key issues for the district (not just focussing on the next immediate meeting), fewer, more targeted agenda items, and be focused on key areas informed by performance reports and a forward work plan. Fewer agenda items will support more allocated time for meaningful scrutiny and related debate.	Agreed. To be taken forward as part of the training for the committee members	Chair and vice chair of O+S Scrutiny support	Ongoing	This is a matter for the Chair, scrutiny support and the Committee to take into account during their work planning discussions.
55	Overview and Scrutiny Committee	The current membership of O&S was considered to be too large and would benefit from reducing	Proposal to Full Council to reduce Committee size to 12	Group Leaders Monitoring Officer	Reduced to 12 and completed in constitution review June 2020	



		from 15 members to 11 or 9.				
56	Overview and Scrutiny Committee	It is recommended that all O&S members undertake formal training to ensure a robust base of skills and expertise can be deployed in the O&S environment.	Formal scrutiny training has previously been provided to the Committee, but given changes to committee membership agree it makes sense to put in place further training and ensure that any new members receive training in the future	Chair and Vice Chair of O+S Scrutiny support Member training champions	Ongoing	No action taken as yet. Need to consider format and whether internal or external training. To be discussed with Member L&D Champions.
57	Overview and Scrutiny Committee	Use the task and finish programme to support early engagement and involvement with policy making.	Agreed. To be taken forward by the Leader (on behalf of Cabinet) and Chair and vice chair of Overview and Scrutiny, to discuss work programme	Leader Chair and Vice Chair of O+S Scrutiny support	Ongoing	An initial meeting has taken place between the Leader/Deputy Leader and the Chair and Vice-Chair of O&S. A further meeting is to be arranged.
58	Overview and Scrutiny Committee	It is recommended that finish times should be agreed in the constitution and meetings end promptly at those times. There was a concern around individual personal effectiveness, accessibility, external public perception and health & safety / personal welfare of both members and officers from such	Moving meeting times is not supported politically at the current time due to concerns it may dissuade people with caring responsibilities from standing to be Councillors.  Alternative of allowing officers to attend meetings virtually from home to be explored  A 'guillotine' provision on committee meetings is not supported politically at the	Service Director Legal and Community Member training champions	Changes to meeting times was not agreed. Have virtual meetings at the moment and will be exploring hybrid meetings when feasible.  Considered during 2020 constitution review. Complete on basis that Members have decided not to implement it.	

		excessively long and late meetings.	current time due to concerns it might stifle debate. It is proposed that this is considered once the other recommendations have been implemented regarding work programme, training and chairing of meetings to establish whether it remains an issue or has been resolved by other action.  Training is provided to Chairs and Vice Chairs, but this could be reviewed to ensure that Chairs and Vice Chairs are able to confidently manage meetings to ensure they proceed in a timely manner			
59	Overview and Scrutiny Committee	Peers recommend clarification of the governance arrangements between O&S and cabinet panels.	Proposal to Full Council to clarify relationship	Group Leaders Monitoring Officer	Amendments made, completed in constitution review June 2020	
60	Overview and Scrutiny Committee	Ensure the O&S forward work plan includes scrutiny of external partners and contractors as a contribution to the leadership of 'place'.	Agreed as recommendation	Chair and Vice Chair of O+S Scrutiny support	Immediate  Ongoing	This is a matter for the Chair, scrutiny support and the Committee to take into account during their work planning discussions.



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**CABINET  
16 MARCH 2021**

**PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: LOCAL PLAN IMPLEMENTATION**

REPORT OF: 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

**1. EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to review previous resolutions and to recommend a revised programme of work to support the implementation of the new Local Plan.

**2. RECOMMENDATIONS**

- 2.1. That the North Hertfordshire Masterplanning Guidance, attached as Appendix A, is approved and recognised as a material consideration in the determination of relevant planning applications
- 2.2. That officers are authorised to commence work on a revised and updated programme of Supplementary Planning Documents and supporting evidence as set out in this report to support the Council's corporate priorities.
- 2.3. That to support recommendation 2.2, Cabinet:
- a. Resolve not to pursue the preparation of a Community Infrastructure Levy for the District at this time; and
  - b. Approve the reallocation of the existing approved revenue budgets for Community Infrastructure Levy (£87,000) and the potential Single Issue Review of the Local Plan (£80,000) to create a budget for the delivery of the work on a revised and updated programme of Supplementary Planning Documents.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1. To ensure that resources are used most effectively to support the implementation of the new Local Plan for North Hertfordshire and to improve delivery upon corporate priorities relating to place leadership and the declared climate change emergency.

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

- 4.1. Officers are of the view that the approach set out in this report is the most reasonable alternative. The progress of the Local Plan is subject to a separate report to this meeting. This sets out that the Examination is now at an advanced stage. Without prejudice to any forthcoming consultation or the Inspector's final report, the Council now needs to take tangible steps to ensure that the Plan, as presently proposed to be modified, can be successfully implemented.
- 4.2. It is important that the issues set out in this and other relevant reports to this cabinet meeting are viewed holistically. However, Members could determine to (individually or in combination):
- Continue to proceed with the currently approved suite of Supplementary Planning Documents (SPDs);
  - Request the production of further SPDs on particular issues they identify;
  - Resolve that a Community Infrastructure Levy is developed and implemented for the District at this time;
  - Continue to contemplate a focussed review of the Local Plan post-adoption to reflect emerging or adopted actions or priorities relating to climate change;
  - Retain the currently identified budgets for either or both of the above;
  - Identify and support the provision of additional resources to pursue (any combination of) pre-existing commitments and the recommendations in this report; and / or
  - Defer decisions on any or all of these matters until such time as:
    - i. the Examination of the Local Plan concludes;
    - ii. Full Council has resolved whether to adopt the new Local Plan; and / or
    - iii. There is greater clarity over the Government's intentions on matters including (but not necessarily limited to) design, building regulations and / or planning reform.
- 4.3. These options have been considered as part of a comprehensive review of resources, priorities and next steps. Further information relating to these matters are set out in this report.

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

- 5.1. The Executive Member and Deputy are regularly kept up to date on strategic planning matters at fortnightly briefings.
- 5.2. A Local Plan Project Board was set up in February 2016 to provide the necessary strategic guidance and direction for the production and implementation of the Local Plan within the Council. Project Board, along with the joint chairs of the Council's Cabinet Panel on the Environment, were consulted prior to the publication of the recommendations in this report.

#### **6. FORWARD PLAN**

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public on 5 February 2021.

## **7. BACKGROUND**

### The Local Plan

- 7.1. Members will be aware of, and familiar with, many of the issues surrounding the Local Plan from the regular Strategic Planning Matters reports and the reports to the Cabinet and Full Council meetings of 17 April 2017, 10 December 2018 and 08 October 2020 as well as the earlier report to this meeting.
- 7.2. As well as progressing the new Local Plan to the conclusion of its examination and a decision upon its adoption, it is essential for the Council to consider how it will subsequently ensure successful implementation of the Plan's strategy. It is also of critical importance to consider how implementation of the Plan can support and deliver upon other key Council priorities.
- 7.3. The proposed Further Main Modifications are subject to a separate report to this meeting. However, for the purposes of this report, Members are reminded that the proposed Further Main Modifications will not propose substantive alterations to the housing development strategy contained in the Plan submitted for examination in June 2017, beyond changes to the anticipated timing and phasing of new development reflecting the passing of time. Should the Plan as currently anticipated to be modified proceed to adoption it will require a significant uplift in housing delivery over the coming decade and beyond. It will also require successful and simultaneous delivery of numerous significant and strategic developments around the District's main towns and villages.
- 7.4. Delivery of such growth in a sustainable, well planned and designed way that delivers the Council's local plan policies, corporate priorities and existing and emerging statutory obligations will require new ways of working. This will need to be pro-active and place and masterplan led and supported by a collaborative, co-ordinated, and corporate approach across the Council as well as working closely with Hertfordshire County Council and other key service providers. This reflects the key recommendations of the 2020 Peer Challenge exercise (also subject to a separate report). Many other local authorities, including the District's immediate neighbours, are adopting masterplan-led approaches to support sustainable communities where there is significant housing growth to deliver. This allows councils with their communities to meaningfully shape proposals.
- 7.5. Current practices in North Hertfordshire are built around the Development Management approach. This reflects the absence of strategic growth proposals within the District over a number of years with Great Ashby being the last example of development at scale in North Hertfordshire. However, this approach is often a reactive process as issues are identified and discussed on a case-by-case basis in response to the submission of individual (pre-)applications. Taking an active, placemaking lead prioritises the collaborative identification of key issues to be resolved and masterplanned in advance of or in parallel with the formal planning process.

### Existing resolutions and commitments relating to implementation of the Local Plan

- 7.6. In July 2017, Cabinet considered a report outlining a recommended approach to the production of supplementary guidance to support the new Local Plan. Supplementary Planning Documents (SPDs) can set out additional detail on policies in the Plan but cannot themselves set new policy. An adopted SPD must relate to an adopted Plan policy. Within a wide-ranging report, Cabinet resolved that the new Local Plan should be supported by suite of three SPDs on:
- Developer Contributions
  - Design; and
  - Parking and Transport
- 7.7. A draft Developer Contributions SPD was presented to Cabinet in January 2020 and published for public consultation. In July 2020 a proposed final version of the SPD was considered taking into account the consultation responses. Cabinet resolved that this version of the SPD was adopted subject to the adoption of the new Local Plan within twelve months of the decision (i.e. by July 2021).
- 7.8. At the time the draft Developer Contributions SPD was presented, Cabinet additionally requested that officers reconsider the case for introducing a Community Infrastructure Levy (CIL) for new development in the District.
- 7.9. CIL effectively operates as a flat-rate 'tax' levied upon qualifying development based on the amount of floorspace being provided. It is collected on an authority-wide basis. However, unlike site-specific legal agreements, there is no guarantee at the point of the planning decision that monies will be spent on any particular matter or project relating to that planning application.
- 7.10. Cabinet requested that the CIL review be reported back to Cabinet before the end of the 2020 calendar year. Due to the delays in the Local Plan examination it was not possible to meet this timescale but the review is now presented as part of this report.
- 7.11. A draft of the Design SPD was considered by Overview and Scrutiny committee in September 2020. O&S requested additional time to consider the SPD and that further information be provided in the SPD prior to public consultation. This version of the SPD has yet to be presented to Cabinet. Given the significant and ongoing changes in national guidance relating to design since this meeting (see below), this SPD has yet to be re-presented.
- 7.12. Work has yet to commence on a Parking and Transport SPD.
- 7.13. In February 2020, Councillors approved the 2020/21 budget. This included an approved revenue growth bid for £80,000 funded over two years for a potential focussed review of the Local Plan post-adoption to reflect any new policies arising from the Council's declared climate emergency and associated work. Work on any formal review cannot take place until the current Local Plan examination concludes and a decision is taken on adoption of the Plan. In February 2021, Councillors approved the 2021/22 budget which included a carry forward of this funding.



- 7.14. In June 2020, Cabinet approved its updated Housing Delivery Test Action Plan as required by Government in response to their housing delivery requirements. This included specific actions aimed at ensuring corporate readiness to deliver the growth contained in the new Local Plan (Theme 2 of the Action Plan) and facilitating development and economic recovery following Covid-19 (Theme 3).

#### Other corporate commitments

- 7.15. The Council declared a Climate Emergency in 2019 and all actions of the authority should be viewed in the context of this declaration. A Climate Change Strategy and Action Plan was approved in January 2020. An update to that strategy is considered in a separate report to this meeting and preceding this decision. Both that and this report contain further detail on how officers have worked to align recommendations with the aims and priorities of the Climate Change Action Plan to address the emergency. The budget bid in paragraph 7.13 above was made in response to the climate change agenda, recognising that the detailed scope of any actions remained to be determined.
- 7.16. In June 2020, Cabinet approved the Peer Challenge Action Plan following the Corporate Peer Challenge (CPC) process undertaken at the start of that year. In broad terms, the recommendations arising out of the CPC included:
- Broadening the Council's focus to an ambitious place-shaping agenda;
  - Aligning resources, policies and capacity to achieve priorities; and
  - Developing a narrative for place.
- 7.17. An update on the CPC is reported separately to this meeting.
- 7.18. The planning and delivery of significant developments cuts across Council directorates and other pre-existing commitments will also be of relevance, such as the March 2020 Cabinet resolution to update the Council's Green Space Strategy, as well as the approaches taken to other matters and services such as asset management or leisure.

#### Government policy and guidance

- 7.19. The new Local Plan has been prepared to conform with national planning policy (the NPPF) as it stood at the time of the plan's submission for examination<sup>1</sup>. There have been numerous proposals and changes since submission of the Plan for examination in 2017. It is important to have regard to these in considering the (continued) appropriateness of resolutions and decisions aimed at supporting implementation of the Plan. The following are highlighted as being of particular relevance to this report.

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<sup>1</sup> At examination, the Plan is assessed against the original (2012) version of the National Planning Policy Framework and associated Planning Practice Guidance.

- 7.20. At the time of the Plan's preparation, Government rationalised the standards that Local Plans could set in relation to new buildings. These focussed upon [published technical standards](#) relating to the size of new homes, water efficiency and accessibility. All of these standards are contained within the new Local Plan. At the same time, the Government set out its intention to remove authorities' right to set energy efficiency measures through plans. However, this change was not enacted meaning authorities can presently set energy efficiency requirements through policy to a maximum of a 19% improvement on CO<sub>2</sub> emissions above current building regulations. This is not included within the new Local Plan.
- 7.21. In October 2019, the Government consulted upon its [proposed Future Homes Standard \(FHS\)](#) which set out a pathway to a significant increase in building efficiency requirements through Building Regulations. It again asked whether the ability of local authorities to set efficiency requirements through planning policy should be restricted. The Council responded to this consultation objecting to this proposal, as reported to Cabinet in the Strategic Planning Matters report of March 2020.
- 7.22. Government has recently indicated in [its response to the Consultation](#) that it will not be restricting local authorities ability to set local standards in the short term. However, the forthcoming response to the Planning White Paper will clarify the longer term role of planning and local authorities in determining local energy efficiency standards. Government intends to introduce the necessary legislation to the FHS in 2024 ahead of its implementation in 2025. An interim uplift is to be introduced in 2022, reducing CO<sub>2</sub> emissions by 31% measured against current Building Regulations (i.e. above the planning cap).
- 7.23. In August 2020, Government consulted on its [Planning White Paper](#). This set out a proposed range of ambitious reforms to the planning system *"to streamline and modernise the planning process, bring a new focus to design and sustainability, improve the system of developer contributions to infrastructure, and ensure more land is available for development where it is needed"*. Among its proposals, this consultation asked for views on the introduction of upfront masterplanning of new development as part of the plan-making process and a nationally set planning levy on new development that might replace the existing system of legal agreements and locally set Community Infrastructure Levy. The Council's response was reported to Cabinet in the Strategic Planning Matters report of December 2020. The Government has said it will outline the next steps in Spring 2021.
- 7.24. The Government is strengthening national planning policy on design quality. The updated [NPPF 2019](#) – which is already used for planning decisions - states that the creation of high-quality buildings and places is fundamental to what the planning and development process should achieve (para 124).
- 7.25. In 2019 the Government also published its own [National Design Guide](#) which provides a clear definition of what good design is under 10 characteristics. The government expects the National Design Guide to be used in the assessment of design in planning applications and to support any reasons for refusal on design grounds. In January 2020 the Building Better Building Beautiful Commission (BBBBC) [published its final report Living with Beauty](#) and made a series of recommendations on improving design standards.

- 7.26. The [Government responded to the BBBBC report](#) in January 2021 and key recommendations it will be taking forward are:
- Ensuring that new development is of high-quality design and carried out with greater community consent including making beauty and place-making a strategic policy in NPPF;
  - Putting an emphasis on approving good design and refusing poor quality schemes;
  - Asking local planning authorities to produce their own design codes;
  - Aiming for new streets to be tree-lined; and
  - Improving biodiversity and access to nature through design
- 7.27. These aims are reflected in the current [consultations on draft revisions to the NPPF and a new draft National Model Design Code](#) which include:
- Requiring all local planning authorities to prepare design guides or codes consistent with national guidance and which reflect local character and design preferences;
  - That planning policies and decisions should place significant greater emphasis on the provision and long-term retention and maintenance of trees; and
  - That larger-scale development should be accompanied by clear expectations for the quality of place and ensure the use of appropriate tools such as masterplans and design codes to secure a variety of well-designed and beautiful homes to meet the needs of different groups in the community.
- 7.28. The [Environment Bill](#) was published in January 2020 it is anticipated to become law later in 2021. The Environment Bill 2020 sets out how the government plans to protect and improve the natural environment in the UK and address the environmental and climate change crisis. It will act as one of the key vehicles for delivering the Government's 25 Year Environment Plan
- 7.29. Amongst many measures the draft Environment Bill introduces a mandatory requirement for biodiversity net gain in the planning system, to ensure that new developments enhance biodiversity and create new green spaces for local communities to enjoy. It also introduces provisions requiring the development of Local Nature Recovery Strategies across England.
- 7.30. Local government has an essential role to play responding to environmental challenges at a local level, leading place-specific responses and driving innovation. It is anticipated the Bill will create a framework in which strong local government leadership will be enhanced to drive the necessary, and once-in-a-lifetime environmental improvements to reverse decades of biodiversity loss and improve air quality.

## **8. RELEVANT CONSIDERATIONS**

- 8.1. As can be seen from the background above, there are a wide range of pre-existing commitments and resolutions. These need to be viewed against a rapidly evolving national policy context and new local commitments made since the previous review of guidance in 2017. It is essential to ensure the work programme supporting implementation of the new Local Plan is achieving best value both in terms of resources, timely preparation and contribution to wider objectives.
- 8.2. Officers in consultation with relevant Members have spent the early part of 2021 reviewing the current approaches. This has identified a number of key issues. These include:

- Ensuring consistency with emerging national planning policy guidance on securing design quality in new development and preparing masterplans, local design guides and codes;
- A need to be ready to implement new environmental statutory obligations under the emerging Environment Act, including biodiversity net gain;
- Introducing clear masterplanning guidance to guide a place and design-led approach for significant development that effectively implements and integrates local plan policies and corporate priorities on an area and site basis;
- Formalising new ways of working to provide place-leadership and a corporate and holistic approach to the planning and design of new communities so they are delivered in a timely manner to a high standard of quality;
- Existing gaps in the Council's evidence base and planning guidance to support the successful implementation of local plan policies and secure sustainable development and positive planning and place outcomes (e.g., design, biodiversity, green infrastructure and sustainability);
- Whether, in this context, the previously approved suite of SPDs is suitably scoped to address these planning issues and requirements and align with the Administration's policies, particularly in the context of the climate emergency;
- The rapidly narrowing window between any adoption of the current Plan and the start of a proposed whole plan review by the end of 2023 (as committed to at examination) in which to now accommodate any focussed review of policy through formal plan-making processes;
- The potential conflict between any such review and changing / emerging Government policy particularly with regards to the Building Regulations and energy efficiency;
- That, although a case could be made for the introduction of CIL, it is imperative under any system to improve processes and evidence to most effectively secure contributions;
- The potential for a changed system of developer contributions arising out of the White Paper; and
- That in the current financial climate there are insufficient resources to do everything and it is necessary to use these effectively by prioritising and focussing upon where planning can achieve best value and outcomes.

8.3. Considering the above holistically, this report recommends a revised package of measures which seek to improve upon the outcomes and outputs of the pre-existing commitments and resolutions.

#### Masterplanning Guidance

8.4. Successful implementation of the local plan and sustainable high-quality development is reliant on robust and comprehensive policies to guide quality places.

- 8.5. The latest proposed modifications to the Plan put forward by the Council include significant amendments to Policy SP9 on Design & Sustainability to support the move towards a more pro-active and enhanced place-leadership role. The policy (as proposed to be modified) sets out
- The requirement for Strategic Masterplans to be produced for all significant development in the district and these to be agreed by the Council;
  - 10 design objectives to inform and assess masterplans and planning applications; and
  - Clear requirements for what should be in the Strategic Masterplans to secure quality and delivery.
- 8.6. This will provide an essential policy 'hook' in the local plan to require quality masterplans to be produced in advance of planning applications and a policy basis for rejecting inadequate schemes. The approach is similar to that taken in East Hertfordshire District Council.
- 8.7. To implement this approach, the Council needs to produce operational masterplanning guidance that clarifies the process the Council expects landowners to take in collaboration with the Council. This advice is set out in Appendix C to this report. It comprises a 10-step process spanning from an initial inception to baseline analysis, agreeing a site specific and place-making vision for the site, developing and testing options, public consultation and the final masterplan report. There will be opportunities for member briefing and community input into this process.
- 8.8. To implement this masterplan approach requires improved ways of working both internally and with the County Council as a key service provider. A recommended approach to project management and governance is set out in the attached guidance. This includes a Project Board with senior leadership and cross-party representation to support the long-term vision and delivery of significant development across the district given these sites will take many years (potentially up to 15) to be implemented. It is also recommended that the Senior Leadership Team considers and identifies a place-making and design champion – linked to the Peer Challenge outcomes - to support place-leadership, the success of the masterplan and design-led approach to new development and the step change required across the district.
- 8.9. Subject to its approval, officers will develop and implement the necessary groups and protocols as well as producing more detailed guidance for developers that will be published on the Council website. Masterplanning guidance will be updated iteratively as required as processes are put in place and lessons learnt from implementation.

#### Revised programme of SPDs

- 8.10. In light of the above considerations, officers are now of the view that the range of SPDs approved by Cabinet in June 2017 is too narrowly focussed. Given the progress of time, these would not achieve what could now be delivered through the suggested pathway. In particular they would not provide sufficient information to:
- Respond to significant proposed changes on national guidance on design;
  - Address corporate priorities around climate change, place leadership and sustainability; and
  - Secure net gains in biodiversity and deliver emerging provisions in Environment Bill

- 8.11. To resolve this and improve upon the outcomes, it is recommended that the following actions are taken:
1. Re-scope the Design Guide SPD to respond to the emerging revisions to NPPF on design requirements, align with the national design guide and emerging guidance on model design codes and build upon the requirements of Local Plan Policy SP9;
  2. Incorporate the previously approved Parking and Transport SPD into a Sustainability SPD that would be significantly broader in its scope. This would also consider issues including energy efficiency and carbon reduction, climate change adaptation and health and well-being, reflecting those elements of the revised Climate Change Strategy that can be secured or encouraged through the planning system;
  3. Produce a Biodiversity SPD to secure net gain on new sites and in anticipation of 10% biodiversity net gain becoming a mandatory requirement through the Environment Bill;
  4. Support the above through an updated and expanded evidence base that would specifically include:
    - i. Settlement-level character appraisals to inform area and locally specific design guidelines with local community input and aspirations;
    - ii. An updated Green Infrastructure Plan and Strategy (potentially incorporating or informing elements of the corporate Green Space Strategy previously committed to by Cabinet) to clarify where and what new green space is required across the district aligned to planned growth and need; and
    - iii. An ecology network plan to inform the most appropriate approaches to biodiversity (as above) and identify opportunity areas for new and enhanced habitat
- 8.12. The Supplementary Planning Documents could be largely prepared internally with draft versions of all documents being prepared through the remainder of 2021 and early 2022. However, the evidence base would require expert consultancy support – with NHDC officer resource to procure and project management these commissions - with an indicative budget for these work streams of c.£150,000.

#### Single Issue Review

- 8.13. The above workstreams will have significant resource implications for the planning service and it is important to consider how these might be best realised (see also sections 10 and 15).
- 8.14. As set out above, the currently approved budget includes funding for a potential focussed review of the Plan post-adoption to consider the Council's climate priorities. At the time of the budget request it was considered this was the most likely route through which the planning implications of the climate emergency might be considered and addressed. It has previously been anticipated that any such review would most likely focus upon securing improved energy efficiency in new buildings. However, the budget bid was clear that the outcomes of the Council's climate change policy work would be a key determinant of the eventual work programme.

- 8.15. Government have recently announced that in response to the Future Homes consultation they will not implement legislative changes that would outright prohibit local authorities from producing such planning policies. However, they have also reinforced their intention to increase statutory Building Regulations above and beyond any requirements that might be set through planning (see Paragraph 7.22).
- 8.16. The prospective benefits of delivering the Council's climate objectives through a formal review of planning policy have been considered against the potential costs. In summary, officers have identified there are significant time and cost implications of pursuing a formal plan review. Even if it were focussed on a relatively narrow and specific matter – such as the energy efficiency of new buildings – it would still need to progress through all the same statutory steps as the current local plan. A Single Issue Review would be subject to an Examination in Public and the same tests of legal compliance and soundness, necessitating a comprehensive evidence base and environmental appraisal of any policies. It would likely utilise the currently identified £80,000 budget in full with outcomes of any examination unlikely until 2024. These factors all present inherent risks in terms of timing, costs and resources. Given evolving Government policy in this area (see Section 7), there is a significant risk of any policies being overtaken by events in the intervening period.
- 8.17. It is now considered most effective in the short- to medium-term for the Council to express and achieve its aspirations on climate change matters through the SPDs outlined above. These have a number of advantages over a formal policy review, whilst recognising this approach would constitute guidance rather than statutory policy. SPDs provide a far quicker route to adoption and action against the revised Climate Change Strategy and Action Plan and declared climate emergency. Evidence and draft SPDs could be procured and progressed during 2021 in time to meaningfully influence the fundamental design elements of substantial new developments proposed in the new Local Plan.
- 8.18. The anticipated Further Modifications to the Plan would now commit the Council to an early review of the whole Local Plan to commence by the end of 2023. This would then - subject to the precise nature of anticipated planning reforms - be able to consider the issue of climate change and the pathway towards carbon net zero strategically and across all policy areas including the overall development strategy. Funding for the whole Plan review will need to be considered through future budget-setting cycles.
- 8.19. In turn, this would allow the currently identified resources to be reassigned to the recommended programme of works above.

#### Community Infrastructure Levy

- 8.20. Officers have similarly re-considered the merits of Community Infrastructure Levy (CIL) in line with the Cabinet resolution of January 2020. The key risk to the Council on taking a definitive decision to pursue CIL at this stage is that any proposals may be overtaken by a national levy approach as mooted in the Planning White Paper rendering any preparatory works and costs abortive. As set out above, the Government has set out its intention to unveil the next steps in relation to the Planning White Paper later in 2021.

Moreover, implementing CIL requires an up-to-date and adopted Local Plan. As set out separately to this meeting, a decision on adoption of the Plan is also now expected later this year. In this context it is considered sensible to await further clarity on these matters such that a decision can be taken in line with forward business planning for the 2022/23 budget cycle (equally this approach could allow a decision to be taken in the absence of any clarity from Government within a reasonable timescale).

- 8.21. Beyond these fundamental points, there are arguments both for and against the introduction of CIL (in its current form) for the District. Among the matters weighing in favour are greater certainty and consistency for developers, the Council and the community, a reduced need for complex negotiation of individual legal agreements – particularly those that require contributions on County matters such as education and highways resulting in a three-way legal agreement – and a better means for capturing development gain from smaller sites in particular.
- 8.22. Over the last decade a significant proportion of new housing development and the vast majority of residential planning applications have been for schemes of 20 units or less and there would be potentially significant administrative efficiencies for schemes of this scale under CIL, particularly in terms of officer time and speed of decisions<sup>2</sup>. It is considered likely that a soundly-based CIL rate for the District would likely match and potentially exceed current levels of contribution secured through s106, in part through better capture from smaller schemes that, in turn, might better address the cumulative burdens that such schemes can place upon local services and infrastructure.
- 8.23. CIL would provide greater certainty of funding to local areas through the ‘parish precept’ which guarantees 15% of relevant receipts to the Parish Council rising to 25% where a neighbourhood plan is in place. It is likely that the collection and administration of CIL would eventually become self-funding as the Council would be able to recoup 5% of receipts for costs.
- 8.24. Against this are the time and resource implications of meeting the statutory implementation requirements and developing the necessary administrative infrastructure. The Council would need to forward fund these given that the relief of administration costs can only commence once the CIL is implemented and collected. Other considerations include that the largest sites (which form the significant majority of anticipated future development in terms of dwelling numbers, albeit from a relatively small number of planning applications) would still require s106 legal agreements even if a CIL were pursued<sup>3</sup> and that CIL can be set at ‘risk averse’ levels.
- 8.25. When this matter is viewed in isolation, officer analysis comes down in favour of introducing CIL reflecting the arguments above. However, one key lesson from the review is that – under either system – the Council should enhance its evidence base and processes to ensure that it is optimising contributions (in their broadest sense) from new development. The proposed revisions to the programme of SPDs and associated evidence base above would significantly enhance the Council’s ability to negotiate effective legal agreements on new development and bring significant benefit in this regard.

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<sup>2</sup> Recognising that CIL is set based upon geographic areas rather than development size.

<sup>3</sup> Large developments or strategic sites are often ‘zero-rated’ for Community Infrastructure Levy (i.e. they ‘pay’ a rate of £0 per m2) to reflect this.



- 8.26. Given the progress and presently anticipated outcomes of the Local Plan examination, in concert with the Government's stated timetable for progressing the White Paper proposals, it is presently considered most appropriate to focus resources towards ensuring the Council has the right tools to appropriately guide the most significant development schemes in the District. These will be the substantive legacy of the Plan as well as providing major opportunities to positively address the key priorities identified in this report and the revised Climate Change Strategy and Action Plan.
- 8.27. On balance, and having regard to the issue of Local Plan implementation and resourcing in the round, it is therefore recommended that Community Infrastructure Levy is not pursued at this time. However, as above, this matter should be revisited once the proposed programme of works in this report is substantially progressed – thereby freeing up officer resource – and / or there is greater clarity on the Government's proposals and timetable for planning reform.

## **9. LEGAL IMPLICATIONS**

- 9.1. Under the Terms of Reference for Cabinet, paragraph 5.6.8 of the Constitution states that the Cabinet may monitor quarterly revenue expenditure and agree adjustments [to the revenue budget] within the overall budgetary framework.
- 9.2. Under the Terms of Reference for Cabinet, paragraph 5.6.18 of the Constitution states that the Cabinet may exercise the Authority's functions as Local Planning Authority (except to the extent that those functions are by law the responsibility of the Council or delegated to the Service Director: Regulatory).
- 9.3. The legal framework for the production of Supplementary Planning Documents and Development Plan Documents is set out in the Planning & Compulsory Purchase Act 2004 (as amended). Detailed regulatory requirements are contained in the Town & Country Planning (Local Planning) (England) Regulations 2012.
- 9.4. The provisions for planning obligations are set out under Section 106 of the Town and Country Planning Act 1990. The process for introducing a Community Infrastructure Levy is set out in Section 211 of the Planning Act 2008 and a variety of accompanying regulations.

## **10. FINANCIAL IMPLICATIONS**

- 10.1. There are no new revenue implications arising from this report. It is proposed that the recommendations are funded through the reallocation of existing, approved budgets.
- 10.2. As set out above the approved budget for 2021/22 includes revenue funding of £80,000 and £87,000 associated with the Single Issue Review and Community Infrastructure Levy respectively. It is proposed that these budgets are reassigned to support the recommendations of this report.

- 10.3. A high-level estimate is that approximately £150,000 of revenue expenditure would be required to deliver these recommendations. Allowing for contingencies, this could be accommodated from the existing £167,000 funding identified above. The revenue costs of the proposed revised programme would primarily consist of expert consultancy support on design, biodiversity and green infrastructure matters to support the production of the proposed SPDs and provide the necessary evidence base to underpin the approach to masterplanning and securing of developer contributions.
- 10.4. The revised SPD work can only be afforded by the reallocation of the budget from the Single Issue Review and Community Infrastructure Levy (i.e. not undertaking that work). The total spend from carrying out all these pieces of work would significantly exceed the budget available. The extent of the budget required for all the work, in the context of the overall financial position of the Council, would require a decision by Full Council.

## **11. RISK IMPLICATIONS**

- 11.1. The Council's new risk Management Framework specifies that we will now actively manage and monitor risks scoring 4 or higher on the risk matrix.
- 11.2. The Local Plan holds a current risk score of 9. In relation to this report, the risk identifies potential consequences of development which is not sustainable or harms the environment. The proposed programme of work is aimed at mitigating this risk and addressing identified gaps in current environmental evidence to inform detailed scheme design as the proposed allocations in the Plan are brought forward.
- 11.3. Open Space in Major New Developments has a risk score of 8. A more structured and evidence-based approach to green infrastructure and biodiversity should ensure that future developments include open spaces that meet identified needs and requirements, including appropriate arrangements for their long-term management.
- 11.4. Delivering the NHDC Climate Change Strategy has a risk score of 6 noting potential consequences might include a failure to reduce impact on the local environment to the expected level.
- 11.5. Section 106 and Community Infrastructure Levy holds a current risk score of 5. The risk recognises the potential failure to make required improvements to infrastructure and also the balance to be struck between resource implications and contributions in any consideration of introducing a Community Infrastructure Levy.

## **12. EQUALITIES IMPLICATIONS**

- 12.1. None

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1. The Social Value Act and "go local" requirements do not apply to this report. Subject to approval of its recommendations, any procurement will be conducted in accordance with the Council's contract standing orders.

## **14. ENVIRONMENTAL IMPLICATIONS**

- 14.1. Any Supplementary Planning Documents (SPD) must be 'screened' to determine whether statutory environmental assessment is required which would consider the social, economic and environmental implications of proposed policies and allocations. Any SPD must relate to an adopted Local Plan policy. These SPDs are planned to support the new Local Plan which has been subject to statutory environmental assessment. This revised programme of work has been co-ordinated to support the Council's revised Climate Change Strategy.

## **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1 The Strategic Planning & Enterprise team is not fully staffed with one permanent vacancy and one new Project Officer post approved as part of the budget setting process for 2021/22. Subject to the outcome of this report, managers will ensure the staffing structure within the team is aligned with the future work programme and seek to recruit to vacant posts.

## **16. APPENDICES**

- 16.1 Appendix A – North Hertfordshire Masterplanning Principles

## **17. CONTACT OFFICERS**

- 17.1 Ian Fullstone, Service Director of Regulatory  
01462 474480 [ian.fullstone@north-herts.gov.uk](mailto:ian.fullstone@north-herts.gov.uk)

### **Contributors**

- 17.2 Nigel Smith, Strategic Planning Manager  
01462 474847 [nigel.smith@north-herts.gov.uk](mailto:nigel.smith@north-herts.gov.uk)

- 17.3 Helen Flage, Principal Strategic Planning Officer  
01462 474244 [helen.flage@north-herts.gov.uk](mailto:helen.flage@north-herts.gov.uk)

- 17.4 Louise Symes, Strategic Projects & Infrastructure Manager  
01462 474359 [louise.symes@north-herts.gov.uk](mailto:louise.symes@north-herts.gov.uk)

- 17.5 Laura Allen, Senior Planning Officer  
01462 474826 [laura.allen@north-herts.gov.uk](mailto:laura.allen@north-herts.gov.uk)

- 17.6 Sam Dicocco, Senior Strategic Sites Officer  
01462 474443 [sam.dicocco@north-herts.gov.uk](mailto:sam.dicocco@north-herts.gov.uk)

- 17.7 Nurainatta Katevu, Property & Planning Lawyer  
01462 474364 [nurainatta.katevu@north-herts.gov.uk](mailto:nurainatta.katevu@north-herts.gov.uk)

- 17.8 Ian Couper, Service Director of Resources  
01462 474243 [ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk)

- 17.9 Jo Keshishian, Acting Human Resources Services Manager  
01462 474314 [jo.keshishian@north-herts.gov.uk](mailto:jo.keshishian@north-herts.gov.uk)

17.10 Reuben Ayavoo, Policy and Community Engagement Manager  
01462 474212 [reuben.ayavoo@north-herts.gov.uk](mailto:reuben.ayavoo@north-herts.gov.uk)

17.11 Tim Everitt, Performance & Risk Officer  
01462 474646 [tim.everitt@north-herts.gov.uk](mailto:tim.everitt@north-herts.gov.uk)

## **18. BACKGROUND PAPERS**

- [Review of North Hertfordshire Planning Guidance – report to Cabinet July 2017](#)
- [Draft Developer Contributions SPD – report to Cabinet January 2020](#)
- [Peer Challenge Action Plan – report to Cabinet June 2020](#)
- [Housing Delivery Test Action Plan – report to Cabinet June 2020](#)
- [Draft Design SPD – report to Overview & Scrutiny Committee September 2020](#)
- [North Hertfordshire Local Plan – report to Extraordinary Full Council Meeting October 2020](#)

# **North Hertfordshire District Council: Masterplanning Guidance for Strategic Housing Sites and Significant Development: February 2021**

## **1 North Hertfordshire Masterplan Requirements**

- 1.1 Policy SP9 Design & Sustainability is the key strategic policy in the plan to support place-making and design at a strategic scale. The policy requires Strategic Masterplans to be produced for all the Strategic Housing Sites and significant development.
- 1.2 The supporting text acknowledges that the policy has to apply to a wide range of developments in terms of scale, quantum and complexity and any masterplan requirements need to be tailored on a case-by-case basis and identify a proportionate level of masterplan detail to secure design quality. In this respect the design objectives and masterplan requirements of the policy should act as a starting point in scoping out design issues and masterplan material required.
- 1.3 The policy sets out a clear set of design criteria that read across to NPPF, the National Design Guide and the emerging National Model Design Code.
- 1.4 The policy also sets out 'typical' masterplan requirements for Strategic Masterplans for large scale development. This checklist should provide the starting point for scoping out masterplanning requirements for smaller but still significant development in the context of site-specific planning and design issues.
- 1.5 The following sections sets out how policy SP9 can be effectively implemented in practice.
- 1.6 The Strategic Masterplan requirements of Policy SP9 should form the starting point for identifying on a case-by-case basis what information is required. A proportionate approach will be required that takes into account the scale, quantum and complexity of the site, likely form of delivery and the planning and design issues to be resolved.

## 2 Project Management & Governance



**Figure 1 Project Management Structure**

### **Strategic Sites Steering Group**

- 2.1 The role of the Strategic Sites Steering Group would be to support the effective implementation and application of Policy SP9 Design & Sustainability to the Strategic Housing Site Policies SP14-SP19 and other significant development sites as they transition from emerging allocations to the masterplanning and planning application process.
- 2.2 The group will be collectively responsible for applying and implementing Policy SP9 Design and Sustainability in terms of the screening of applicable sites, scoping masterplan requirements, briefs and project plans and establishing and resourcing when required project specific working groups.
- 2.3 A Strategic Sites Steering Group formed by senior planning policy and development management officers will be established to undertake the following roles.

- To identify development proposals which constitute significant development and identify the master planning and design requirements.
- To scope, establish and agree initial site specific masterplan briefs
- To establish project specific working groups where required and organise the initial 'Inception Meeting'.
- Co-ordinate masterplan activity and delivery with landowners and key stakeholders
- Provide elected member briefings when required
- Progress reports to and resolve strategic/showstopper issues with the Project Board

### **Project Working Groups**

- 2.4 These would be established as required to provide a focused and project specific group of district and county officers to drive forward and progress masterplans with the landowner team.
- 2.5 A dedicated planning officer would act as project lead/manager. The project manager would be the day-to-day contact on the project They would prepare a clear masterplan brief and project plan with wider input from other officers and the landowner team. They would be responsible co-ordinating project activity and for ensuring milestones are met and progress is made within agreed timescales.
- 2.6 The group/s would be responsible for the following.
- Ensure national and local plan policy requirements are met at a project specific level
  - Collectively input and shape the masterplan proposals to secure an inter-disciplinary and integrated approach
  - Provide continuous design quality assessment at different scales
  - Co-ordinate technical and design advice from county and district councils and statutory agencies
  - Co-ordinate input from community liaison officers, ward councillors and the local community to ensure effective local community engagement
  - Co-ordinate input from wider stakeholders
  - Resolve issues and drive forward delivery and quality place-making/design in accordance with the masterplan brief and project plan.
  - Support the masterplan process and agree/sign off outputs
  - Provide progress reports to Steering Group
  - Provide ward member briefings when required
  - Seek Council approval when required

## **Stakeholder & Community Engagement**

- 2.7 It is proposed to engage stakeholders through at least 1 focused workshop event. The Council will assist landowners in undertaking a stakeholder mapping exercise to ensure all relevant groups are consulted. It is expected at least one public engagement event is undertaken to inform the production of the Strategic Masterplan. The nature and timing of engagement will be agreed on a project-by-project basis to respond to the individual project needs.

## **Strategic Sites Project Board**

- 2.8 In order for the council to effectively and pro-actively shape masterplan proposals a Strategic Sites Project Board will be established with Senior Leadership from the Council.
- 2.9 The advisory role of the group would be to:
- Inform place specific visions for the Strategic Housing sites that support sustainable communities.
  - Provide corporate oversight and strategic direction to the implementation of strategic site project delivery.
  - Ensure consistency of corporate direction and decision-making from the strategic to the site-specific and over time;
  - Ensure effective use of and sufficient resources to support project delivery
  - Receive and consider progress reports and recommendations for approval of Strategic Masterplan documents
  - Agree approval process and timing for Strategic Masterplans
  - Help with the resolution and or co-ordination of strategic issues, including identification and prioritisation of green, social and physical infrastructure and s106 obligations.

## **PPAs**

- 2.10 Planning Performance Agreements (PPAs) are an effective and commonly used project management tool for large - scale projects and planning applications. Indeed, they have become mainstreamed into planning practice and support decision-making on large-scale and complex sites. They provide a framework within which parties come together to agree how they are going to take a development proposals through the planning process to
- Support collaborative and integrated working
  - Establish the scope and task and clarity on the issues to resolve
  - Provide planning certainty
  - Increase the speed of decision-making
  - Support better quality development.



- 2.11 The Council would normally expect a PPA to be used to support the preparation of Strategic Masterplans and significant development planning applications. The PPA would be prepared at the initial Inception Meeting and based on the stages of masterplanning in the following section.

### 3 North Hertfordshire Masterplanning Process

3.1 The following section sets out the 10 key stages of a recommended collaborative masterplan process.

3.2 The Strategic Masterplan process seeks to achieve the following outcomes:

- Collaborative and inter-disciplinary working to support sustainable integrated design and meet Council Corporate objectives
- A clear site-specific vision and objectives that are locally distinctive and guide the implementation of development over a long period of time in phases
- Provide a common design framework to secure design quality and allow flexibility of implementation
- Provide a framework within which to develop further design instruction at subsequent stages of the project (through outline applications, pre-commencement conditions and reserved matters)
- Create an integrated evidence base and determine development capacity
- Help to co-ordinate cross boundary working where required.
- Support the co-ordination and integration of development
- Identify and co-ordinate what green, social and physical infrastructure is required (when at what cost and funding)
- Ensure effective community engagement, including parish councils and build a sense of community ownership
- Support consultation with stakeholders and their effective input
- Support a financial viability appraisal and help parties to understand cashflow issues and funding gaps
- Provide evidence to provide a realistic assessment of delivery through housing trajectory
- Assist in assessing and determining planning applications (in addition to site specific and other policies)
- Help inform, support and co-ordinate funding, phasing and delivery requirements
- Provide planning certainty and speed up planning application process/ delivery through frontloading and early resolution of issues.
- Enable the Council to endorse the Strategic Masterplan as a material consideration or if required SPD (pursuant to SP9 or site-specific policy)



- 3.3 In practice masterplanning is not a strictly sequential process or a one-size-fits all. Rather it is iterative with the evolution of evidence and design testing throughout the masterplan development. However, these are the broad stages that are widely recognised by good practice and should be used to tailor the approach to the project needs.
- 3.4 The final masterplan report should broadly contain the following information which relates to the requirements of Policy SP9 Design & Sustainability.

<b>Baseline Summary- Understanding the Place</b> with relevant evidence base bas studies
<b>Vision and Place-making Objectives</b> and how the community and stakeholders shaped these
<b>Masterplan Framework plan</b> and explanatory text identifying <ul style="list-style-type: none"> <li>• Indicative Block Structure and land uses (community facilities)</li> <li>• Green infrastructure (location, configuration and type)</li> <li>• Movement Framework (key access points, street network, on and off site pedestrian and cycle routes)</li> <li>• Urban Design Framework (on a block structure plan gateways, landmarks, frontages, edges, interfaces and focal points, including key areas of proposed public realm)</li> </ul>
<b>Green Infrastructure Framework Plan</b> and explanatory text identifying <ul style="list-style-type: none"> <li>• Key green spaces, location and function</li> <li>• Recreational/POS</li> <li>• Strategic Suds</li> <li>• Play</li> <li>• Allotments</li> <li>• Pedestrian and cycle routes</li> <li>• Off-site pedestrian and cycle connections</li> <li>• Structural Landscaping/Tree Planting</li> <li>• Habitat to be retained/enhanced</li> <li>• Biodiversity Net Gain</li> </ul>
<b>Movement Framework Plan</b> and explanatory text identifying <ul style="list-style-type: none"> <li>• Off-site highway improvements</li> <li>• Key access junctions</li> <li>• Primary Route</li> <li>• Secondary Routes</li> <li>• Pedestrian and cycle routes/crossings on and off site (connections to PROW network)</li> <li>• Connections to key destinations</li> <li>• Bus accessibility/circulation</li> </ul>
<b>Urban Design Framework Plan</b> and explanatory text identifying <ul style="list-style-type: none"> <li>• Development block structure</li> <li>• Density</li> <li>• Heights</li> <li>• Gateways</li> </ul>

<ul style="list-style-type: none"> <li>• Landmarks</li> <li>• Focal points</li> <li>• Key frontages</li> <li>• Vistas and key views</li> <li>• Edges and Interfaces</li> <li>• Public Spaces</li> </ul>
<p><b>Design Principles</b> document to a) explain how an understanding of existing character in the landscape, townscape, community and architecture has informed the Masterplan Framework and b) to set out key design principles for the buildings, streets and spaces and c) how a diverse and distinctive range of housing will be provided to meet the differing needs of the population</p>
<p><b>Sustainability &amp; Energy Framework</b> identifying site wide and building scale opportunities and aspirations to reduce carbon emissions through potential use of renewable technologies, energy efficiency standards, sustainable transport, supporting living locally and reducing the need to travel by car, water efficiency, addressing light, noise and air pollution, waste management enhancing biodiversity and tree-planting.</p>
<p><b>Housing Need and Diversification</b> Housing Mix, type and tenure, AH, specialist housing, self-build proposals</p>
<p><b>Illustrative Layout-</b> indicating further detail and design resolution on block and building typologies, street design, green space and public realm design to evidence how a high-quality design and layout can be achieve within the parameters and principles agreed in the Masterplan Framework</p>
<p><b>Infrastructure Delivery Plan</b> This should identify the strategic infrastructure requirements for the following items, the cost and when and where it is required in plan and written form.</p>

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**CABINET  
16 MARCH 2021**

**PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: UPDATE ON OUR MAJOR LEISURE FACILITIES**

REPORT OF THE SERVICE DIRECTOR - PLACE

EXECUTIVE MEMBER ENVIRONMENT & LEISURE: CLLR STEVE JARVIS

COUNCIL PRIORITY: RESPOND TO CHALLENGES TO THE ENVIRONMENT

**1. EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to provide an update on our major leisure facilities and confirm the opening of both Letchworth and Hitchin outdoor pools this summer season. The report also includes a proposal to extend the outdoor pool season by a further one or two weeks.

**2. RECOMMENDATIONS**

- 2.1. That Cabinet supports the decision to open both Letchworth and Hitchin outdoor pools this summer season.
- 2.2. That Cabinet delegate authority to the Service Director Place to take decisions regarding the extension period of the outdoor pools, which will be dependent upon Covid-19 restrictions and affordability, in consultation with the Executive Member for Environment and Leisure, the Service Director Resources and Executive Member for Finance and IT so that a timely decision can be made.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1. To ensure the Council continues to deliver leisure services that support the health and wellbeing of our residents throughout the Coronavirus pandemic.

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1. That the outdoor pool season is not extended, and they open for the contracted 15 week season only, from the last weekend in May to the first weekend in September.
- 4.2. Consideration was given to extending the outdoor pools at the start of the season.

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

- 5.1. Consultation was undertaken with our Executive Member Environment and Leisure, Cllr Steve Jarvis, deputy Cllr Adem Ruggiero-Cakir and Executive Member for Finance & IT, Cllr Ian Albert.

## 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. On the 21 January 2021 Full Council agreed to provide financial support on an open-book basis to SLL to enable the leisure facilities to be open when Covid-19 restrictions allow. The following minute details the resolution;

### *RESOLVED:*

- (1) That financial support is provided on an open-book basis to SLL to enable the leisure facilities to be open when Covid-19 restrictions allow. The support provided will reimburse any losses. The support to SLL in 2020/21 is forecast to be £2.45m (assuming the leisure facilities will now remain closed until the 31 March 2021). Future levels of support will depend on any further restrictions and the speed of recovery. It is assumed to be an additional £2m in 2021/22, but realistic scenarios show that it could be as low as £1.3m in 2021/22 (no further restrictions), or as much as £4.4m across 2021/22 (£3.1m) and 2022/23 (£1.3m).*
- (2) That Council notes that the cost of not supporting SLL and closing the facilities could be as high as the cost of providing support.*
- (3) That (following an initial payment to cover losses to date) payments to SLL are made on a monthly basis following submission of management accounts showing the extent of any losses. These accounts will be reviewed by the Service Director: Place in consultation with the Service Director: Resources, Executive Member for Environment and Leisure and Executive Member for Finance and IT. The affordability of payments will be kept under constant review by the Service Director: Resources, in consultation with the Executive Member for Finance and IT. (4) That Council notes that, in the event of higher levels of support being provided, budget savings in future years (2022/23 onwards) will need to be delivered more quickly than currently forecast.*

*REASON FOR DECISIONS: To seek approval to provide financial support on an open-book basis to SLL to enable the leisure facilities to be open when Covid-19 restrictions allow.*

- 7.2. On 22 February 2021 the Government announced the roadmap to cautiously ease lockdown restrictions in England. Leisure facilities are due to reopen on the 12 April 2021 and SLL will work towards reopening the leisure facilities on this date. Swimming lessons and children's sports courses will resume from the opening date, fitness classes will resume on 17 May 2021, at the earliest.
- 7.3. Each year the outdoor pools normally open on the last weekend in May and close on the second weekend in September.
- 7.4. Due to the Coronavirus pandemic both Letchworth and Hitchin outdoor pools remained closed last year. This year to promote leisure, consideration will be given to extending the season by one or two weeks.



- 7.5. Working with SLL, Officers will monitor usage, weather conditions and any Covid-19 restrictions throughout the season so that recommendations regarding the extension period can be made.
- 7.6. Decisions regarding the extension period will be dependent on the above factors, the overall affordability, and made in consultation with the Executive Member for Environment and Leisure, the Service Director Resources and Executive Member for Finance and IT.

## **8. RELEVANT CONSIDERATIONS**

- 8.1. The costs of opening the outdoor pools for the usual period has been factored into the forecast budget agreed by Full Council on 21 January 2021. There would be an additional cost for extending the opening time.
- 8.2. As the contract will be on an open-book basis during 2021/22, the Council will fund the full cost of opening the outdoor pools. This will be off-set by any usage income received. There is likely to be significant demand during periods of hot weather, but if there are still social distancing measures in place then this could significantly affect the number of people who can actually use the pools, and therefore the income received. Income is also expected to be higher during school holiday periods and lower at other times. Any extension will be during term time.

## **9. LEGAL IMPLICATIONS**

- 9.1 Cabinet's terms of reference include at 5.6.15 the power, "to oversee the provision of all the Council's services other than those functions reserved to the Council."
- 9.2 The Council has wide ranging powers of general competence under the provisions of section 1 of the Localism Act 2011 which enables it to take action to the benefit of its area. Section 19 of the Local Government (Miscellaneous Provisions) Act 1976 enables the Council to provide recreational facilities for the benefit of the community.
- 9.3 Due to the recent pandemic circumstances the Coronavirus Act 2020 and associated regulations and amendments established new ways of living and working. The Health Protection (Coronavirus, Business Closure) (England) Regulations 2020 (SI 2020/327), set out the restrictions which applied from 2pm on 21 March 2020 requiring the temporary closure of certain retail, hospitality and leisure businesses.
- 9.4 The Council has responsibility to ensure compliance with all legal requirements in relation to the leisure facilities and will continue to do so.
- 9.5 The global pandemic has had a significant and detrimental impact on the leisure sector as a whole. The Cabinet Office has issued Procurement Policy Notes (PPN 02/20 and PPN 04/20) which advise how contracting authorities should aim to work with suppliers and provide relief to maintain business and service continuity.
- 9.6 PPN 04/20 advises that contracting authorities and their suppliers need to work in partnership to plan an eventual exit from any relief and transition to a new, sustainable operating model taking into account strategic and reprioritisation needs. The Council's approach, as set out in this report and reported previously, is consistent with the PPNs.

## **10. FINANCIAL IMPLICATIONS**

10.1. The financial support to SLL in 2020/21 is forecast to be £2.45m. Future levels of support will depend on any further restrictions and the speed of recovery. It is assumed to be an additional £2m in 2021/22, but realistic scenarios show that it could be as low as £1.3m in 2021/22 (no further restrictions), or as much as £4.4m across 2021/22 (£3.1m) and 2022/23 (£1.3m). This includes assumed costs and income for the outdoor pools being open for the usual period.

10.2. The following table details the additional cost of opening for an extra week at each pool;

Site	Cost Per Week
Letchworth	£12,040
Hitchin	£10,290

Any income generated would reduce these costs, but given that it will be term-time it can not be assumed that there will be significant income.

10.3. The Council has set a budget for 2021/22 making assumptions about the Covid-19 recovery for all services (including leisure). The actual budget position will depend on how lockdown restrictions are lifted and how people respond to the lifting of those restrictions (e.g. use of town car parks, leisure centre visits). The decision on whether to spend an additional £22k per week will need to be made in the context of overall affordability.

## **11. RISK IMPLICATIONS**

11.1. The main risk associated with this report is financial and is covered in section 10.

## **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.

## **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. The reopening of the pools will increase the energy and water use throughout the prescribed period. However, SLL operates an Environmental Management System accredited to IOS14001. As part of this, each centre has its own Environmental Champion which identifies the most efficient use of water, energy and materials.

## **15. HUMAN RESOURCE IMPLICATIONS**

15.1. There are no direct human resource implications relating to this report.

**16. APPENDICES**

16.1. None.

**17. CONTACT OFFICERS**

- 17.1. Louise Randall, Leisure Manager  
[Louise.randall@north-herts.gov.uk](mailto:Louise.randall@north-herts.gov.uk) Ext 4387
- 17.2. Vaughan Watson, Service Director – Place  
[Vaughan.watson@north-herts.gov.uk](mailto:Vaughan.watson@north-herts.gov.uk) Ext 4641
- 17.3. Ian Couper, Service Director - Resources  
[ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk) Ext 4243
- 17.4. Isabelle Alajooz, Legal Commercial Team Manager  
[Isabelle.Alajooz@north-herts.gov.uk](mailto:Isabelle.Alajooz@north-herts.gov.uk) Ext 4346
- 17.5. Reuben Ayavoo, Policy and Community Engagement Manager  
[Reuben.ayavoo@north-herts.gov.uk](mailto:Reuben.ayavoo@north-herts.gov.uk) Ext 4212
- 17.6. Jo Keshishian, HR Operations Manager  
[Jo.Keshishian@north-herts.gov.uk](mailto:Jo.Keshishian@north-herts.gov.uk) Ext 4314

**18. BACKGROUND PAPERS**

18.1. None

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**CABINET**  
**16 MARCH 2021**

**\*PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: PERFORMANCE MANAGEMENT MEASURES FOR 21/22**

REPORT OF: REPORT OF THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: LEADER OF THE COUNCIL

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 performance indicators (PIs) and associated targets for 2021/22 which were agreed by Executive Members in conjunction with the relevant Service Directors.

**2. RECOMMENDATIONS**

- 2.1. That Cabinet considers and formally approves the PIs and any associated targets that will be monitored throughout 2021/2022 by Overview & Scrutiny

**3. REASONS FOR RECOMMENDATIONS**

- 3.1. An approved range of indicators provides the Cabinet with assurance that service delivery in a number of key services will be monitored throughout 2021/22.

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1. None Considered.

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

- 5.1. All Service Directors were sent PI setting templates for 2021/22, to complete in association with the Executive Members.

## 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 Councils 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 Corporate Managers undertake the review in conjunction with Executive Members.

## 8. CHANGES TO PERFORMANCE MEASURES

- 8.1. There are no new indicators proposed for 21/22.

8.2 The indicators listed in Table 2 are proposed changes to performance indicators for 2021/22

**Table 2 – Amended Indicators for 21/22**

Code	Description	2020/21 Target	2021/22 Target	Comments
BV9	Percentage of council tax collected in year	97.00%	95.00%	Temporary adjustment for 21/22 due to the ongoing impact of the pandemic. There may be a significant increase in those receiving Council Tax reduction when the furlough scheme ends as well as a backlog of cases going through the recovery and court process. The forthcoming introduction of Breathing Space for debt management is also likely to impact on collection rates.
BV10	Percentage of NNDR collected in year	97.00%	93.00%	Temporary adjustment for 21/22 due to the ongoing impact of the pandemic. It will take some time yet for businesses to recover and some may not recover at all. It is very difficult to predict when the economy will recover, and when sectors such as retail, leisure and hospitality will start to pick up.
RES1	Electricity and gas energy	2,589,000	2,459,550	Target based on 95% of previous target to reflect the energy saving measures that have been and will continue to be put in place. As buildings are not

	consumption (kWh)			currently properly in use it is difficult to forecast the impact of any measures already put in place. Actual performance will be affected by heating and cooling requirements linked to outside temperatures.
MI LI015	Number of visits to leisure facilities	1,530,000	585,333	The Number of visits in 21/22 is based on the approved recovery plan. However, this may be subject to change if facilities are not able to re-open.

## 9. UNALTERED PERFORMANCE MEASURES

9.1. The following performance measures have not been changed from those reported in 2020/21.

**Table 3 – Unaltered performance measures**

Code	Description	2020/21 Target	2021/22 Target	Reason
BV12a	Working days lost due to short-term sickness absence per FTE employee	3.50	3.50	Still a challenging target that is a good performance level.
BV12b	Working days lost due to long-term sickness absence per FTE employee	N/A – Data Only	N/A – Data Only	N/A
MI P&R001	Percentage of raised sales invoices due for payment that have been paid	97.00%	97.00%	2021/22 will still see impact from Covid-19. The current target will be challenging.
DC001a	Number of planning applications taken to appeal due to 'non-determination' within the statutory time period, which were allowed	N/A – Data Only	N/A – Data Only	N/A
DC002	Number of planning applications where the fee has been refunded due to the application	0	0	The target relating to returned fees is to remain at the

	not being determined within 26 weeks			optimum level of zero.
LI032a	Number of allowed planning appeal decisions	N/A – Data Only	N/A – Data Only	N/A
LI035a	Number of households living in temporary accommodation	N/A – Data Only	N/A – Data Only	N/A
REG1	Rate of homelessness prevention	N/A – Data Only	N/A – Data Only	N/A
REG2	Rate of homelessness relief	N/A – Data Only	N/A – Data Only	N/A
REG3	Percentage of Environmental Health programmed inspections completed	N/A – Data Only	N/A – Data Only	Please refer to the January 2021 Cabinet report for rationale. Cabinet agreed to remove the previously agreed 2020/21 target and to report data as information only, given the current resource commitment to the pandemic and future commitments to the EU transition. Suggest that the "Data Only" status remains until EH are able to resume business as usual.
FW1	Overall tonnage of food waste collected	N/A – Data Only	N/A – Data Only	N/A
GW1	Overall tonnage of garden waste collected	N/A – Data Only	N/A – Data Only	N/A
NI191	Kg residual waste per household	335	335	Covid impacts are likely to mean that



				the targets may not be met but at this stage we are unable to predict long term changes to our waste streams as a result of the pandemic.
NI192	Percentage of household waste sent for reuse, recycling and composting	57.50%	57.50%	Covid impacts are likely to mean that the targets may not be met but at this stage we are unable to predict long term changes to our waste streams as a result of the pandemic.
PLA01	Number of collections missed per 100,000 collections of household waste	N/A – Data Only	N/A – Data Only	N/A
PLA02	Number of missed waste collections (valid complaints)	N/A – Data Only	N/A – Data Only	N/A
PLA03	Number of waste collections	N/A – Data Only	N/A – Data Only	N/A

## 10. DELETED INDICATORS

10.1. There are no proposals to delete any indicators for the 21/22 year..

## 11. LEGAL IMPLICATIONS

11.1. 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 Council's services.

This report seeks to confirm the provision and targets for such service matters to be agreed by Cabinet.

## **12. FINANCIAL IMPLICATIONS**

- 12.1. There are no direct financial implications arising from this report. Where efficiencies or investments may make a difference to service levels these are indicated in the budget proposals so they can be taken into consideration when considering the budget for the forthcoming year.

## **13. RISK IMPLICATIONS**

- 13.1 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.

## **14. EQUALITIES IMPLICATIONS**

- 14.1 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.
- 14.2 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.

## **15. SOCIAL VALUE IMPLICATIONS**

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

## **16. HUMAN RESOURCE IMPLICATIONS**

- 16.1 There are no additional human resource implications

## **17. ENVIRONMENTAL IMPLICATIONS**

- 17.1 There are no known Environmental impacts or requirements that apply to this report. However, a number of the performance indicators to be monitored throughout the year will provide performance data against key Environmental issues.

## **18. APPENDICES**

None

## **19. CONTACT OFFICERS**

Rachel Cooper  
Controls, Performance & Risk Manager  
[rachel.cooper@north-herts.gov.uk](mailto:rachel.cooper@north-herts.gov.uk)  
01462 474606

Ian Couper  
Service Director - Resources  
[ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk)

01462 474243

Ian Fullstone  
Service Director – Regulatory  
[ian.fullstone@north-herts.gov.uk](mailto:ian.fullstone@north-herts.gov.uk)  
01462 474480

Jeanette Thompson  
Service Director – Legal and Community  
[jeanette.thompson@north-herts.gov.uk](mailto:jeanette.thompson@north-herts.gov.uk)  
01462 474370

Johanne Dufficy  
Service Director – Customers  
[Jo.dufficy@north-herts.gov.uk](mailto:Jo.dufficy@north-herts.gov.uk)  
01462 474555

Vaughan Watson  
Service Director - Place  
[Vaughan.watson@north-herts.gov.uk](mailto:Vaughan.watson@north-herts.gov.uk)  
01462 474641

Steve Crowley  
Service Director – Commercial  
[Steve.crowley@north-herts.gov.uk](mailto:Steve.crowley@north-herts.gov.uk)  
01462 4744211

Jo Keshishian  
Human Resource Manager  
[jo.keshishian@north-herts.gov.uk](mailto:jo.keshishian@north-herts.gov.uk)  
01462 474314

## **20. BACKGROUND PAPERS**

None

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<b>CABINET</b> <b>16 MARCH 2021</b>
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<b>*PART 1 – PUBLIC DOCUMENT</b>
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**TITLE OF REPORT: PROPOSED INCREASE IN CAR PARKING TARIFFS 2021-22**

REPORT OF THE SERVICE DIRECTOR - REGULATORY

EXECUTIVE MEMBER FOR PLANNING & TRANSPORT: COUNCILLOR PAUL CLARK

COUNCIL PRIORITY: ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY

**1. EXECUTIVE SUMMARY**

- 1.1 This report requests that Cabinet agrees the proposed car parking tariffs in North Hertfordshire District Council's off street car parks in order to effectively manage their use, and in accordance with the Council's fees and charges policy as set out in the Medium Term Financial Strategy (MTFS) 2021-26, which was agreed by Full Council on 24 September 2020.

**2. RECOMMENDATIONS**

- 2.1 That Cabinet agrees to adopt the proposed off-street car park tariffs for 2021/22 as set out in Tables 1 to 5 at Appendix A.
- 2.2 That Cabinet agrees to the proposed increase in season tickets prices of 2%, for 2021/22, as set out in Table 6 at Appendix A, for each of its long stay car parks in Hitchin, Letchworth Garden City and Royston.
- 2.3 That Cabinet agrees not to increase the charges for business permits for 2021/22 for its car park at St. Martins Road in Knebworth as set out in Table 7 at Appendix A.
- 2.4 That Cabinet agrees not to increase the charges for resident permits, visitor permits, business permits or visitor tickets for resident permit zones for 2021/22.
- 2.5 That Cabinet agree that the proposed tariff changes, as recommended in paragraphs 2.1 and 2.2 above, are implemented as soon as practicable, and that officers in consultation with the Executive Member and Deputy for Planning and Transport proceed with the implementation as required.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1 To implement an increase in car parking tariffs and season ticket prices in order to effectively manage their use and in accordance with the Council's fees and charges policy as set out in its Medium Term Financial Strategy (MTFS). To set car parking tariffs that support the achievement of modal shift away from private car use and to help support the vitality of town centres.

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

- 4.1 See Section 8 of the report.

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

- 5.1 The Executive Member and Deputy for Planning and Transport has been involved in discussions and selection of tariffs and kept informed on these matters. The Executive Member and Deputy for Enterprise has also been informed.
- 5.2 Town Centre and BID Mangers for each of the towns, Royston Town Council, Knebworth Parish Council and Chairs of the Area Committees were informed and invited to offer their views on the proposed tariff options as set out in Section 8 of the report. Comments received from these organisations will be collated and either verbally reported to Cabinet or included within an addendum report.
- 5.3 These proposals were also discussed at the Political Liaison Board on 2 March 2021.

#### **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 5 February 2021.

#### **7. BACKGROUND**

- 7.1 The Council's approved Medium-Term Financial Strategy for 2021-26, set a budget assumption that the Council should increase parking fees and charges annually by 2%. It made it clear that parking charge levels are mainly set to manage demand and reflective of the cost of alternative parking locations. The budget estimates for 2021/22 include the expectation that income from parking will increase by 2%. Any variance of this would be reported through budget monitoring processes.
- 7.2 Paragraph 5.6.30 of the Council's Constitution, states '*it is for cabinet to determine charges for car parking*'. The proposals for car parking tariffs and season ticket increases are set out sections 8 and 9 below.

#### **8. CAR PARKING TARIFF PROPOSALS**

- 8.1 Parking Tariffs were last increased by Cabinet in March 2020, however these were not implemented due to Coronavirus. The inflationary budget estimate for car parking charges, including parking tariffs (i.e. pay-as-you-use including payment by phone/ app) and season tickets for 2020/21 was estimated to increase by £44,900 in total. The 2020/21 increase included a 2% inflationary rise across the 2 hour tariff band which was rounded up to the nearest 10p in all car parks across the four towns including Knebworth. It also included a 4% rise in season tickets prices for all long stay car parks in Hitchin, Letchworth and Royston, and in business permits for the St. Martins Road car park in Knebworth. . A copy of the March 2020 Cabinet report can be viewed on the Councils website. (Agenda Item 13 <https://srvmodgov01.north-herts.gov.uk/ieListDocuments.aspx?CId=133&MId=2200&Ver=4>)

- 8.2 The proposals for 2021/2022, includes implementing last year's rise and a proposed further inflationary uplift of 2% which results in an additional £49,400 as set in the budget. These proposed tariff increases have been calculated against the agreed 2020/21 tariff increases taking the 2019/20 income as the baseline on ticket sales. This approach is considered reasonable given the unpredictable parking income figures during this financial year associated with the pandemic. It is considered that an overall 2% increase can be justified in the context of managing demand, the cost of alternative locations and encouraging use of public transport. Therefore, three options were considered:

In order to achieve the inflationary budget uplift, a figure of 3.5% was applied to the tariff bands across all three options. This was then rounded to the nearest 5p or 10p as set out in the options below. A 2% uplift would have resulted in no uplift being applied to some tariff bands, as a result a 3.5% uplift had been applied.

Option One:

- 8.2.1 To increase the selected tariff bands by 3.5% (to achieve the 2% overall) rounded to the nearest 5p across all tariff bands in all car parks in each of its towns and Knebworth. This resulted in a potential surplus (additional increase above inflation) of circa £41k which was dismissed given the potential impact on the vitality of the town centres at this point in time as the national lockdown eases and the town centres are trying to recover post the pandemic.

Option Two:

- 8.2.2 To achieve the overall inflationary budget estimate by:

- (i) achieving most of the inflationary target through applying a 3.5% increase to selected tariffs rounded to the nearest 5p based on the 2020/21 tariff increases except for the 1 hour tariff. This will be applied across all car parks in our four towns and Knebworth; and
- (ii) applying a further 2% increase to the cost of season tickets over the agreed 2020/21 prices, this would equate to a £5 increase on a 1 month Season Ticket and a £43 increase on a 12 month Season ticket over the current 2019/20 prices. (See paragraph 8.25 below)

- 8.2.3 Under this option:

- (i) The one hour tariff bands across all car parks in all four towns and Knebworth will be retained, which will remain at the 2019/20 prices;
- (ii) The off-peak incentives after 3pm in Hitchin and Royston will be retained where:
  - the After 3pm tariff bands in the Hitchin Car parks from the 2020/21 price increases will remain, and
  - the subsidised full 'free after 3pm' policy in all Royston car parks will be retained until such time as this policy is reviewed in light of the Hertfordshire County Council Sustainable Travel Town Initiative<sup>1</sup>; and

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<sup>1</sup> The HCC Sustainable Travel Town Initiative is a concept being promoted by HCC through their LTP4 which seeks to promote more active and sustainable modes of travel and includes implementing measures to reduce car travel.

- (iii) the 2020/21 increase in businesses permits for St. Martins Road Car park will be retained i.e. at a cost of £156 for six months and £260 for twelve months.

8.2.4 The above tariff proposals would be applied to all NHDC car parks in Baldock, Hitchin, Letchworth Garden City, Royston and Knebworth as shown in Tables 1 to 5 at Appendix A.

8.2.5 Overall this option could achieve circa £3k over the inflationary budget estimate but is relying on a proposed increase of circa £6.1k in Season Ticket income. If Season Tickets were not increased, then there would be a deficit of circa £3k. This proposed increase would increase income from season tickets and business permits by approximately £17,900 from the 2019/20 prices, assuming demand remains unchanged. This proposed price increase is expected to maintain use of the long stay car parks by season ticket holders, as they will still be receiving a reasonable discount over full day pay-as-you-use charging. Table 6 at Appendix A shows the proposed Season Ticket price increases for 2021/22, while Table 7 shows the Business Permit prices for St. Martins Car park in Knebworth which are to be retained at the 2020/21 prices.

8.2.6 This option is the officers preferred option as these proposals would be in accordance with the Council's policy in terms of:

- Supporting the economic vitality of the town centres by retaining the original 2018/19 1 hour charge across the District;
- Adopting a consistent approach across all car parks within each town whilst respecting their separate identities; and
- Seeking to protect the economic vitality of the town centres, particularly as the lockdown eases and town centres start to recover, with a proposed increase to the nearest 5p as having a minimal impact as possible across all car parks. Returning to a 5p payment option is considered possible with the contactless payment option now available across the majority of the Council Car Parks. Currently our contactless technology is available in all our car parks and as a result of the current pandemic its use is increasing and accounts for 50% of payment methods in our car parks. The parking machines will also accept 5p coins for cash payments.
- Managing the volume and type of off-street parking in a balanced approach to meet NHDC, HCC and national policy objectives, including the need to achieve mode shift away from private car use and to help support the vitality of town centres.

Option Three

8.2.7 Increase tariff bands by 3.5% rounded to the nearest 10p across all tariff bands in all car parks, except the 1 hour tariff and the after 3pm parking tariff in Hitchin and Royston, which would remain at 2020/21 prices. This option could result in a deficit of circa £5k and place additional pressure on the Council when coming to review its tariffs for 2022/23. For this reason, this option was dismissed.



- 8.3 Following discussion with the Executive Member and Deputy for Parking and Transport there is no proposal to increase resident, business or visitor permits and visitor ticket books for each of the Council's resident permit parking zones across the District for 2021/22 or to introduce Evening, Sunday and Bank holiday charging at this point in time. The budget assumption includes a 2% inflationary increase for parking zone permits. Therefore not increasing these will lead to an estimated budget shortfall of £3.6k. This small shortfall is off set by the tariff increases that are proposed which is slightly above the inflation target.
- 8.3.1 A review of resident permits will be undertaken once the current work programme on resident permit parking zones has been completed. This could include the introduction of non-resident permits in some zones, or the possibility of limiting the number of permits and/or increasing the cost for additional permits as a means of seeking to control the demand for permits and reduce car ownership in more sustainable locations across the towns as set out in the Council's adopted Car Parking Strategy.
- 8.3.2 The introduction of Evening, Sunday and Bank holiday charging will form part of a wider policy review, in terms of managing the volume and type of off-street parking and on-street parking in surrounding streets, whilst encouraging people to use more active and sustainable forms of transport, as well as assessing any likely impact on the vitality and viability of the town centres.
- 8.3.3 The introduction of reduced tariffs for non-fossil fuel vehicles will be considered with the business case for alternative payment methods as it may be preferable to link this approach to number plate recognition technology. It should be noted that in order to achieve the current income, tariffs for fossil fuel vehicles will need to increase beyond the inflationary increase and will need to continue to increase as electric vehicle uptake increases. The work on preparing a business case for alternative payment methods is an action in the adopted Parking Strategy Action Plan and is expected to commence this coming financial year.
- 8.4 This report to Cabinet is concerned with presenting a tariff structure that seeks to manage car park usage and reflect inflationary cost pressures as determined by the budget estimates for 2021/2022 and its implementation as soon as possible in the new financial year. Following discussion with the Executive Member and Deputy for Planning and Transport it is the officer recommendation that Cabinet consider and agree the tariff increases as proposed at *Option Two*. These proposed tariff increases are set out in Tables 1 to 7 for each town at Appendix A attached to this report.

## **9. LEGAL IMPLICATIONS**

- 9.1 Under the Terms of Reference for Cabinet, paragraph 5.6.30 of the Constitution states that the Cabinet should by way of resolution determine charges for car parking.
- 9.2 The proposed tariff changes will be required to be published as a Notice of Variation to the North Hertfordshire District Council (Off-Street Parking Places) Order 2014, the North Hertfordshire District Council (Off Street Parking Places) (Baldock) No.2 Order 2014 and to the North Hertfordshire District Council (Off- Street) (Knebworth) (Amendment) Order 2012 in the local papers under Section 35C of the Road Traffic Regulation Act 1984 and in compliance with Section 25 of part V of the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996. Such Notice of Variation will give a minimum of 21 days notice of when the new parking tariffs will be implemented. Site notices will be displayed in all affected car parks.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 The budget for 2021/22, approved by Full Council in February 2020, includes estimated additional income from inflation to the Council of £49,400.
- 10.2 The Council's policy with regard to parking fees and charges is that an inflationary increase of 2% will be applied annually. This is for modelling purposes and the actual increase is considered each year. For 2021/22 the forecast increase in income is approximately £46k from pay-as-you-use income charges and approximately £6k from the sale of car park season tickets.
- 10.3 The approach taken, and assumptions made in estimating the financial impact of the proposed pay-as-you-use tariff structure, as laid out in Tables 1 to 5 at Appendix A, are explained in the body of this report. While the actual impact on parking activity from the proposed tariff structure is unknown, particularly with the pandemic over this financial year the income estimates derived are based on the 2019/20 usage figures and are in line with the income expectation in relation to ad-hoc parking charges within the approved budget for 2021/22. The intended retention of the full 'free after 3pm' policy in all Royston car parks is estimated to have an adverse impact of approximately £13k on the total income estimate, but this will continue to be subsidised by an annual contribution from Royston First BID, Royston Area Committee and County Councillor Hertfordshire Locality Budgets.
- 10.4 Any income shortfalls during the first quarter of 2021/22 (up to 30 June) will be compensated through the Government Sales, Fees and Charges compensation scheme. The Council will fund the first 5% of any losses, and the Government will fund 75% of the remainder. These losses are calculated in comparison to the 2020/21 original budget.
- 10.5 There is a budget set-aside for the cost of publishing the notices, advertising the increased car parking tariffs and season ticket prices in the local press, amending tariff boards and making adjustments to the car park payment machines and to the current Traffic Regulation Order.
- 10.6 Work on preparing a business case on alternative methods of payment will be undertaken by officers and if additional technical/consultant expertise is required consideration will be given to funding this from existing budgets and reserves.

## **11. RISK IMPLICATIONS**

- 11.1 The risks to car parking income have been considered, including the impact of not implementing the agreed 2020/21 tariff review due to the pandemic. Following assessment, the recommendations have been made whilst acknowledging that there is a financial risk that the review of tariff structure might not produce the estimated income and could contribute to a continuing / increasing downward trend in parking sales, as observed at the end of 2019/20 and 2020/21 as a result of the pandemic. Car parking usage and income is continually monitored throughout the year, including as part of the regular revenue monitoring reports.

## **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 issues arising from this report. There is a range of charging/payment options which will still remain available to cater for the widest needs of local car park users. The realignment of the tariffs seeks to improve turnover and usage throughout day thereby supporting the town centre businesses and benefit the economy of North Hertfordshire. Amidst the slight increases, resident permits, visitor permits, business permits or visitor tickets for resident permit zones remain the same and the after 3pm subsidy in Royston continues for their benefit.

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1 As the recommendations made in this report do not constitute a public service contract, the measurement of 'social value' as required by the Public Services (Social Value) Act 2012 need not be applied, although equalities implications and opportunities are identified in the relevant section at Paragraph 12.

## **14. ENVIRONMENTAL IMPLICATIONS**

- 14.1 The NHDC parking strategy seeks to minimise environmental impacts where possible in regard to Off-street parking as noted at 8.2.6 in shifting away from private car use. As noted at 8.2.3 there may be further reduction in car travel with the implementation of the Hertfordshire County Council Sustainable Travel Town Initiative in some areas.

## **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1 There are no new human resource implications arising from the contents of this report. Officers will be responsible for implementing the new tariffs and for preparing the business case for alternative methods of payment.

## **16. APPENDICES**

- 16.1 Appendix A - Proposed 2021/2022 Tariff Increases for NHDC Off-Street Managed Car Parks

## **17. CONTACT OFFICERS**

### ***Report authors***

- 17.1 Louise Symes, Strategic Planning and Projects Manager  
Ext 4359 [louise.symes@north-herts.gov.uk](mailto:louise.symes@north-herts.gov.uk)
- 17.2 Ian Fullstone, Service Director - Regulatory, Ext 4480 [ian.fullstone@north-herts.gov.uk](mailto:ian.fullstone@north-herts.gov.uk)

### **Contributors**

- 17.3 Shah Mohammed, Group Accountant, Ext 4240 [shah.mohammed@north-herts.gov.uk](mailto:shah.mohammed@north-herts.gov.uk)
- 17.4 Jonathan Charter, Parking Enforcement Manager, Ext 4358 [jonathan.charter@north-herts.gov.uk](mailto:jonathan.charter@north-herts.gov.uk)
- 17.5 Ian Couper, Service Director - Resources, Ext 4243 [ian.couper@nprth-herts.gov.uk](mailto:ian.couper@nprth-herts.gov.uk)
- 17.6 Tim Everitt, Performance Improvement Officer, Ext 4646 [tim.everitt@northj-herts.gov.uk](mailto:tim.everitt@northj-herts.gov.uk)
- 17.7 Nurainatta Katevu, Property and Planning Lawyer, Ext 4364 [nurainatta.katevu@north-herts.gov.uk](mailto:nurainatta.katevu@north-herts.gov.uk)
- 17.8 Reuben Ayavoo, Policy and Community Engagement Manager, Ext 4212 [reuben.ayavoo@north-herts.gov.uk](mailto:reuben.ayavoo@north-herts.gov.uk)
- 17.9 Jo Keshishian Human Resources Operations Manager, Ext 4414 [jo.keshishian@north-herts.gov.uk](mailto:jo.keshishian@north-herts.gov.uk)

### **18. BACKGROUND PAPERS**

- 18.1 North Hertfordshire District Council Parking Strategy 2019 - 2031(adopted January 2019) <https://www.north-herts.gov.uk/home/parking/parking-strategy>
- 18.2 Cabinet Report 24 March 2020 – Inflationary Increase in Car Parking Tariffs 2020-21 Agenda Item 13 <https://srvmodgov01.north-herts.gov.uk/ieListDocuments.aspx?CId=133&MId=2200&Ver=4>

### Proposed 2021/2022 Tariff Increases for NHDC Off-Street Managed Car Parks

[Note: blue font shows Tariffs that remain unchanged from 2020/21]

**Table 1 - Hitchin**

Car Park		Duration / hours	Tariff 2019/20	Agreed tariff Increase 2020/21 (Cabinet 24/03/20)	Proposed tariffs 2021/22
Bancroft	Standard tariffs	1	£1.10	£1.10	£1.10
		2	£2.20	£2.30	£2.40
		3	£3.00	£3.00	£3.10
		3+	£5.00	£5.00	£5.15
	Post 3pm Tariffs	1	£1.10	£1.10	£1.10
		2 -3	£1.30	£1.40	£1.40
Biggin Lane	Standard tariffs	1	£1.30	£1.30	£1.30
		2	£2.40	£2.50	£2.60
		3	£4.00	£4.00	£4.15
		4	£5.50	£5.50	£5.70
	Post 3pm Tariffs	1	£1.30	£1.40	£1.40
		2 -3	£1.30	£1.40	£1.40
Christchurch	Standard tariffs	1	£1.30	£1.30	£1.30
		2	£2.40	£2.50	£2.60
		3	£4.00	£4.00	£4.15
		4	£5.50	£5.50	£5.70
	Post 3pm Tariffs	1	£1.30	£1.40	£1.40
		2-3	£1.30	£1.40	£1.40
Lairage MSCP	Standard tariffs	1	£1.10	£1.10	£1.10
		2	£1.10	£1.20	£1.25
		3	£2.20	£2.20	£2.30
		3+	£2.20	£2.20	£2.30
		All Day	£4.40	£4.40	£4.55
	Post 3pm Tariffs	1-2	£1.10	£1.10	£1.10
		3	£1.30	£1.30	£1.30

Car Park		Duration / hours	Tariff 2019/20	Agreed tariff Increase 2020/21 (Cabinet 24/03/20)	Proposed tariffs 2021/22
Portmill East	Standard tariffs	1	£1.30	£1.30	£1.30
		2	£2.40	£2.50	£2.60
		3	£4.00	£4.00	£4.15
		4	£5.50	£5.50	£5.70
	Post 3pm Tariffs	1	£1.30	£1.40	£1.40
		2-3	£1.30	£1.40	£1.40
Portmill West	Standard tariffs	1	£1.30	£1.30	£1.30
		2	£2.40	£2.50	£2.60
		3	£4.00	£4.00	£4.15
		4	£5.50	£5.50	£5.70
	Post 3pm Tariffs	1	£1.30	£1.40	£1.40
		2-3	£1.30	£1.40	£1.40
St Mary's Square	Standard tariffs	1	£1.30	£1.30	£1.30
		2	£2.40	£2.50	£2.60
		3	£4.00	£4.00	£4.15
		4	£5.50	£5.50	£5.70
	Post 3pm Tariffs	1	£1.30	£1.40	£1.40
		2-3	£1.30	£1.40	£1.40
Woodside	Standard tariffs	1	£1.10	£1.10	£1.10
		2	£2.20	£2.30	£2.40
		3	£3.00	£3.00	£3.10
		All Day	£5.00	£5.00	£5.15
	Post 3pm Tariffs	1	£1.10	£1.10	£1.10
		2-3	£1.30	£1.30	£1.30

**Table 2 - Letchworth**

Car Park		Duration / hours	Tariff 2019/20	Agreed tariff Increase 2020/21 (Cabinet 24/03/20)	Proposed tariffs 2021/22
Hillshott		1	£0.70	£0.70	£0.70
		2	£1.40	£1.50	£1.55
		3	£2.40	£2.40	£2.50
		3+	£4.90	£4.90	£5.05

Car Park		Duration / hours	Tariff 2019/20	Agreed tariff Increase 2020/21 (Cabinet 24/03/20)	Proposed tariffs 2021/22
LMSCP Short Stay		1	£0.70	£0.70	£0.70
		2	£1.40	£1.50	£1.55
		3	£2.40	£2.40	£2.50
		4	£4.40	£4.40	£4.55
LMSCP Long Stay		1	£0.70	£0.70	£0.70
		2	£1.40	£1.50	£1.55
		3	£2.40	£2.40	£2.50
		3+	£4.90	£4.90	£5.05
Norton Common Bowling Club		2	£0.00	£0.00	£0.00
		4	£1.70	£1.70	£1.75
		5	£4.70	£4.70	£4.85
Norton Common Swimming Pool		2	£0.00	£0.00	£0.00
		4	£1.70	£1.70	£1.75
		5	£4.70	£4.70	£4.85
Letchworth Town Hall		1	£1.10	£1.10	£1.10
		2	£1.90	£2.00	£2.05
		3	£3.20	£3.20	£3.30
		4	£4.90	£4.90	£5.05

**Table 3 Royston**

Car Park		Duration / hours	Tariff 2019/20	Agreed tariff Increase 2020/21 (Cabinet 24/03/20)	Proposed tariffs 2021/22
Angel Pavement	Standard tariffs	1	£0.60	£0.60	£0.60
		2	£1.40	£1.50	£1.55
		3	£3.70	£3.70	£3.85
	Post 3pm Tariffs	1	£0.00	£0.00	£0.00
		2	£0.00	£0.00	£0.00
		3	£0.00	£0.00	£0.00

Car Park		Duration / hours	Tariff 2019/20	Agreed tariff Increase 2020/21 (Cabinet 24/03/20)	Proposed tariffs 2021/22
Civic Centre	Standard tariffs	1	£0.60	£0.60	£0.60
		2	£0.70	£0.80	£0.85
		3	£1.10	£1.10	£1.15
		3+	£3.40	£3.40	£3.50
	Post 3pm Tariffs	1	£0.00	£0.00	£0.00
		2	£0.00	£0.00	£0.00
		3	£0.00	£0.00	£0.00
		3+	£0.00	£0.00	£0.00
Market Place	Standard tariffs	1	£0.60	£0.60	£0.60
		2	£1.40	£1.50	£1.55
		3	£3.70	£3.70	£3.85
	Post 3pm Tariffs	1	£0.00	£0.00	£0.00
		2	£0.00	£0.00	£0.00
		3	£0.00	£0.00	£0.00
Princes Mews	Standard tariffs	1	£0.70	£0.70	£0.70
		2	£1.40	£1.50	£1.55
		3	£4.90	£4.90	£5.05
		3+	£7.40	£7.40	£7.65
	Post 3pm Tariffs	1	£0.00	£0.00	£0.00
		2	£0.00	£0.00	£0.00
		3	£0.00	£0.00	£0.00
		3+	£0.00	£0.00	£0.00
Priory Gardens	Standard tariffs	1	£0.60	£0.60	£0.60
		2	£1.40	£1.50	£1.55
		3	£3.70	£3.70	£3.85
	Post 3pm Tariffs	1	£0.00	£0.00	£0.00
		2	£0.00	£0.00	£0.00
		3	£0.00	£0.00	£0.00
The Warren	Standard tariffs	1	£0.60	£0.60	£0.60
		2	£1.20	£1.30	£1.35
		3	£1.80	£1.80	£1.85
		3+	£3.80	£3.80	£3.95
	Post 3pm Tariffs	1	£0.00	£0.00	£0.00
		2	£0.00	£0.00	£0.00
		3	£0.00	£0.00	£0.00
		3+	£0.00	£0.00	£0.00



**Table 4 Baldock**

Car Park		Duration / hours	Tariff 2019/20	Agreed tariff Increase 2020/21 (Cabinet 24/03/20)	Proposed tariffs 2021/22
The Twitchell		3	£1.10	£1.20	£1.25
		3+	£1.60	£1.60	£1.65

**Table 5 Knebworth**

Car Park		Duration / hours	Tariff 2019/20	Agreed tariff Increase 2020/21 (Cabinet 24/03/20)	Proposed tariffs 2021/22
St Martin's Road		0.5	£0.30	£0.30	£0.30
		1	£0.60	£0.60	£0.60
		2	£1.40	£1.50	£1.55
		3	£2.10	£2.10	£2.15
		4	£4.20	£4.20	£4.35

**Table 6 Season Tickets**

All Long Stay Car Parks	2019/20 Prices	2020/21 Agreed Prices (Cabinet 24/03/20)	2021/22 Proposed Prices
1 month	£82	£85.00	<b>£87.00</b>
3 months	£203	£211.00	<b>£215.00</b>
6 months	£376	£391.00	<b>£399.00</b>
12 months	£697	£725.00	<b>£740.00</b>

**Table 7 Business Permits – St. Martins Road Car Park**

St. Martins Road Car Park, Knebworth	Existing Business Permit Charge 2019/20	2020/21 Agreed Business Permit Prices (Cabinet 24/03/2020)	2021/22 Proposed Prices
Six months	£150.00	£156.00	<b>£156.00</b>
Twelve months	£250.00	£260.00	<b>£260.00</b>

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**CABINET  
16 MARCH 2020**

**PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: THIRD QUARTER REVENUE MONITORING 2020/21**

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. The purpose of this report is to inform Cabinet of the summary position on revenue income and expenditure forecasts for the financial year 2020/21, as at the end of the third quarter. The forecast variance is a £624k increase on the net working budget of £19.621million, with an ongoing impact in future years of a £79k decrease and requests to carry forward budgets totalling £62k to fund specific projects in 2021/22. Within these summary totals there are a number of budget areas with more significant variances, which are detailed and explained in table 3. The net General Fund variance movement is expected to be covered by an increase in the Sales, Fees and Charges compensation from Government that has been applied.
- 1.2. The report also provides an update on;
- the delivery of planned efficiencies (paragraph 8.3)
  - the use of budget approved to be carried forward from 2019/20 (paragraph 8.4)
  - performance against the four key corporate 'financial health' indicators (paras 8.5-8.7)
  - the overall forecast funding position for the Council and factors that may affect this (paras 8.8 – 8.22)
  - the support payments made to businesses and those individuals required to self-isolate due to the Covid-19 pandemic (paragraph 8.23)

**2. RECOMMENDATIONS**

- 2.1. That Cabinet note this report.
- 2.2. That Cabinet approves the changes to the 2020/21 General Fund budget, as identified in table 3 and paragraph 8.2, a £624k increase in net expenditure. Noting that this net movement is expected to be covered by an increase in the Sales, Fees and Charges compensation from Government that has been applied.
- 2.3. That Cabinet approves the changes to the 2021/22 General Fund budget, as identified in table 3 and paragraph 8.2, a total £17k decrease in net expenditure.

### 3. REASONS FOR RECOMMENDATIONS

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

### 4. ALTERNATIVE OPTIONS CONSIDERED

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

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

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

### 6. FORWARD PLAN

- 6.1. The report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 5<sup>th</sup> February 2021.

### 7. BACKGROUND

- 7.1. Council approved the revenue budget for 2020/21 of £15.136million in February 2020. As at quarter 3 the working budget has increased to £19.621million. Table 1 below details the approved changes to this budget to get to the current working budget:

**Table 1 - Current Working Budget**

	<b>£k</b>
Original approved budget for 2020/21	15,136
Quarter 3 2019/20 Revenue Monitoring report – 2020/21 budget changes approved by Chief Executive under delegated authority as a result of the Cabinet meeting on 24 March 2020 being cancelled due to Covid-19 situation (March 2020)	287
2019/20 Revenue Outturn Report – 2020/21 budget changes approved by Cabinet (June 2020)	403
Quarter 1 2020/21 Revenue Monitoring report - 2020/21 variances approved by Cabinet (September 2020)	1,468
Quarter 2 2020/21 Revenue Monitoring report - 2020/21 variances approved by Cabinet (December 2020)	2,036
Month 8 revenue monitoring included within 2021/22 budget report – 2020/21 variances approved by Cabinet (January 2021)	291
<b>Current Working Budget</b>	<b>19,621</b>

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

**Table 2 – Service Directorate Budget Allocations**

	Working Budget at Q2	Changes approved at Q2	Changes approved at Month 8	Other Budget Transfers	Current Net Direct Working Budget
Service Directorate	£k	£k	£k	£k	£k
Managing Director	1,893	0	0	(27)	1,866
Commercialisation	(273)	(8)	25	42	(214)
Customers	4,019	168	58	73	4,318
Legal & Community	2,257	(63)	(13)	12	2,193
Place	4,848	1,852	442	13	7,155
Regulatory Services	2,066	49	(206)	(83)	1,826
Resources	2,484	38	(15)	(30)	2,477
<b>TOTAL</b>	<b>17,294</b>	<b>2,036</b>	<b>291</b>	<b>0</b>	<b>19,621</b>

## 8. RELEVANT CONSIDERATIONS

- 8.1. Service Managers are responsible for monitoring their expenditure and income against their working budget. Table 3 below highlights those areas where there are forecast to be differences. An explanation is provided for each of the most significant variances, which are generally more than £25k. The final column details if there is expected to be an impact on next year's (2021/22) budget:

**Table 3 - Summary of significant variances**

Budget Area	Working Budget £k	Forecast Outturn £k	Forecast Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2021/22 £k
Court Summons Income	40	0	+40	The forecast zero income outturn follows the decision taken, in consultation with the Executive Member for Finance & IT, to cancel the court dates in February and March. This decision was in adherence with the requirement for no non-essential travel during the period of national lockdown, with most other Herts Authorities taking the same approach.	0	0
DWP New Burdens Grant						
Grant Income	(205)	(475)	(270)	Additional New Burdens grant funding of £297k has been received for various Covid-19 grant schemes that the Council has administered. While £27k has been used to fund the related overtime and systems development costs, most of the resource required has been met from existing staffing budgets. It is proposed that £170k of the funding is transferred to the Welfare Reform grants reserve to finance future spending pressures in this area.	0	0
Transfer to Earmarked Reserve	0	170	+170		0	0
<b>Net Total</b>	<b>(205)</b>	<b>(305)</b>	<b>(100)</b>		<b>0</b>	<b>0</b>

Budget Area	Working Budget £k	Forecast Outturn £k	Forecast Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2021/22 £k
Brexit Grant Funded Expenditure	52	10	(42)	A carry forward of the remaining £42k of the Brexit grant funding is requested, of which £10k is committed to funding a three-year subscription to RIAMS Environmental Health software. We are still in the early stages of post EU transition/ exit from the EU and options for planned expenditure of the remaining £32k budget will be explored at the Project Board meeting scheduled in April. This will be the discussion stage and any action will need to be taken forward in 2021/22 and potentially covers work with the local business community and impacts on them of this initial phase and/or in the medium term.	42	0
Garden Waste Service Expenditure	409	472	+63	Forecast increase in costs results from; the outcome of reconciliation work undertaken to ensure the final sum payable to the contractor for the previous subscription period was in line with the contractual requirement; additional resource needed at the start of the new subscription period to ensure that back office administration and customer contact management could be completed accordingly; the one-off payment made to the contractor to support the reintroduction of the garden waste service after the first lockdown.	0	+53
Garden Waste Service Income	(821)	(954)	(133)	Increase in income expectation reflects the sustained level of demand for the service, with a similar number of households signing up to the new subscription period that commenced in October 2020.	0	(133)
Comingled Recycling - Haulage and Processing Costs	654	811	+157	The trend of higher than anticipated tonnages and lower sales prices for materials, as evident and highlighted in the first and second quarter monitoring reports, continued during the third quarter, with total costs now forecast to be £431k higher than anticipated in the original budget. The higher tonnages are considered to be an impact of the pandemic, as more people work from home and receive deliveries ordered online.	0	0
Trade Refuse Service Tipping Charges	318	286	(32)	The tipping charges reflect the reduced tonnages collected during the first three quarters of the year with reduced business operation.	0	0

Budget Area	Working Budget £k	Forecast Outturn £k	Forecast Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2021/22 £k
Trade Refuse Service Income	(895)	(863)	+32	The pandemic has continued to impact on the number of trade customers using the service, with many non-essential businesses closed either during national lockdowns or when tier restrictions were in place.	0	0
Regulatory Directorate Staffing Costs	3,481	3,347	(134)	Forecast staffing underspend is due to various vacant posts in Planning, Environmental Health and Parking Services. A combination of the delayed progress in the local plan, recruitment difficulties due to Covid-19 and several resignations in critical areas has led to the underspend. Recruitment to Parking Services vacancies has been deferred due to a reduced level of enforcement during lockdown.	0	0
Income from Planning Applications	(940)	(810)	+130	Underachievement of income is attributed to the economic impact of Covid-19 and the delay in the progress of the Local Plan.  This area of income is covered by the Income Guarantee (see paragraph 8.18) and therefore the additional General Fund impact will be reduced to around £33k.	0	0
Planning Services Development Budget	34	0	(34)	This expenditure budget is funded from the 20% increase in statutory planning fees applied from January 2018. Ongoing this budget will be used to fund a Project Officer post for the next 5 years. This year, due to vacancies in planning, the impact of Covid-19 and the delay to the Local Plan, there has been no need to recruit the additional officer to assist in the delivery of the Local Plan.	0	0
Car Parking Income				As highlighted throughout the year, parking activity has been severely impacted by the Covid-19 pandemic, with people and businesses changing their normal routines and activities in response.		
Pay-As-You-Use Income	(1,380)	(848)	+532	An income shortfall of £216k was recorded for the third quarter due to the lockdowns in November and December. The forecast variance also includes the projected income loss for the final quarter. This assumes income receipts to be around 20% of the budgeted amount in January and February, with some recovery in March (assumes income at 60% of budget), which is based on the experience in July and the easing of restrictions after the first lockdown. It is	0	0

Budget Area	Working Budget £k	Forecast Outturn £k	Forecast Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2021/22 £k
Car Park Season Ticket Income	(188)	(147)	+41	<p>anticipated that use of the car parks may increase in March with the reopening of schools and the progress of the national vaccination program facilitating the easing of restrictions and the reopening of shops. A total shortfall from this income stream of more than £1m is now estimated for this financial year.</p> <p>Forecast variance reflects the experience of the third quarter only, with the lockdown in November again requiring employees to work from home where possible and hence contributing to the lower demand for season tickets. Most season tickets are renewed in March, and at this stage it is unknown whether, even with lockdown measures easing, there will be reduced demand as more businesses choose to adopt home working routines on a permanent basis.</p>	0	0
PCN Income	(471)	(343)	+128	<p>There was a shortfall of £41k in PCN income for the third quarter. This is due to reduced traffic during lockdown, reduced use of car parks as people were encouraged to stay at home except for essential trips, adopting a more pragmatic approach to enforcement during the lockdown period and a reduced level of staff within the Parking Enforcement Team due to officers leaving the authority.</p>	0	0
<b>Total Parking Income:</b>	<b>(2,039)</b>	<b>(1,338)</b>	<b>+701</b>	<p>The forecast variance includes the projection for the final quarter, which assumes receipts will total around two thirds of the budget expectation, with the assumed level of activity linked to the anticipated level of car park usage. This would mean a total PCN Income shortfall for the year of £230k.</p> <p>These areas of income are covered by the Income Guarantee (see paragraph 8.18) and therefore the additional General Fund impact will be reduced to around £175k.</p>	<b>0</b>	<b>0</b>
Electric Vehicle Charging Consultants	20	0	(20)	<p>This budget was an investment bid to engage consultants to undertake a study to review and consider opportunities from Electric Vehicle Charging. Officers prepared a Scoping Document and work will continue in 21/22. The requested carry forward of the remaining unspent budget will fund any specialist advice required.</p>	20	0
<b>Total of explained variances</b>	<b>28</b>	<b>656</b>	<b>+628</b>		<b>62</b>	<b>(80)</b>



Budget Area	Working Budget £k	Forecast Outturn £k	Forecast Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2021/22 £k
Other minor balances	19,593	19,589	(4)		0	1
<b>Overall Total</b>	<b>19,621</b>	<b>20,245</b>	<b>+624</b>		<b>62</b>	<b>(79)</b>

8.2. Cabinet are asked to approve the differences highlighted in the table above (a £624k increase in spend), as an adjustment to the working budget (recommendation 2.2). Cabinet are asked to approve the estimated impact on the 2021/22 budget, an overall decrease in budget of £17k, which includes the request to carry forward £62k of budget from 2020/21 to 2021/22 (recommendation 2.3).

8.3. The original approved budget for 2020/21 (and therefore working budget) included efficiencies totalling £651k, which were agreed by Council in February 2020. Any under or over delivery of efficiencies will be picked up by any budget variances (table 3 above). However, there can be off-setting variances which mean that it is unclear whether the efficiency has been delivered. Where this is the case, this will be highlighted. The current forecast at the end of Quarter Three is a total underachievement of £146k. This forecast comprises:

- £115k underachievement of treasury investment income (as highlighted at quarter 1)
- £56k underachievement of the Town Lodge premises cost saving (as reported at quarter 2).
- £25k overachievement of the Document Centre closure saving, with the cost of the related Outbound Mail contract being £34k lower than assumed in the efficiency proposal (as highlighted at Quarter One), marginally offset by an estimated £9k increase in postage costs in 2020/21, which has been managed within the existing working budget.

8.4. The working budget for 2020/21 includes budgets totalling £679k that were carried forward from the previous year. These are generally carried forward so that they can be spent for a particular purpose that had been due to happen in 2019/20 but was delayed into 2020/21. At Quarter Two it was forecast that £11k of the total carried forward would not be spent in 2020/21. At Quarter Three it is forecast that £222k will not be spent in 2020/21. The increase in the forecast relates to Brexit Grant expenditure (£42k of the £52k budget carried forward will not be spent in 2020/21) as detailed in table 3 above, as well as those unspent budget amounts highlighted and explained in the End of November (month 8) monitoring included within the 2021/22 Budget Report, which are listed below;

- Parking Lines and Signs. £20k (of the £46k budget carried forward).
- Electric Vehicle Charging. £15k.
- Community Infrastructure Levy. £87k.
- Transport User Forum, £47k (of the £50k carry forward budget).

All the budget forecast not to be spent in 2020/21 has been requested to be carried forward again into the next financial year 2021/22.

- 8.5. There are 4 key corporate 'financial health' indicators identified in relation to key sources of income for the Council. Table 4 below shows the performance for the year. A comparison is made to the original budget to give the complete picture for the year. Each indicator is given a status of red, amber or green. A green indicator means that they are forecast to match or exceed the budgeted level of income. An amber indicator means that there is a risk that they will not meet the budgeted level of income. A red indicator means that they will not meet the budgeted level of income. At Quarter 2 three of the indicators were red and one was amber. Currently all the indicators are red.
- 8.6. The red indicators for Land Charges, Car Parking Fees and Parking Penalty Charge Notices income were initially highlighted and explained at Quarter One. The further reduction in income from parking penalty charge notices estimated at Quarter Three is itemised and explained in Table 3 above. A further reduction in projected parking fees income was highlighted at Quarter Two and the forecast outturn has reduced again at the end of Quarter Three, as detailed in table 3 above. While the projected income outturn from land charges has improved marginally from the Quarter One estimate, which has allowed a corresponding cost pressure to be absorbed rather than a variance being reported, a shortfall is still expected.
- 8.7. The red indicator in relation to income from planning applications is to highlight that cash receipts at the end of Quarter Three continue to be below the budget expectation and a shortfall on the income budget is now anticipated, as explained in table 3 above. The 'actual to date' total, which currently exceeds the projected outturn, includes the accounting adjustment posted in the last financial year to ensure the income total for 2019/20 only reflected planning applications resolved in the year, in accordance with accounting policy. An equivalent adjustment will be posted at year-end 2020/21, which will reduce the income outturn recorded for 2020/21.

**Table 4 - Corporate financial health indicators**

Indicator	Status	Original Budget	Actual to Date	Projected Outturn	Projected Variance
		£k	£k	£k	£k
Planning Application Fees (including fees for pre-application advice)	Red	(950)	(939)	(810)	140
Land Charges	Red	(164)	(105)	(136)	28
Car Parking Fees	Red	(1,936)	(693)	(848)	1,088
Parking Penalty Charge Notices	Red	(573)	(296)	(343)	230

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

- 8.8. The Council's revenue budget is funded from the following main sources; Council Tax, New Homes Bonus and Retained Business Rates income. The Council was notified by Central Government in February 2020 of the amount of New Homes Bonus it could expect to receive in 2020/21 and planned accordingly.

- 8.9. Council Tax and Business Rates are accounted for in the Collection Fund rather than directly in our accounts, as we also collect them on behalf of other bodies. Each organisation has a share of the balance on the Collection Fund account. At the end of the third quarter, there is forecast to be a deficit on the NHDC share of the Council Tax Collection Fund of £186k and an estimated deficit on the Business Rates Collection Fund of around £8.75million. As statute requires that Collection Fund income amounts chargeable to the General Fund in 2020/21 must be those estimates prepared around the time of setting the budget for the year, the forecast deficits do not impact the funding total or the projected general fund balance shown in table 6. The repayment of the deficits will instead affect the funding position for future years.
- 8.10. As highlighted in the Revenue Budget Report 2021/22, the forecast deficit on the Council Tax Collection Fund will be subject to the 'Local Tax Income Guarantee' for 2020/21. This measure, in response to the impact of the Covid-19 Emergency on Local Government finances, was announced by the Government alongside the Provisional Finance Settlement for 2021/22 in December. The Government has pledged to compensate Councils for up to 75% of irretrievable Collection Fund losses occurring in this financial year. This will be received in the form of a grant that will be accounted for in 2020/21, with the cash receipt most likely to be received in 2021/22. Based on the current Council Tax Collection Fund forecast and the technical information published for calculating the value of eligible compensation, the Income Guarantee in respect of Council Tax is expected to benefit the Council's General Fund in 2020/21 by £150k (as shown in table 6 below). This is an increase of £29k on the £121k initial estimate included in the Revenue Budget Report 2021/22. The actual value will however not be known until after the accounts for 2020/21 are finalised.
- 8.11. It was also explained in the Revenue Budget Report 2021/22 that, as a further response to the Covid-19 pandemic, the Government has legislated that the repayment of 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. The estimated impact on available Council Tax funding over the next three years from this measure was included in the budget estimates published in the Revenue Budget Report 2021/22, with a contribution of £77k to the Collection Fund required in 2021/22.
- 8.12. The forecast deficit on the Business Rates Collection Fund is primarily due to the additional business rate reliefs introduced by government in response to the COVID-19 pandemic. The Council receives compensation in the form of a grant from Central Government for business rate reliefs introduced, which goes into our funds rather than the Collection Fund. The Council expects to receive total compensation of £10.877m for reliefs in 2020/21, which includes £9.193m for the additional reliefs introduced by government in response to the COVID-19 pandemic. The Council holds the grant received in a reserve to fund the repayment in future years of deficits recorded. Some of the amount held in reserve will be used in 20/21 to fund the repayment to the Collection Fund of the deficit originally estimated for 2019/20, as shown in table 6.

- 8.13. The Business Rates Collection Fund deficit for 2020/21 after adjusting for business rate reliefs, currently estimated to be approx. £1.25m (£8.75m total deficit less £7.5m relating to additional reliefs), is also subject to the 'Local Tax Income Guarantee' for 2020/21. Based on current estimates, the Guarantee would currently equate to around an additional £935k of compensation in this year. The actual income value will however not be known until after the Collection Fund accounts for 2020/21 are finalised and the relevant business rates return to Government is submitted. The eligible income amount calculated at year-end will be transferred to the Grant reserve and used to fund the repayment of the deficit next year.
- 8.14. As noted above, the repayment of Collection Fund deficits for 2020/21 will be spread over three years from 2021/22. In respect of the Business Rates Collection Fund, the element of the deficit relating to the additional reliefs, currently estimated for NHDC to be around £7.5m, is still required to be repaid in full in the following financial year. The repayment of the remainder of the estimated deficit, totalling approximately £1.25m, will be spread over three years from 2021/22, with the relevant amount (£416k) included in each calculation of the surplus/ deficit recorded for the two subsequent financial years. A contribution from the General Fund to the Business Rates Collection Fund of £7.9m (total of £7.5m and £416k) is therefore required in the next financial year for the estimated deficit in this year. This will be funded from the grant held in reserve.
- 8.15. In 2020/21 NHDC is a member of the Hertfordshire Business Rates Pool with five other Hertfordshire Local Authorities. The Pool was formed with the expectation that this should reduce the business rates levy amount otherwise payable at the end of the year, as has been the case in prior years. In 2018/19 the Council benefited from a pooling gain of £368k. Council approved in February the release of this pooling gain to the General Fund in 2020/21 and this is included in the funding total in table 6. Original estimates indicated a total pooling gain of £4.3m for the Hertfordshire Business Rates Pool in 2020/21, with NHDC calculated to benefit from a saving of around £700k, reducing the estimated levy from £1.1m (if outside the pool) to an estimated pool contribution required of £0.4m.
- 8.16. The amount of levy payable for 20/21 and any pooling gain will be dependent on the actual value of business rates collected in the year after adjusting for business rate reliefs (which are directly compensated for via the grant from central government) and provisions for appeals and amounts that will not be collected. The Council will need to make a prudent estimate of what those provisions should be. This could reduce the pooling gain in the current year, but will help to avoid having to fund the deficit in future years. As the Pool Lead, Hertfordshire County Council is responsible for collating forecast estimates from each of the pooling authorities in order to gain an indication of the overall position for the pool and the levy implication for member authorities. The impact of the Covid-19 pandemic and the associated wider economic downturn means that there are a range of potential outcomes for pool member authorities in terms of the respective contribution required to the pool to meet the total levy payable, dependent on the incidence and severity of the reduction in rates income collected due to business closures. In the worst-case scenario, the reduction in rates collected means a 'pooling loss' is incurred, with the required contribution to the Pool meaning that the Council ultimately retains less business rates income than if it had remained outside of the pool. In any case however, the Council's contribution to the pool in 2020/21 will be funded from grant held in reserve, and as such will have a net zero impact on the General Fund balance at the end of the year.

- 8.17. The Council has received non-ringfenced emergency grant funding in 2020/21 from Government of £1.602m in relation to the Covid-19 pandemic. The Council has also received and is due to receive various streams of specific funding. This includes New Burdens Funding for Covid Grants administration which, as highlighted and explained in table 3 above, has made a net contribution to the General Fund. For other areas of specific funding, it is assumed that these have, or will be, spent on the specific purpose for which they have been allocated and therefore will have a net zero General Fund impact.
- 8.18. MHCLG has invited Local Authorities to apply for compensation for loss of sales, fees and charges income due to the impact of Covid, referred to previously as the 'Income Guarantee'. The Council's successful claim submitted for the period April to the end of July amounted to £680k. A further claim, amounting to £600k, has since been submitted for the period August to the end of November, bringing the total compensation sought for the period to £1.280million. After incorporating the anticipated impact of the third national lockdown on parking income in the final quarter of the year, as detailed in table 3 above, the full year forecast indicates total income compensation increasing from £1.5million, as estimated at Quarter Two, to around £1.85million. This will however depend on actual income levels achieved in the final months of the financial year.
- 8.19. As at the end of Quarter Two the total net General Fund impact related to Covid-19 impacts reported was £3.841m, as broken down in table 5 of the Quarter Two Revenue monitoring report. The total net General Fund impact relating to Covid-19 impacts highlighted in the November monitoring within the 2021/22 Revenue Budget Report was an additional £481k, while the net total detailed in this report is a further £675k (including the new burdens funding contribution of £270k). This means an overall total impact of £4.997million. Table 5 below shows the break down by budget area, and how it compares to the estimated full-year impact, which was reported to MHCLG in the latest impacts return (26<sup>th</sup> February 2021).

**Table 5 – COVID Financial Impact on General Fund**

Budget Area	Total Reported as at Q2 £k	Reported at November £k	Reported at Q3 £k	Total reported to date £k	Expected to be covered by Income guarantee	Full-year estimate £k	Reason for difference
Leisure Centres	1,800	420	0	2,220	Part	2,220	General Fund net impact assumes £230k Government Leisure Recovery Fund contribution.
Parking	779	0	701	1,480	Yes	1,530	Uncertainty over season ticket income in final quarter
Recycling Processing and materials	274	0	157	431	No	431	-
Garden Waste	186	0	(70)	116	No	116	-
Homeless Accommodation	160	0	0	160	No	160	-
Investment Income	115	0	0	115	No	115	-
HTH/ Museum Income	118	0	0	118	Yes	118	-
Trade Waste	90	0	0	90	Yes	93	-

Court Summons Income	79	61	40	180	No	237	Difference due to current year budget adjustment requested in 2019/20 revenue outturn report.
Land Charges	42	0	(13)	29	Yes	19	Demand recovering to normal levels
Careline fall response	30	0	0	30	No	30	-
Careline over-time	27	0	0	27	No	4	Only part due to Covid-19, the remainder is due to other factors
Planning	0	0	130	130	Yes	130	-
Support Grants	0	0	0	0	No	150	Net nil General Fund impact as covered from Special Reserve.
Other	141	0	0	141	Part	164	Full year estimate includes minor value impacts that have not been itemised in reporting.
<b>Total</b>	<b>3,841</b>	<b>481</b>	<b>945</b>	<b>5,267</b>		<b>5,517</b>	
	Less: non-ringfenced grant funding					(1,602)	
	Less: estimated Sales, Fees and Charges compensation income					(1,850)	
	Less: New Burdens Funding					(270)	
	Less: Funding from Special Reserve					(150)	
	<b>Net General Fund impact</b>					<b>1,645</b>	

8.20. As shown in table 5 above, the estimated overall net impact is around £1.645m. It is necessary to apply a proportion of the grants and compensation received to come back to this overall impact as, if the whole estimated grant and compensation was applied, this would understate the estimated year end position. Therefore £3.3521m (£4.997m less £1.645m) has been shown in table 6 below (split between un-ringfenced grant and income compensation).

8.21. Table 6 below summarises the impact on the General Fund balance of the position at Quarter Three detailed in this report.

**Table 6 – General Fund impact**

	<b>Working Budget</b>	<b>Projected Outturn</b>	<b>Difference</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
<b>Brought Forward balance (1<sup>st</sup> April 2020)</b>	<b>(9,378)</b>	<b>(9,378)</b>	<b>-</b>
Net Expenditure	19,621	20,245	624
Funding (Council Tax, Business Rates, NHB)	(15,576)	(15,576)	0
Contribution to Funding Equalisation Reserve	329	329	0
Contribution to Collection Fund	294	294	0
Funding from Reserves (including Business Rate Relief Grant)	(294)	(294)	0
Covid-19 un-ringfenced government grant funding	(1,602)	(1,602)	0
Applied Government Compensation for Covid-19 related income losses (to balance to £3.352m)	(665)	(1,750)	(1,085)
2020/21 Council Tax Guarantee Income	(121)	(150)	(29)
<b>Carried Forward balance (31<sup>st</sup> March 2021)</b>	<b>(7,392)</b>	<b>(7,882)</b>	<b>(490)</b>

8.22. The minimum level of General Fund balance is determined based on known and unknown risks. Known risks are those things that we think could happen and we can forecast both a potential cost if they happen, and percentage likelihood. The notional amount is based on multiplying the cost by the potential likelihood. The notional amount for unknown risks is based on 5% of net expenditure. There is not an actual budget set aside for either of these risk types, so when they occur they are reflected as budget variances (see table 3). We monitor the level of known risks that actually happen, as it highlights whether there might be further variances. This would be likely if a number of risks come to fruition during the early part of the year. We also use this monitoring to inform the assessment of risks in future years. The notional amount calculated at the start of the year for known risks was £1,351k, and by the end of quarter three a total of £837k has come to fruition. The identified risks realised in the third quarter relate to

- Hitchin Market. Cost neutral arrangements approved for the management of Hitchin Market mean a lower financial return to the Council, as reported in the November Monitoring within the budget report 2021/22 - £24k.
- Recycling services. Increase in net cost due to reducing volumes of paper collected for recycling (£44k - as highlighted in November monitoring) and the increased cost of haulage and processing of commingled recycling collected (£157k - as itemised in table 3 above) - £201k.
- Grounds Maintenance. Reduction in income from third party agency agreements for contracted grounds works following contractual dispute with settle (as reported in November monitoring) - £28k
- Housing services. Legal costs incurred following a challenge to a housing application decision (included within 'other minor variances' in November monitoring) - £21k.
- Planning Services. Lower than anticipated planning income due to the delay in progress of the Local Plan (as explained in table 3 above) - £130k

**Table 7 – Known financial risks**

	<b>£'000</b>
<b>Original allowance for known financial risks</b>	<b>1,351</b>
Known financial risks realised in Quarter 1	(189)
Known financial risks realised in Quarter 2	(244)
Known financial risks realised in Quarter 3	(404)
<b>Remaining allowance for known financial risks</b>	<b>514</b>

## **COVID-19: PAYMENTS TO BUSINESSES AND ISOLATING INDIVIDUALS**

8.23. As part of the Government's economic support for Covid-19, the Council has been required to distribute a number of business grants. The Council has also been required to make self-isolation payments to individuals on low incomes. In both cases this has involved developing specific schemes (within the criteria set out by Government), setting up application processes, determining eligibility and making payments. The amounts that have been distributed (as at 14<sup>th</sup> February 2021) are detailed in table 8 below:

**Table 8 – Covid-19 Financial Support to Businesses and Individuals**

<b>Support Schemes</b>	<b>Payments</b>	
	<b>Number</b>	<b>Value (£)</b>
Small Business Grant Fund and Retail, Hospitality and Leisure Businesses Grant Fund (First National Lockdown)	2,224	27,745,000
Local Authority Discretionary Grant Fund (First National Lockdown)	221	1,455,600
Business Support Payments	661	4,800,449
Local Restrictions Support Grant (November 2020 National Lockdown)	724	1,187,648
Local Restrictions Support Grant (Hertfordshire in Tier 2)	388	268,218
Local Restrictions Support Grant (Hertfordshire in Tier 4)	641	626,949
Wet Pub Christmas Grants	66	66,000
Additional Restrictions Grant (National Lockdown commencing January 2021)	286	346,981
<b>Total Payments to Businesses</b>	<b>5,211*</b>	<b>36,496,845</b>
<b>Track &amp; Trace Payments to Isolating Individuals</b>	<b>271</b>	<b>135,500</b>

\* Businesses will have received payment from more than one grant.

## **9. LEGAL IMPLICATIONS**

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

## **10. FINANCIAL IMPLICATIONS**

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

## **11. RISK IMPLICATIONS**

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

## **12. EQUALITIES IMPLICATIONS**

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



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

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

### **14. 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. None.

### **17. CONTACT OFFICERS**

- 17.1. Antonio Ciampa, Accountancy Manager  
[antonio.ciampa@north-herts.gov.uk](mailto:antonio.ciampa@north-herts.gov.uk); ext 4566
- 17.2. Jodie Penfold, Group Accountant  
[jodie.penfold@north-herts.gov.uk](mailto:jodie.penfold@north-herts.gov.uk); ext 4332
- 17.3. Ian Couper, Service Director – Resources  
[ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk); ext 4243
- 17.4. Jo Keshishian, Acting Human Resources Services Manager  
[Jo.Keshishian@north-herts.gov.uk](mailto:Jo.Keshishian@north-herts.gov.uk); ext 4314
- 17.5. Isabelle Alajooz, Legal Commercial Team Manager  
[isabelle.alajooz@north-herts.gov.uk](mailto:isabelle.alajooz@north-herts.gov.uk); ext 4346
- 17.6. Reuben Ayavoo, Policy and Community Engagement Manager  
[reuben.ayavoo@north-herts.gov.uk](mailto:reuben.ayavoo@north-herts.gov.uk); ext 4212

### **18. BACKGROUND PAPERS**

- 18.1. None.

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**CABINET**  
**16 March 2021**

**\*PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: THIRD QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2020/21**

REPORT OF THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: FINANCE AND I.T.

COUNCIL PRIORITY: ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY

**1 EXECUTIVE SUMMARY**

- 1.1 To update Cabinet on progress with delivering the capital and treasury strategy for 2020/21, as at the end of December 2020.
- 1.2 To update Cabinet on the impact upon the approved capital programme for 2020/21 – 2030/31. The current estimate is a decrease in spend in 2020/21 of £1.6million and an increase in spend in future years of £2.0million. The most significant individual changes relate to £0.397M Property Improvements, £0.352M Lairage Lift Refurbishment, £0.350M Resurface Lairage Car Park and £0.265M Community Facilities Refurbishment. These are being reprofiled into future years. In addition, £0.320M from the Provide Housing at Market Rents budget has been reprofiled into 2020/21 from 2021/22.
- 1.3 To inform Cabinet of the Treasury Management activities in the first nine months of 2020/21. The current forecast is that the amount of investment interest expected to be generated during the year is £0.185million. This remains unchanged from the estimate reported in the second quarter monitoring report.

**2. RECOMMENDATIONS**

- 2.1 That Cabinet notes the forecast expenditure of **£2.354million** in 2020/21 on the capital programme, paragraph 8.3 refers.
- 2.2 That Cabinet approves 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 **£1.102million**.
- 2.3 That Cabinet notes the position of the availability of capital resources, as detailed in table 3 paragraph 8.6 and the requirement to keep the capital programme under review for affordability.

- |     |   |
|-----|---|
| 2.4 | That Cabinet approve the £0.050million budget to refurbish the Gym Floor at the North Herts Leisure Centre be reprofiled into 2020/21. The budget has been approved to spend in 2021/22 but with the Leisure Centre closed due to Covid-19 there's an opportunity to bring this work forward and avoid closing the gym once Covid-19 restrictions have been lifted. |
|-----|---|

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

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

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

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

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

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

### **6. FORWARD PLAN**

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 5th February 2021.

## 7. BACKGROUND

- 7.1 In February 2020, Council approved the Integrated Capital and Treasury Strategy for 2020/21 to 2029/30. To be consistent with the strategy, the monitoring reports for Capital and Treasury are also integrated.
- 7.2 The Medium Term Financial Strategy for 2020 to 2025 confirmed that the Council will seek opportunities to utilise capital funding (including set aside receipts) for 'invest to save' schemes and proposals that generate higher rates of return than standard treasury investments. This is one way the Council will allocate resources to support organisational transformation that will reduce revenue expenditure.
- 7.3 Link Asset Services Ltd were first contracted to provide Treasury advice for the financial year 2012/13 and this arrangement has been extended until 2022/23. The service includes:
- Regular updates on economic and political changes which may impact on the Council's borrowing and investment strategies
  - Information on investment counterparty creditworthiness
  - Technical updates
  - Access to a Technical Advisory Group.

## 8. RELEVANT CONSIDERATIONS

- 8.1 The Council has £117.0 million of capital assets that it currently owns. The Investment Strategy set out the reasons for owning assets that are not for service delivery, including an assessment of Security, Liquidity, Yield and Fair Value. There have been no significant changes in relation to these since the Strategy was set.

### Capital Programme 2020/21

- 8.2 The full capital programme is detailed in Appendix A and shows the revised costs to date, together with the expected spend from 2020/21 to 2030/31 and the funding source for each capital scheme.
- 8.3 Capital expenditure for 2020/21 is estimated to be **£2.354million**. This is a reduction of **£1.583million** on the forecast in the 2nd quarter report (reported to Cabinet on 15th December 2020). The decrease in spend in 2020/21 is largely due to the reprofiling of projects into 21/22. Table 1 below details changes to capital programme.

**Table 1- Current Capital Estimates**

	2020/21 £M	2021/22 £M	2022/23 to 2030/31 £M
<b>Original Estimates approved by Full Council February 2020</b>	<b>9.357</b>	<b>5.405</b>	<b>26.650</b>
<b>Changes approved by Cabinet in 3rd Qrt 2019/20</b>	3.801	0	0
<b>Changes approved by Cabinet in 2019/20 Capital Outturn report</b>	0.277	0	0
<b>Revised Capital estimates at start of (2020/21)</b>	<b>13.435</b>	<b>5.405</b>	<b>26.650</b>
<b>Changes approved by Cabinet in Covid-19 Financial Impacts report 21/07/20</b>	-2.809	1.713	1.096
<b>Executive Member – Finance and I.T. approved additional Expenditure on 4 schemes</b>	0.180	0	0
<b>Changes at Q1</b>	-0.287	0.296	0
<b>Executive Member – Finance and I.T. approved additional Expenditure on 3 schemes</b>	0.108	0	0
<b>Changes approved by Council in Covid-19 Financial Impacts report 24/09/20</b>	0.350	0	0
<b>Changes at Q2</b>	-7.040	7.022	0
<b>Changes approved by Council</b>	0.071	0.283	1.287
<b>Changes at Q3</b>	-1.654	1.102	0.537
<b>Current Capital Estimates</b>	<b>2.354</b>	<b>15.821</b>	<b>29.570</b>

- 8.4 Table 2 lists the schemes in the 2020/21 Capital Programme that will start or continue in 2021/22:

**Table 2: Scheme Timetable Revision:**

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

<b>Scheme</b>	<b>2020/21 Working Budget £'000</b>	<b>2020/21 Forecast £'000</b>	<b>Difference £'000</b>	<b>Reason for Difference</b>	<b>Estimated impact on 2021/22 onwards £'000</b>
Property Improvements	472	75	-397	Some capital works have been completed this year, but limited staff resource have been focused on reactive repairs, compliance and additional COVID-19 related compliance works. These capital improvements will be completed in 2021/22 (or later).	397

<b>Scheme</b>	<b>2020/21 Working Budget £'000</b>	<b>2020/21 Forecast £'000</b>	<b>Difference £'000</b>	<b>Reason for Difference</b>	<b>Estimated impact on 2021/22 onwards £'000</b>
Lairage Lifts Refurbishment	352	0	-352	A review of the multi-storey car parks meant that there was a hold put on non urgent works . This delayed the start of the project. A specification and tender exercise has now been completed and a contractor appointed, with an anticipated start in late May 2021.	352
Resurface Lairage Car Park	350	0	-350	Options for surface treatments were put forward and a budget approved. However there has been insufficient time to specify, tender and complete the works before the winter of 2020. Works are planned for summer 2021.	350
Community Facilities Refurb	523	258	-265	The Community Facilities Capital Grant fund is demand lead. There has been a reduction in applications, which is probably related to Covid-19. It is expected that further applications will be received in 2021/22.	265
Letchworth Multi Storey Parapet / Soffit / Decoration	134	0	-134	Delays with the tender exercise have resulted in works now planned for summer 2021.	134
Museum Storage Solution	100	17	-83	Having explored the initial feasibility and put together a draft layout of the museum storage facility required, we are currently exploring what to do with the rest of the site to make the overall plot and development as financially viable as possible. As a result, this project is on pause until we decide what next steps to take.	83
Leisure Condition Survey	87	5	-82	Due to Covid-19 it has not been possible to carry out	82

<b>Scheme</b>	<b>2020/21 Working Budget £'000</b>	<b>2020/21 Forecast £'000</b>	<b>Difference £'000</b>	<b>Reason for Difference</b>	<b>Estimated impact on 2021/22 onwards £'000</b>
				the majority of items included in the condition survey for 2020 which will now commence in 2021/22	
Sprung Floor Hitchin Town Hall	75	0	-75	Conditional Listed Building Consent has been awarded for this project and the contractor is preparing a submission to discharge the condition. The project will then be able to move forward and will take around 4 weeks. However, we have been asked to host a Covid-19 rapid testing site at HTH for the next 6 weeks, starting in February and as such, the project will not be completed within this financial year.	75
Mrs Howard Hall Boiler / Windows	63	0	-63	This funding is linked to the completion of a new lease. Due to various factors (particularly Covid-19 impacts) the lease will not be finalised until 2021/22.	63
Museum Services Development	48	0	-48	<p>This budget was intended for a canopy to the Terrace Area. Professional advice has determined that the building structure was not strong enough for the proposed canopy design. Alternative options will now be investigated, and if possible will be implemented in 2021/22.</p> <p>It is possible that there will not be a practical solution. Unfortunately, this would mean loss of income in the winter and during poor weather.</p>	48
Hitchin Swim Centre Outdoor Boiler Replacement	40	0	-40	Due to Covid-19 the outdoor pool did not open in 2020 and the project to replace the	40



Scheme	2020/21 Working Budget £'000	2020/21 Forecast £'000	Difference £'000	Reason for Difference	Estimated impact on 2021/22 onwards £'000
				boiler will be put on hold until 2021	
Letchworth Outdoor Pool Boiler	40	0	-40	Due to Covid-19 the outdoor pool did not open in 2020 and the project to replace the boiler will be put on hold until 2021	40
Provide Housing at Market Rents	30	350	320	£2.947M of this budget was approved for reprofiling into 21/22 at the 2nd quarter. Work at Harkness Court has progressed a lot more quickly than previously anticipated, so increasing the spend in 2020/21 (rather than 2021/22).	-320
Total Minor (under £25k) slippage on other projects	130	88	-30		30
<b>Total Revision to Budget Profile</b>			<b>-1.639</b>		<b>1.639</b>

8.5 There are also minor changes to the overall forecast cost of schemes in 2020/21 with the revised estimate being a decrease of £0.015million

8.6 Table 3 below shows how the Council will fund the 2020/21 capital programme.

**Table 3: Funding the Capital Programme:**

	2020/21 Balance at start of year £M	2020/21 Forecast Additions £M	2020/21 Forecast Funding Used £M	2020/21 Balance at end of year £M
Useable Capital Receipts and Set-aside Receipts	7.455	1.105	(2.118)	6.442
S106 receipts			(0.148)	
Other third party grants and contributions			(0.088)	
Planned Borrowing			0	
<b>Total</b>			<b>(2.354)</b>	

- 8.7 The availability of third party contributions and grants to fund capital investment is continuously sought in order to reduce pressure on the Council's available capital receipts and allow for further investment. Additional capital receipts are dependent on selling surplus land and buildings. Ensuring that the Council gets best value from the disposal of land and buildings can take a long time and therefore the amounts that might be received could be subject to change. This will be kept under review throughout the year.
- 8.8 The Council's Capital Financing Requirement (CFR) at 31<sup>st</sup> March 2020 was negative £5.60 million. Based on current forecasts it will remain negative during 2020/21, which means that the Council does not have a need to borrow to fund capital spend.

### **Treasury Management 2020/21**

- 8.9 The Council invests its surplus cash in accordance with the Investment Strategy (see paragraph 4.2). This surplus cash is made up of capital funding balances, revenue general fund balance, revenue reserve and provisions balances and variations in cash due to the timing of receipts and payments. During the first nine months, the Council had an average investment balance of £44.4 million and invested this in accordance with the treasury and prudential indicators as set out in the Integrated Capital and Treasury Management Strategy and in compliance with the Treasury Management Practices. The approved investment limits within the Investment Strategy were breached during the quarter ended 31 December 2020. The limit on investments placed with Building Societies was exceeded by £2.0 million for 19 days in October. Measures have been put in place to ensure limits are not exceeded again.
- 8.10 During the year the Council has had higher than expected cash balances due to the various grant funding that it has been given by Government to pass on to businesses. Even though every effort has been made to pass the money on to businesses as quickly as possible, there has inevitably been a delay between receipt and payment. There have also been tranches of grant where the amount received has exceeded the amounts eligible for payment. Balances have also been higher due to the delays in capital spend. These have both been partially off-set by revenue costs and reduced income related to Covid-19. It has been necessary to keep the business grant funding very liquid, and therefore there has been an increase in short-term investments with the Debt Management Office.
- 8.11 The Council generated £0.161M of interest during the first nine months of 2020/21. The average interest rate on all outstanding investments at the 31<sup>st</sup> December was 0.54%. Interest rates have continued to decline since the second quarter report with some banks offering 0%. The Government's Debt Management Office (DMO) has recently been offering negative rates for very short term deposits. Consequently any new investments are yielding significantly less than 0.54%, usually 0.1% or less. Based on current investments and forecasts of interest rates and cash balances for the remainder of the year, it is forecast that the Council will generate £0.185 million of interest over the whole of 2020/21.

- 8.12 As at 31 December 2020 the split of investments was as shown in the table below. There were no investments with non-UK banks during the quarter. There has been a general downgrading of banks which has meant a couple of non-UK banks have been temporarily removed from the Council's approved counter party list:

Banks	19%
Building Societies	27%
Government	12%
Local Authorities	36%
Money Market Fund (MMF)	6%

- 8.13 The level of risk of any investment will be affected by the riskiness of the institution where it is invested and the period that it is invested for. Where an institution has a credit rating this can be used to measure its riskiness. This can be combined with the period remaining on the investment to give a historic risk of default percentage measure. The table below shows the Historic Risk of Default for outstanding investments at 31 December 2020. The most risky investment has a historic risk of default of 0.178%. It should also be noted that in general the interest rate received is correlated to the risk, so the interest income received would be less if it took on less risk.

<b>Borrower</b>	<b>Principal Invested £M</b>	<b>Interest Rate %</b>	<b>Credit Rating</b>	<b>Days to Maturity at 31 Dec</b>	<b>Historic Risk of Default %</b>
Public Sector Deposit Fund (MMF)	3.0	0.09	AAA	Call	0
Santander UK	2.5	0.03	A	4	0.001
DMO (Government)	6.0	-0.01	AA-	4	0
Barclays Bank	1.5	0.01	A	15	0.002
West Brom Bldg Soc	1.0	0.08	*	18	0.032
Barclays Bank	1.5	0.01	A	19	0.003
Principality Bldg Soc	1.0	0.06	BBB+	19	0.008
Principality Bldg Soc	1.0	0.06	BBB+	21	0.009
Skipton Bldg Soc	2.0	0.1	A-	21	0.009
Marsden Bldg Society	1.5	1.6	*	22	0.010
Liverpool City Council	2.0	0.35	AA-	27	0.002
Fife Council	1.0	0.4	AA-	29	0.002
Principality Bldg Soc	1.0	0.16	BBB+	39	0.016
Surrey Heath Borough Council	3.0	0.18	AA-	53	0.003
Lloyds Bank	2.0	0.1	A+	67	0.013
Skipton Bldg Soc	1.0	0.2	A-	76	0.031
Bank of Scotland	1.0	0.1	A+	81	0.013
Lloyds Bank	1.0	0.05	A+	81	0.004
Leeds Bldg Soc	2.0	0.14	A-	82	0.011

Conwyn County Borough Council	2.0	0.08	AA-	110	0.007
Eastleigh Borough Council	2.0	0.05	AA-	137	0.009
Slough Borough Council	2.0	1.0	AA-	148	0.010
Monmouthshire Bldg Soc	1.0	1.5	*	148	0.178
Slough Borough Council	1.0	0.1	AA-	152	0.010
Monmouthshire County Council	1.0	0.25	AA-	169	0.011
Darlington Bldg Soc	1.0	0.35	*	189	0.083
London Borough of Southwark	2.0	0.2	AA-	217	0.014
Newcastle Bldg Soc	1.0	0.2	*	239	0.105
Blackpool Council	2.0	0.32	AA-	347	0.023
	50.0	0.54			

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

DMO and Local Authority credit ratings are the UK credit rating.

## 9. LEGAL IMPLICATIONS

- 9.1 Cabinet's terms of reference under 5.6.7 specifically includes "to monitor expenditure on the capital programme and agree adjustments within the overall budgetary framework". The Cabinet also has a responsibility to keep under review the budget of the Council and any other matter having substantial implications for the financial resources of the Council. By considering monitoring reports throughout the financial year Cabinet is able to make informed recommendations on the budget to Council. The Council is under a duty to maintain a balanced budget.
- 9.2 Section 151 of the Local Government Act 1972 states that:  
"every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs."
- 9.3 Asset disposals must be handled in accordance with the Council's Contract Procurement Rules.
- 9.4 The Prudential Indicators comply with the Local Government Act 2003.

## 10. FINANCIAL IMPLICATIONS

- 10.1 The main financial implications are covered in section 8 of the report.
- 10.2 The Authority operates a tolerance limit on capital projects that depends on the value of the scheme and on this basis over the next ten-year programme it should be anticipated that the total spend over the period could be £4.393million higher than the budgeted £47.745million.

- 10.3 The capital programme will need to remain under close review due to the limited availability of capital resources and the affordability in the general fund of the cost of using the Council's capital receipts. When capital receipts are used and not replaced the availability of cash for investment reduces. Consequently interest income from investments reduces. £1.0million currently earns the Authority approximately £1k per year in interest. The general fund estimates are routinely updated to reflect the reduced income from investments. When the Capital Financing Requirement (CFR) reaches zero the Council will need to start charging a minimum revenue provision to the general fund for the cost of capital and will need to consider external borrowing for further capital spend. The CFR at the 31 March 2020 was negative £5.6million. This may turn positive next year if the capital programme is fully spent.
- 10.4 The Council also aims to ensure that the level of planned capital spending in any one year matches the capacity of the organisation to deliver the schemes to ensure that the impact on the revenue budget of loss of cash-flow investment income is minimised.

## **11. RISK IMPLICATIONS**

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

## **12. EQUALITIES IMPLICATIONS**

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 There are no direct equalities implications directly arising from the adoption of the Capital Programme for 2020/21 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 resource implications.

## **16. APPENDICES**

- 16.1 Appendix A - Capital Programme Detail including Funding 2020/21 onwards.
- 16.2 Appendix B - Treasury Management Update.

## **17. CONTACT OFFICERS**

- 17.1 Report Writer – Dean Fury, Corporate Support Accountant, Tel 474509,  
[Dean.fury@north-herts.gov.uk](mailto:Dean.fury@north-herts.gov.uk)
- Ian Couper, Service Director: Resources, Tel 474243, email  
[ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk)
- Antonio Ciampa, Accountancy Manager, Tel 474566, email,  
[Antonio.ciampa@north-herts.gov.uk](mailto:Antonio.ciampa@north-herts.gov.uk)
- Reuben Ayavoo, Policy and Community Engagement Manager, Tel 474212, email,  
[Reuben.ayavoo@north-herts.gov.uk](mailto:Reuben.ayavoo@north-herts.gov.uk)

## **18. BACKGROUND PAPERS**

- 18.1 Investment Strategy (Integrated Capital and Treasury Strategy)  
<https://democracy.north-herts.gov.uk/documents/s9835/Appendix%20A%20-%20Investment%20Strategy.pdf>

									Funding					
Project	Service Directorate	2020/21 Funding £	2021/22 Funding £	2022/23 Funding £	2023/24 Funding £	2024/25 Funding £	2025/26 Funding £	2026/27 - 2030/31 Funding £	Funded from capital contributions	Funded from Government Grant	Funded from s106 contributions	Funded from Revenue / IT Reserve	Funded from Planned Borrowing	Balance funded from Capital Receipts/ Set- aside receipts
40 KVA UPS Device or Battery Replacement	Customers	3,000	15,000	0	12,000	0	14,000	16,000	0	0	0	0	30,000	30,000
Access Burymean Road	Commercial	70,000	2,000	0	0	0	0	0	0	0	0	0	0	72,000
Additional PC's - Support Home Working/OAP	Customers	11,000	0	0	0	0	0	0	0	0	0	0	0	11,000
Allotments Water Supply Improvements		0	0	10,000	0	0	0	0	0	0	0	0	0	10,000
Alteration & improvement to underground drainage at Coombes Community Centre, Royston		0	25,000	0	0	0	0	0	0	0	0	0	0	25,000
Alternative to safeword tokens for staff/members working remotely	Customers	16,000	0	12,000	0	18,000	0	33,000	0	0	0	0	51,000	28,000
Avenue Park Splash Park	Place	0	0	0	70,000	0	0	0	0	0	0	0	0	70,000
Acquisition of Property Investments	Commercial	0	8,000,000	4,000,000	4,000,000	4,000,000	0	0	0	0	0	0	9,700,000	10,300,000
Back-up Diesel 40 KVA Generator (DCO)	Customers	0	0	0	25,000	0	0	0	0	0	0	0	0	25,000
Baldock Town Hall project	Legal and Community	48,800	0	0	0	0	0	0	0	0	0	0	0	48,800
Bancroft Lighting	Place	0	0	0	45,000	0	0	0	0	0	0	0	0	45,000
Bancroft & Priory Splash Pads	Place	0	0	0	0	35,000	0	0	0	0	0	0	35,000	0
Bancroft Recreation Ground, Hitchin, Multi Use Games Area (MUGA)	Place	19,400	0	0	0	0	0	0	0	0	0	0	0	19,400
Cabinet Switches - 4 Floors	Customers	0	18,000	0	0	18,000	0	18,000	0	0	0	0	54,000	0
Cadcom Local Knowledge & Notice Board Software	Customers	5,400	0	0	0	0	0	0	0	0	0	200	0	5,200
CCTV at DCO & Hitchin Town Hall	Customers	15,000	0	0	15,000	0	0	0	0	0	0	0	0	30,000
Conference Calling Solutions in Large Meeting Rooms and District Council Offices		0	35,000	0	0	0	0	0	0	0	0	0	0	35,000
Council Chamber		21,000	0	0	0	0	0	0	0	0	0	0	0	21,000
Council property improvements following condition survey	Resources	75,000	115,000	537,200	0	0	0	0	0	0	0	0	0	727,200
Cyberattacks - Events Monitoring Software Solution	Customers	30,000	0	0	0	0	0	0	0	0	0	0	0	30,000
Cycle Strategy implementation (GAF)	Regulatory	0	278,000	0	0	0	0	0	0	278,000	0	0	0	0
Data Switch Upgrade	Customers	0	0	15,000	0	18,000	0	41,000	0	0	0	0	59,000	15,000
Decommissioning of Play Areas	Place	5,000	0	0	0	0	0	0	0	0	0	0	0	5,000
Disabled Facilities Grant	Regulatory	50,000	0	0	0	0	0	0	0	50,000	0	0	0	0
DR Hardware Refresh Inc UPS Battery Pk (unit 3)	Customers	0	0	0	55,000	0	0	60,000	0	0	0	0	60,000	55,000
Email / Web Gateway with SPAM Filtering Software Solution - Licence 3 Year Contract	Customers	15,500	23,500	0	0	0	0	0	0	0	0	0	0	39,000
Email Encryption Software Solution	Customers	45,000	0	0	0	0	0	0	0	0	0	0	0	45,000
Energy efficiency measures	Resources	8,500	0	0	0	0	0	0	0	0	0	0	0	8,500
Football Goal Replacement Programme	Place	0	0	15,000	0	0	0	0	0	0	0	0	0	15,000
Great Ashby District Park safety and security		0	20,000	0	0	0	0	0	0	0	0	0	0	20,000
Green Infrastructure implementation (GAF)	Regulatory	0	185,000	0	0	0	0	0	0	185,000	0	0	0	0
Hitchin Lairage car park - cosmetic coating to four stairwells and replacement windows and doors		0	75,000	0	0	0	0	0	0	0	0	0	0	75,000
Hitchin Swim Centre Boiler Replacement	Place	0	0	0	0	200,000	0	0	0	0	0	0	200,000	0
Hitchin Swim Centre Future Refurbishment	Place	0	0	0	0	0	300,000	605,000	0	0	0	0	905,000	0
Hitchin Swim Centre Outdoor Pool Boiler Replacement	Place	0	40,000	0	40,000	0	0	0	0	0	0	0	0	80,000
Hitchin Swim Centre Reception Toilet Refurbishment	Place	0	0	30,000	0	0	0	0	0	0	0	0	0	30,000
Hitchin Swim Centre Replacement of Domestic Hot Water Calorifer		0	25,000	0	0	0	0	0	0	0	0	0	0	25,000

Project	Service Directorate								Funding					
		2020/21 Funding £	2021/22 Funding £	2022/23 Funding £	2023/24 Funding £	2024/25 Funding £	2025/26 Funding £	2026/27 - 2030/31 Funding £	Funded from capital contributions	Funded from Government Grant	Funded from s106 contributions	Funded from Revenue / IT Reserve	Funded from Planned Borrowing	Balance funded from Capital Receipts/ Set- aside receipts
Hitchin Town Hall Additional Bar & Glassware Infrastructure	Commercial	25,000	0	0	0	0	0	0	0	0	0	0	0	25,000
Hitchin Town Hall Sprung Floor Replacement	Commercial	0	75,000	0	0	0	0	0	0	0	0	0	0	75,000
Howard Gardens Splashpad	Place	0	0	35,000	0	0	0	0	0	0	0	0	0	35,000
Ickneild Way Cemetery Footpaths	Place	0	50,000	0	0	0	0	0	0	0	0	0	0	50,000
Infrastructure Hardware	Customers	300,000	0	28,000	0	278,000	25,000	348,000	0	0	0	0	651,000	328,000
Installation of trial on-street charging (GAF)	Regulatory	0	50,000	0	0	0	0	0	0	50,000	0	0	0	0
Ivel Springs Footpaths	Place	0	0	10,000	0	0	0	0	0	0	0	0	0	10,000
John Barker Place, Hitchin	Regulatory	0	0	1,096,000	0	0	0	0	0	0	270,400	0	0	825,600
Lairage Multi-Storey Car Par - Structural wall repairs	Resources	10,000	110,700	0	0	0	0	0	0	0	0	0	0	120,700
Land Purchase Adj Grange CC	Commercial	20,000	0	0	0	0	0	0	0	0	0	0	0	20,000
Laptop Purchases for Officers		0	55,000	0	0	55,000	0	110,000	0	0	0	0	110,000	110,000
Laptops - Refresh Programme	Customers	109,600	30,000	7,000	7,000	80,000	5,000	70,000	0	0	0	0	155,000	153,600
Leisure Condition Survey Enhancements	Place	5,000	82,000	0	107,000	0	0	0	0	0	0	0	0	194,000
Letchworth Multi-storey Car Park - parapet walls, soffit & decoration	Resources	0	133,800	0	0	0	0	0	0	0	0	0	0	133,800
Letchworth multi-storey car park - lighting	Resources	18,000	0	0	0	0	0	0	0	0	0	0	0	18,000
Letchworth Outdoor Pool Boiler Replacement	Place	0	40,000	0	40,000	0	0	0	0	0	0	0	0	80,000
Match Funding for Electric Vehicle charging		0	100,000	0	0	0	0	0	0	50,000	0	0	0	50,000
Members Laptops Refresh Programme		0	0	0	60,000	0	0	120,000	0	0	0	0	120,000	60,000
Microsoft Enterprise Software Assurance	Customers	0	0	390,000	0	0	426,000	462,000	0	0	0	0	888,000	390,000
Mrs Howard Hall Replacement Boiler & Windows	Resources	0	63,000	0	0	0	0	0	0	0	0	0	0	63,000
Museum Storage Solution	Commercial	17,300	1,182,700	0	0	0	0	0	0	0	0	0	630,000	570,000
Newmarket Road Royston Skatepark & Access	Place	0	0	0	90,000	0	0	0	0	0	0	0	0	90,000
NH Museum & Community Facility	Commercial	0	48,300	0	0	0	0	0	48,300	0	0	0	0	0
NH Museum Platform Lift Solutions	Commercial	40,000	0	0	0	0	0	0	0	0	0	0	0	40,000
NHLC Boiler Replacement	Place	0	0	200,000	0	0	0	0	0	0	0	0	0	200,000
NHLC Dryside Changing Area	Place	0	0	100,000	0	0	0	0	0	0	0	0	0	100,000
NHLC Interactive Water Feature	Place	0	0	0	0	0	0	120,000	0	0	0	0	120,000	0
NHLC Pool Flume Replacement	Place	0	0	0	0	0	0	150,000	0	0	0	0	150,000	0
NHLC Reception Toilet Refurbishment	Place	0	0	30,000	0	0	0	0	0	0	0	0	0	30,000
NHLC Refurbish Gym Floor	Place	0	50,000	0	0	0	0	0	0	0	0	0	0	50,000
NHLC Refurbishment of Gym Members Changing Rooms	Place	179,400	0	0	0	0	0	0	0	0	0	0	0	179,400
NHLC Replace Circulation Pipework	Place	58,700	0	0	0	0	0	0	0	0	0	0	0	58,700
NHLC Replacement of Sport Hall heating system		0	30,000	0	0	0	0	0	0	0	0	0	0	30,000
NHLC Sauna Steam Refurbishment	Place	0	0	0	250,000	0	0	0	0	0	0	0	250,000	0
Northern Transfer Station	Place	0	0	0	0	1,600,000	0	0	0	0	0	0	1,600,000	0
Norton Common Footpaths	Place	0	0	0	10,000	0	0	0	0	0	0	0	10,000	0
Norton Common Wheeled Sports improvements	Place	7,100	0	0	0	0	0	0	0	0	7,100	0	0	0
Off Street Car Parks resurfacing and enhancement	Resources	15,000	178,000	56,100	8,000	0	0	0	0	0	0	0	0	257,100
Oughtonhead Common Footpaths	Place	0	0	0	20,000	0	0	0	0	0	0	0	20,000	0
Park Recycling Litter Bins		0	25,000	0	0	0	0	0	0	0	0	0	0	25,000
Parking Charging, Payments & Management	Regulatory	0	235,000	0	0	0	0	0	0	0	0	0	0	235,000
Parking Machines Replacement		0	0	0	0	0	150,000	150,000	0	0	0	0	300,000	0
Parking Machines Upgrade - Contactless Payment Facility Installation		38,000	36,000	20,000	0	0	0	0	81,000	0	0	0	0	13,000
PC's - Refresh Programme	Customers	30,500	13,000	8,000	7,000	13,000	7,000	34,000	0	0	0	0	54,000	58,500
Playground Renovation District Wide	Place	0	180,000	180,000	180,000	180,000	180,000	900,000	0	0	0	0	1,260,000	540,000



Project	Service Directorate								Funding					
		2020/21 Funding £	2021/22 Funding £	2022/23 Funding £	2023/24 Funding £	2024/25 Funding £	2025/26 Funding £	2026/27 - 2030/31 Funding £	Funded from capital contributions	Funded from Government Grant	Funded from s106 contributions	Funded from Revenue / IT Reserve	Funded from Planned Borrowing	Balance funded from Capital Receipts/ Set- aside receipts
Polling Booths for Elections		0	27,000	0	0	0	0	0	0	0	0	0	0	27,000
Private Sector Grants	Regulatory	60,000	60,000	60,000	60,000	60,000	60,000	300,000	0	0	0	0	360,000	300,000
Provide housing at market rents.	Commercial	350,000	2,626,700	0	0	0	0	0	0	0	0	0	0	2,976,700
Ransoms Rec Footpaths, Gates and Railing	Place	0	0	10,000	20,000	0	0	0	0	0	0	0	0	30,000
Refurbishment and improvement of community facilities	Legal and Community	257,600	265,300	0	0	0	0	0	0	0	0	0	0	522,900
Refurbishment of lifts at Lairage Car Park	Resources	7,000	352,300	0	0	0	0	0	0	0	0	0	0	359,300
Renovate play area Howard Park, Letchworth	Place	75,000	0	0	0	0	0	0	0	0	0	0	0	75,000
Renovate play area King George V Recreation Ground, Hitchin	Place	1,800	0	0	0	0	0	0	0	0	0	0	0	1,800
Renovate play area, District Park, Gt. Ashby	Place	800	0	0	0	0	0	0	0	0	0	0	0	800
Replace and enhance lighting at St Mary's Car Park	Resources	0	60,000	0	0	0	0	0	0	0	0	0	0	60,000
Replace items of play equipment Holroyd Cres, Baldock	Place	10,000	0	0	0	0	0	0	0	0	0	0	0	10,000
Replace items of play equipment Wilbury Recreation Ground, Letchworth	Place	10,000	0	0	0	0	0	0	0	0	0	0	0	10,000
Replacement of Newark Close, Royston		0	65,000	0	0	0	0	0	0	0	0	0	0	65,000
Resurface Lairage Car Park	Resources	0	350,000	0	0	0	0	0	0	0	0	0	0	350,000
Royston Leisure Centre extension	Place	0	0	1,000,000	0	0	0	0	0	0	0	0	0	1,000,000
Royston Leisure Centre Changing Village Refurbishment	Place	0	0	225,000	0	0	0	0	0	0	0	0	0	225,000
Royston Leisure Centre Dry Side Toilet Refurbishment	Place	0	0	30,000	0	0	0	0	0	0	0	0	0	30,000
Royston Leisure Centre Future Refurbishment	Place	0	0	0	0	0	0	300,000	0	0	0	0	300,000	0
Royston Leisure Centre Members Changing Refurbishment	Place	0	0	0	0	150,000	0	0	0	0	0	0	150,000	0
Royston Leisure Centre Solar Thermal Installation		0	50,000	0	0	0	0	0	0	0	0	0	0	50,000
S106 Projects	Various	128,800	0	0	0	0	0	0	0	0	128,800	0	0	0
Security - Firewalls	Customers	14,000	0	14,000	0	16,000	0	36,000	0	0	0	0	52,000	28,000
St Johns Cemetery Footpath	Place	10,000	0	0	0	40,000	0	0	0	0	0	0	6,000	44,000
Tablets - Android Devices	Customers	12,900	15,000	18,000	12,000	17,000	17,000	56,000	0	0	0	0	90,000	57,900
Telephony system	Customers	10,600	0	0	0	0	0	0	0	0	0	0	0	10,600
Thomas Bellamy House, Hitchin		0	65,000	0	0	0	0	0	0	0	0	0	0	65,000
Transport Plans implementation (GAF)	Regulatory	0	250,000	0	0	0	0	0	0	250,000	0	0	0	0
Voice Recorders Careline	Customers	28,500	0	0	0	0	0	0	0	0	0	0	0	28,500
Walsworth Common Pavilion - contribution to scheme	Place	0	0	300,000	0	0	0	0	250,000	0	37,000	0	0	13,000
Walsworth Common Pitch Improvements	Place	20,000	0	0	0	0	0	0	0	0	11,700	0	0	8,300
Waste and Street Cleansing Vehicles	Place	0	0	0	0	0	4,000,000	0	0	0	0	4,000,000	0	0
Weston Hills LNR Footpath Renovation	Place	0	0	20,000	0	0	0	0	0	0	0	0	0	20,000
Wilbury Hills Cemetery Footpaths	Place	10,000	10,000	0	10,000	10,000	0	30,000	0	0	0	0	30,000	40,000
WiFi Upgrade		0	0	0	0	0	40,000	0	0	0	0	0	40,000	0
WiFi Upgrades for DCO & Hitchin Town Hall	Customers	35,000	0	0	0	0	0	0	0	0	0	0	0	35,000
		2,354,200	15,820,300	8,456,300	5,143,000	6,788,000	5,224,000	3,959,000	379,300	863,000	455,000	4,000,200	18,440,000	23,607,300

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# Treasury Management Update

Quarter Ended 31st December  
2020

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# Treasury Management Update

## Quarter Ended 31st December 2020

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

### 1. Economics update

- **UK.** The key quarterly meeting of the Bank of England Monetary Policy Committee kept **Bank Rate** unchanged on 5.11.20. However, it revised its economic forecasts to take account of a second national lockdown from 5.11.20 to 2.12.20 which is obviously going to put back economic recovery and do further damage to the economy. It therefore decided to do a further tranche of **quantitative easing (QE) of £150bn**, to start in January when the current programme of £300bn of QE, announced in March to June, runs out. It did this so that “announcing further asset purchases now should support the economy and help to ensure the unavoidable near-term slowdown in activity was not amplified by a tightening in monetary conditions that could slow the return of inflation to the target”. Its forecasts appeared, at that time, to be rather optimistic in terms of three areas:
  - The economy would recover to reach its pre-pandemic level in Q1 2022
  - The Bank also expected there to be excess demand in the economy by Q4 2022.
  - CPI inflation was therefore projected to be a bit above its 2% target by the start of 2023 and the “inflation risks were judged to be balanced”.
- Significantly, there was no mention of **negative interest rates** in the minutes or Monetary Policy Report, suggesting that the MPC remains some way from being persuaded of the case for such a policy, at least for the next 6 -12 months. However, rather than saying that it “stands ready to adjust monetary policy”, the MPC this time said that it will take “whatever additional action was necessary to achieve its remit”. The latter seems stronger and wider and may indicate the Bank’s willingness to embrace new tools.
- One key addition to **the Bank’s forward guidance in August** was a new phrase in the policy statement, namely that “it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably”. That seems designed to say, in effect, that even if inflation rises to 2% in a couple of years’ time, do not expect any action from the MPC to raise Bank Rate – until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate. Our Bank Rate forecast currently shows no increase, (or decrease), through to quarter 1 2024 but there could well be no increase during the next five years as it will take some years to eliminate spare capacity in the economy, and therefore for inflationary pressures to rise to cause the MPC concern. **Inflation** is expected to briefly peak at just over 2% towards the end of 2021, but this is a temporary short lived factor and so not a concern.
- **COVID-19 vaccines.** We had been waiting expectantly for news that various COVID-19 vaccines would be cleared as being safe and effective for administering to the general public. The Pfizer announcement on 9<sup>th</sup> November was very encouraging as its 90% effectiveness was much higher than the 50-60% rate of effectiveness of flu vaccines which might otherwise have been expected. However, this vaccine has demanding cold storage requirements of minus 70c that impairs the speed of application to the general population. It has therefore been particularly welcome that the Oxford University/AstraZeneca vaccine has now also been approved which is much cheaper and only requires fridge temperatures for storage. The Government has 60m doses on order and is aiming to vaccinate at a rate of 2m people per week starting in January, though this rate is currently restricted by a bottleneck on vaccine production; (a new UK production facility is due to be completed in June).
- These announcements, plus expected further announcements that other vaccines could be approved soon, have enormously boosted confidence that **life could largely return to normal during the second**

**half of 2021**, with activity in the still-depressed sectors like restaurants, travel and hotels returning to their pre-pandemic levels; this would help to bring the unemployment rate down. With the household saving rate having been exceptionally high since the first lockdown in March, there is plenty of pent-up demand and purchasing power stored up for these services. A comprehensive roll-out of vaccines might take into late 2021 to fully complete; but if these vaccines prove to be highly effective, then there is a possibility that restrictions could start to be eased, beginning possibly in Q2 2021 once vulnerable people and front-line workers have been vaccinated. At that point, there would be less reason to fear that hospitals could become overwhelmed any more. Effective vaccines would radically improve the economic outlook once they have been widely administered; it may allow GDP to rise to its pre-virus level a year earlier than otherwise and mean that the unemployment rate peaks at 7% in 2021 instead of 9%.

- Overall, **the pace of recovery** was not expected to be in the form of a rapid V shape, but a more elongated and prolonged one. The initial recovery was sharp after quarter 1 saw growth at -3.0% followed by -18.8% in quarter 2 and then an upswing of +16.0% in quarter 3; this still left the economy 8.6% smaller than in Q4 2019. It is likely that the one month national lockdown that started on 5<sup>th</sup> November, will have caused a further contraction of 8% m/m in November so the economy may have then been 14% below its pre-crisis level.
- **December 2020 / January 2021.** Since then, there has been rapid back-tracking on easing restrictions due to the spread of a new mutation of the virus, and severe restrictions were imposed across all four nations. These restrictions were changed on 5.1.21 to national lockdowns of various initial lengths in each of the four nations, as the NHS was under extreme pressure. It is now likely that wide swathes of the UK will remain under these new restrictions for some months; this means that the near-term outlook for the economy is grim. However, the distribution of vaccines and the expected consequent removal of COVID-19 restrictions, should allow GDP to rebound rapidly in the second half of 2021 so that the economy could climb back to its pre-pandemic peak as soon as late in 2022. Provided that both monetary and fiscal policy are kept loose for a few years yet, then it is still possible that in the second half of this decade, the economy may be no smaller than it would have been if COVID-19 never happened. The significant caveat is if another mutation of COVID-19 appears that defeats the current batch of vaccines. However, now that science and technology have caught up with understanding this virus, new vaccines ought to be able to be developed more quickly to counter such a development and vaccine production facilities are being ramped up around the world.
- **Brexit.** The final agreement on 24.12.20 has eliminated a significant downside risk for the UK economy. The initial agreement only covers trade so there is further work to be done on the services sector where temporary equivalence has been granted in both directions between the UK and EU; that now needs to be formalised on a permanent basis. As the forecasts in this report were based on an assumption of a Brexit agreement being reached, there is no need to amend these forecasts.
- **Monetary Policy Committee meeting of 17th December.** All nine Committee members voted to keep interest rates on hold at +0.10% and the Quantitative Easing (QE) target at £895bn. The MPC commented that the successful rollout of vaccines had reduced the downsides risks but they were still sufficiently concerned that they voted to extend the availability of the Term Funding Scheme, (cheap borrowing), with additional incentives for small and medium size enterprises for another six months from 30.4.21 until 31.10.21. (The MPC had assumed that a Brexit deal would be agreed.)
- **US.** The Democrats won the presidential election in November, and now that they have won two Senate seats in Georgia in early January, they have effective control of both Congress and the Senate, although power is more limited in the latter. This is likely to enable the Democrats to provide more fiscal stimulus to the economy and so help the speed of economic recovery.
- **The economy** had been recovering quite strongly from its contraction in 2020 of 10.2% due to the pandemic with GDP only 3.5% below its pre-pandemic level and the unemployment rate dropping below 7%. However, the rise in new cases during quarter 4, to the highest level since mid-August, suggests that the US could be in the early stages of a fourth wave - impacting widely across the US this time. This

latest upturn poses a threat that the recovery in the economy could stall. This is **the single biggest downside risk** to the shorter term outlook – a more widespread and severe wave of infections over the winter months, which is compounded by the impact of the regular flu season and, as a consequence, threatens to overwhelm health care facilities. Under those circumstances, states might feel it necessary to return to more draconian lockdowns.

- The restrictions imposed to control the spread of the virus are once again weighing on the economy with employment growth slowing sharply in November and retail sales dropping back. The economy is set for further weakness in December and into the spring. However, a \$900bn fiscal stimulus deal passed by Congress in late December will limit the downside. GDP growth is expected to rebound markedly from the second quarter of 2021 onwards as vaccines are rolled out on a widespread basis and restrictions are loosened.
- After Chair Jerome Powell unveiled the **Fed's adoption of a flexible average inflation target** in his Jackson Hole speech in late August 2020, the mid-September meeting of the Fed agreed by a majority to a toned down version of the new inflation target in his speech - that *"it would likely be appropriate to maintain the current target range until labour market conditions were judged to be consistent with the Committee's assessments of maximum employment and inflation had risen to 2% and was on track to moderately exceed 2% for some time."* This change was aimed to provide more stimulus for economic growth and higher levels of employment and to avoid the danger of getting caught in a deflationary "trap" like Japan. It is to be noted that inflation has actually been under-shooting the 2% target significantly for most of the last decade, (and this year), so financial markets took note that higher levels of inflation are likely to be in the pipeline; long-term bond yields duly rose after the meeting. There is now some expectation that where the Fed has led in changing its inflation target, other major central banks will follow. The increase in tension over the last year between the US and China is likely to lead to a lack of momentum in progressing the initial positive moves to agree a phase one trade deal.
- The Fed's meeting on **16 December** tweaked the guidance for its monthly asset quantitative easing purchases with the new language implying those purchases could continue for longer than previously believed. Nevertheless, with officials still projecting that inflation will only get back to 2.0% in 2023, the vast majority expect the fed funds rate to be still at near-zero until 2024 or later. Furthermore, officials think the balance of risks surrounding that median inflation forecast are firmly skewed to the downside. The key message is still that policy will remain unusually accommodative – with near-zero rates and asset purchases – continuing for several more years. This is likely to result in keeping Treasury yields low – **which will also have an influence on gilt yields in this country.**
- **EU.** In early December, the figures for **Q3 GDP** confirmed that the economy staged a rapid rebound from the first lockdowns. This provides grounds for optimism about growth prospects for next year. In Q2, GDP was 15% below its pre-pandemic level. But in Q3 the economy grew by 12.5% q/q leaving GDP down by "only" 4.4%. That was much better than had been expected earlier in the year. However, growth is likely to stagnate during **Q4 and in Q1 of 2021**, as a second wave of the virus has affected many countries: it is likely to hit hardest those countries more dependent on tourism.
- With inflation expected to be unlikely to get much above 1% over the next two years, **the ECB** has been struggling to get inflation up to its 2% target. It is currently unlikely that it will cut its central rate even further into negative territory from -0.5%, although the ECB has stated that it retains this as a possible tool to use. The ECB's December meeting added a further €500bn to the PEPP scheme, (purchase of government and other bonds), and extended the duration of the programme to March 2022 and re-investing maturities for an additional year until December 2023. Three additional tranches of TLTRO, (cheap loans to banks), were approved, indicating that support will last beyond the impact of the pandemic, implying indirect yield curve control for government bonds for some time ahead. The Bank's forecast for a return to pre-virus activity levels was pushed back to the end of 2021, but stronger growth is projected in 2022. The total PEPP scheme of €1,850bn of QE which started in March 2020 is providing protection to the sovereign bond yields of weaker countries like Italy. There is therefore **unlikely to be a euro crisis** while the ECB is able to maintain this level of support. However, as in the UK and the US,

the advent of highly effective vaccines will be a game changer, although growth will struggle before later in quarter 2 of 2021.

- **China.** After a concerted effort to get on top of the virus outbreak in Q1, economic recovery was strong in Q2 and then into Q3 and Q4; this has enabled China to recover all of the contraction in Q1. Policy makers have both quashed the virus and implemented a programme of monetary and fiscal support that has been particularly effective at stimulating short-term growth.
- **Japan.** A third round of fiscal stimulus in early December took total fresh fiscal spending this year in response to the virus close to 12% of pre-virus GDP. That's huge by past standards, and one of the largest national fiscal responses. The budget deficit is now likely to reach 16% of GDP this year. Coupled with Japan's relative success in containing the virus without draconian measures so far, and the likelihood of effective vaccines being available in the coming months, the government's latest fiscal effort should help ensure a strong recovery and to get back to pre-virus levels by Q3 2021 – around the same time as the US and much sooner than the Eurozone.
- **World growth.** World growth will have been in recession in 2020. Inflation is unlikely to be a problem for some years due to the creation of excess production capacity and depressed demand caused by the coronavirus crisis.

## 2. Interest rate forecasts

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Following the conclusion of the HM Treasury review of PWLB margins over gilt yields on 25.11.20, all forecasts below now include the 1% reduction in the non-HRA Certainty Rate (now gilt yields plus 80bps):

Link Group Interest Rate View		9.11.20											
These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20													
	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
10 yr PWLB	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
25 yr PWLB	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
50 yr PWLB	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60

The coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its subsequent meetings, although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected within the forecast horizon ending on 31<sup>st</sup> March 2024 as economic recovery is expected to be only gradual.

**GILT YIELDS / PWLB RATES.** There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was heightened expectations that the US could have been heading for a recession in 2020. In addition, there were growing expectations of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued. Combined, these conditions were conducive to very low bond yields. While inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers. This means that central banks do not need to raise rates as much now to have a major impact on consumer



spending, inflation, etc. The consequence of this has been **the gradual lowering of the overall level of interest rates and bond yields in financial markets**. Over the year prior to the coronavirus crisis, this has seen many bond yields up to 10 years turn negative in the Eurozone. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession.

Gilt yields had, therefore, already been on a generally falling trend up until the coronavirus crisis hit western economies during March. After gilt yields initially spiked upwards in March, we have seen yields fall sharply in response to major western central banks taking rapid policy action to deal with excessive stress in financial markets during March, and starting massive quantitative easing driven purchases of government bonds: these actions also acted to put downward pressure on government bond yields at a time when there has been a huge and quick expansion of government expenditure financed by issuing government bonds. Such unprecedented levels of issuance in “normal” times would have caused bond yields to rise sharply. **At the close on 31<sup>st</sup> December, all gilt yields from 1 to 8 years were in negative territory, while even 25 year yields were only at 0.84% and the 50 year at 0.64%.**

From the local authority borrowing perspective, HM Treasury imposed **two changes of margins over gilt yields for PWLB rates in 2019-20** without any prior warning. The first took place on 9.10.19, adding an additional 1% margin over gilts to all PWLB period rates. That increase was then, at least partially, reversed for some forms of borrowing on 11.3.20, but not for mainstream non-HRA capital schemes. A consultation was then held with local authorities and **on 25.11.20, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates**; the standard and certainty margins were reduced by 1% but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three year capital programme. The new margins over gilt yields are as follows: -.

- **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
- **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

As the interest forecast table for PWLB certainty rates, (gilts plus 80bps), above shows, there is likely to be little upward movement in PWLB rates over the next three years as it will take the UK a prolonged period to eliminate spare capacity in the economy so that inflation might start to become a sufficient concern for both the MPC to consider raising Bank Rate, and for gilt holders to require a higher yield.

### 3. Annual Investment Strategy

The Treasury Management Strategy Statement (TMSS) for 2020/21, which includes the Annual Investment Strategy, was approved by the Council on 6th February 2020. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:

- Security of capital
- Liquidity
- Yield

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

As shown by the interest rate forecasts in section 2, it is now impossible to earn the level of interest rates commonly seen in previous decades as all short term money market investment rates are barely above zero now that Bank Rate is at 0.10%, while some entities, including more recently the Debt Management Account Deposit Facility (DMADF), are offering negative rates of return in some shorter time periods. Given this environment and the fact that increases in Bank Rate are unlikely to occur before the end of the current forecast horizon of 31<sup>st</sup> March 2024, investment returns are expected to remain low.

#### **Negative investment rates**

While the Bank of England has said that it is unlikely to introduce a negative Bank Rate, (at least in the next 6 - 12 months), some deposit accounts are already offering negative rates for shorter periods. As part of the response to the pandemic and lockdown, the Bank and the Government have provided financial markets and businesses with plentiful access to credit, either directly or through commercial banks. In addition, the Government has provided large sums of grants to local authorities to help deal with the COVID crisis; this has caused some local authorities to have sudden large increases in investment balances searching for an investment home, some of which was only very short-term until those sums were able to be passed on. Meanwhile, uncertainty among corporate investors has also heightened their preference for the very short end of the yield curve. This, combined with a glut of monies which was particularly acute in the run up to the calendar year end, lead to some financial entities offering yet deeper negative yields or simply closing their books to new monies until 2021 began.

As for money market funds (MMFs), yields drifted lower through to the close of the calendar year. In response, managers continued to trim fee levels to ensure that net yields for investors remained in positive territory through the final quarter of the year.

Inter-local authority lending and borrowing rates have also declined due to elevated cash levels seeking a short-term home at a time when many local authorities are probably having difficulties over accurately forecasting when disbursements of funds received will occur, or when further large receipts will be received from the Government. In addition, the impact of the change in the PWLB margin has had a marked impact on rates being offered.

#### **Creditworthiness.**

Although the credit rating agencies changed their Outlook on many financial institutions from Stable to Negative during the quarter ended 30.6.20, the majority of ratings were affirmed due to the continuing strong credit profiles and wider government support provided to financial markets and economies in general. During Q1 and Q2 2020, banks did make provisions for *expected* credit losses, while the most recent set of quarterly reports saw a number of entities revise down provisions in light of better economic outlooks. As we move into the next quarters ahead, more information will emerge on *actual* levels of credit losses. (Quarterly performance is normally announced in the second half of the month following the end of the quarter.) This has the potential to cause rating agencies to revisit their initial rating adjustments if they are found to be misaligned. These adjustments could be negative or positive, although it should also be borne in mind that UK banks, among others, went into this pandemic with strong balance sheets.

#### **Investment Counterparty criteria**

The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

#### **CDS prices**

Although CDS prices (these are market indicators of credit risk) for banks (including those from the UK) spiked upwards at the end of March / early April as the crisis unfolded, they have returned to near pre-pandemic levels

by the close of the year. **However, sentiment can easily shift, so it remains important to undertake continual monitoring of all aspects of risk and return in the current circumstances.**

### Investment balances

The average level of funds available for investment purposes during the quarter was **£49m**. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme. The Council holds **£20.5m** core cash balances for investment purposes (i.e. funds available for more than one year). The investment portfolio yield for the first nine months of the year was 0.48%. This is the weighted average rate of interest earned on investments held by the Council between 1 April and 31 December. The 0.54% average interest rate shown in the table below is the weighted average rate of interest on outstanding investments on 31 December.

	Amount	Average
	£	Interest Rate %
<b>Managed By NHDC</b>		
Banks	9,500,000	0.06
Building Societies	9,000,000	0.14
Local Authorities	18,000,000	0.36
Money Market Fund	3,000,000	0.09
Government	6,000,000	-0.01
<b>NHDC Total</b>	<b>45,500,000</b>	<b>0.27</b>
<b>Managed by Tradition</b>		
Building Societies	4,500,000	1.30
<b>Tradition Total</b>	<b>4,500,000</b>	<b>1.30</b>
<b>TOTAL</b>	<b>50,000,000</b>	<b>0.54</b>

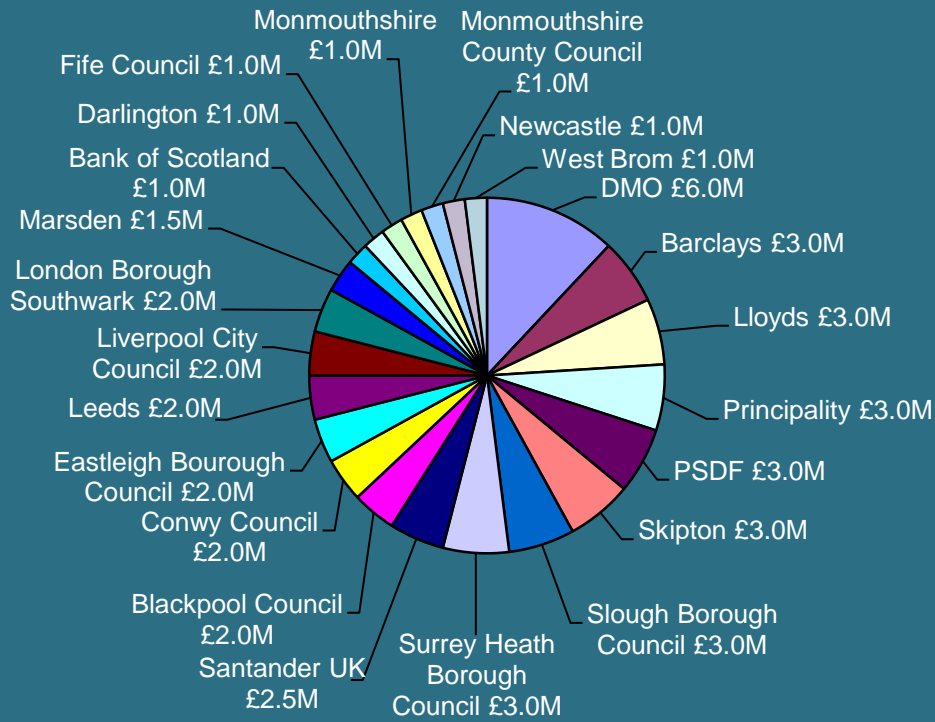
In percentage terms, this equates to:

	Percentage
Money Market Fund	6
Government	12
Banks	19
Building Societies	27
Local Authorities	36

The approved 20/21 strategy is that no more than 60% of investments should be placed with Building Societies with a maximum value of £16M. The value at 31 December was £13.5M. This limit was breached in October by £2.0M for nineteen days. Addition checks have been put in place to ensure this does not happen again.

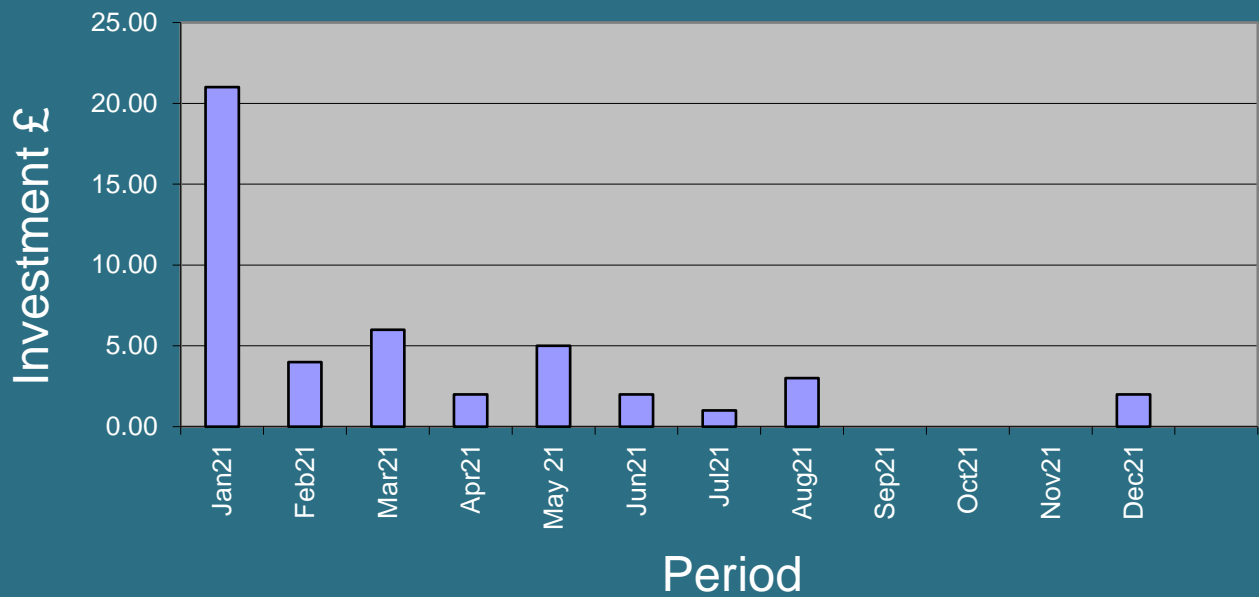
The pie chart below shows the spread of investment balances as at 31 December 2020. This is a snapshot in time that demonstrates the diversification of investments.

## Placement of Investments 31st December 2020



The chart below shows the Council's investment maturity profile. This does not include the £3.0M held in the Public Sector Deposit Fund Money Market account nor the £1.0M held in a Notice Accounts.

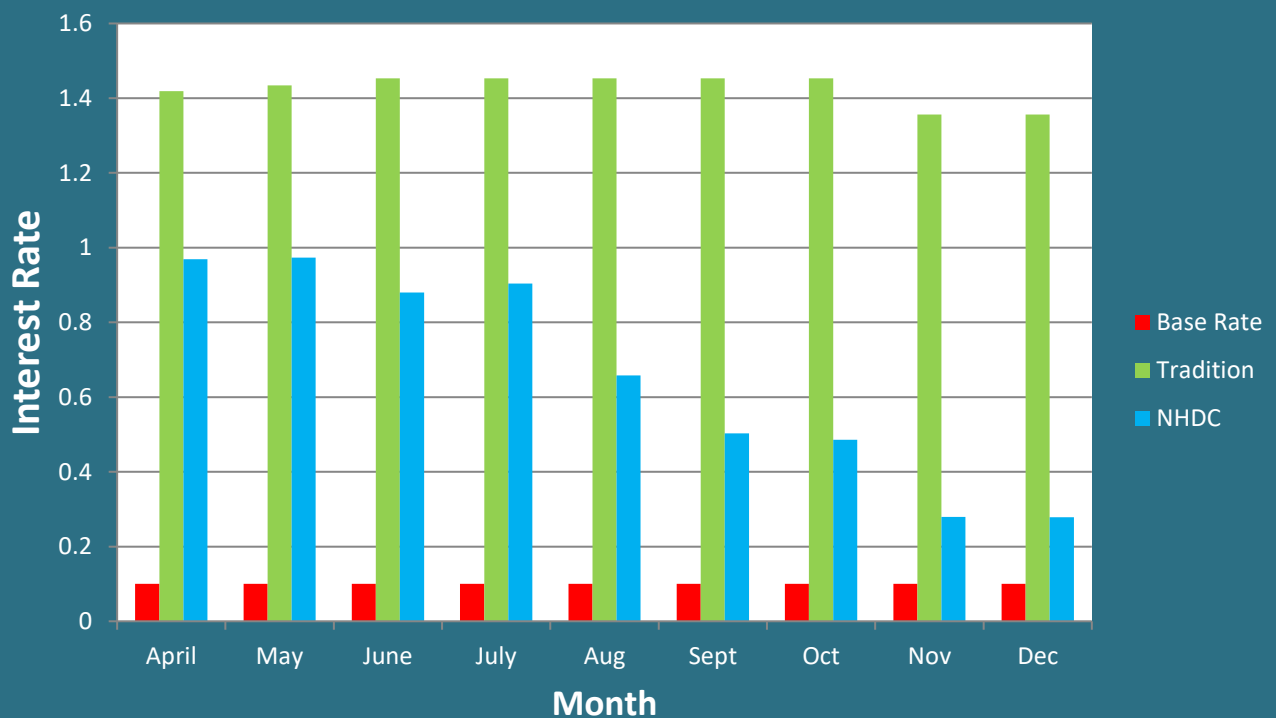
### Investment Maturity 31st December 2020 (excludes Notice Account and PSDF which do not have a fixed term)



The Council's Original budgeted investment return for 2020/21 was £0.300M. The projection was amended at the 1st quarter to £0.185M and based on current investments and cashflow forecasts this remains unchanged and it is expected that the Council will generate £0.185M of interest.

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

### Average Interest Rates on Outstanding Investments



The higher rates achieved through Tradition reflect that these are longer-term investments and that these investments were generally made pre Covid-19. In general, the Council can currently achieve similar rates for the same length of investment. The Council only undertakes new investments through Tradition where the rate achieved (after fees) are greater than what the Council could achieve for a similar investment.

## 4. Borrowing

No long term borrowing was undertaken during the quarter ended 31 December 2020.

Based on 3rd quarter estimates for capital expenditure, the Council's capital financing requirement (CFR) for 2020/21 is expected to be -£5.002M (-£5.595M at the end of 19/20). The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions and future forecasts.

Loans Outstanding at 31 December 2020:

	Amount	Average Interest Rate
	£	%
Public Works Loans Board	£414k	9.89

Estimated outstanding debt:

Year	Forecast Borrowing £m	Forecast other long-term liabilities £m	Forecast Total External Debt £m	Operational Boundary £m	Authorised Limit £m
31 <sup>st</sup> March 2020	0.423	2.125	2.548	3.7	9
31 <sup>st</sup> March 2021 (Forecast)	0.405	1.622	2.027	3.2	9
31 <sup>st</sup> March 2022 (Forecast)	5.635	1.119	6.754	7.9	12
31 <sup>st</sup> March 2023 (Forecast)	5.353	0.616	5.969	7.1	11
31 <sup>st</sup> March 2024 (Forecast)	6.450	0.113	6.563	7.4	12
31 <sup>st</sup> March 2025 (Forecast)	12.726	0	12.726	13.6	18

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

The external borrowing forecast can be used to give an indication of the borrowing that may be required, which is combined with outstanding existing borrowing. The Council will also borrow for short-term cash-flow needs if

required. The actual borrowing that is taken out will depend on the latest forecasts and the offers that are available at the time that it is required. There will also be a consideration of when any other borrowing becomes due, with the aim of achieving a spread of these dates. This is to try and avoid refinancing risk. The Council is required to set indicators for the maturity structure of its borrowing. Given the low level of borrowing that the Council currently has and is forecast to have, it is considered appropriate to maintain full flexibility as to the exact duration of any borrowing undertaken.

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

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

The Council may have a need to borrow next year if the Capital Programme is fully spent so may need to apply a Minimum Revenue Provision (MRP).

The Prudential Indicator below considers the cost of borrowing as a % of the net revenue budget of the Council.

Year	Estimated cost of borrowing £m	Forecast net revenue budget £m	Estimated cost of borrowing as a % of net revenue budget
2020/21	0.041	20.245	0.20
2021/22	0.275	18.441	1.49
2022/23	0.274	15.519	1.77
2023/24	0.334	15.487	2.16
2024/25	0.597	15.481	3.86

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

Year	Estimated cost of borrowing £m	Less: Forecast of interest earned £m	Net Financing Costs £m	Forecast net revenue budget £m	Estimated cost of borrowing as a % of net revenue budget
2020/21	0.041	0.185	-0.144	20.245	-0.711
2021/22	0.040	0.103	-0.063	18.441	-0.342
2022/23	0.275	0.102	0.173	15.519	1.115
2023/24	0.274	0.097	0.177	15.487	1.143
2024/25	0.334	0.096	0.238	15.481	1.537



## **5. Debt Rescheduling**

No debt rescheduling was undertaken during the quarter.

## **6. Compliance with Treasury and Prudential Limits**

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the quarter ended / year to date as at 31st December 2020, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2020 except for nineteen days in October. The limit on investments placed with Building Societies was exceeded by £2.0 million. Measures have been put in place to ensure limits are not exceeded again.

## APPENDIX 1: Prudential and Treasury Indicators for 2020-21 as at 31st December 2020

Treasury Indicators	2020/21 Budget £'000	31.12.20 Actual £'000
Authorised limit for external debt	12,000	414
Operational boundary for external debt	6,900	414
Gross external debt	5,807	414
Investments	26,000	50,000
Net borrowing	-20,193	-49,586
Maturity structure of fixed rate borrowing - upper and lower limits		
Under 12 months	18	18
12 months to 2 years	18	18
2 years to 5 years	61	61
5 years to 10 years	69	69
10 years to 20 years	7	7
20 years to 30 years	250	250
Upper limit for principal sums invested over 365 days	11,000 Max	0

Prudential Indicators	2020/21 Budget £'000	31.12.20 Actual £'000
Capital expenditure *	2,354	1,203
Capital Financing Requirement (CFR) *	-5,002	-5,226
In year borrowing requirement	5.4	0
Ratio of financing costs to net revenue stream *	2.10	-2.99



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**CABINET**  
**16 March 2021**

**\*PART 1 – PUBLIC DOCUMENT**  
**NB Appendix PART 2 -EXEMPT**

**TITLE OF REPORT: CONTRACT PROCUREMENT RULES WAIVER REFERRAL**

REPORT OF THE SERVICE DIRECTORS: LEGAL & COMMUNITY & RESOURCES  
(WAIVER – SERVICE DIRECTOR: COMMERCIAL)

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR ENTERPRISE AND CO-OPERATIVE  
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 report refers to the attached Part 2 waiver (of rule 8) of the Council's Contract Procurement Rules relating to the appointment of the specialist services in order to continue investigations and urgent due diligence into a new purchase of a high value property with a view that this would be referred to Full Council for consideration post-election.

**2. RECOMMENDATIONS**

- 2.1. That Cabinet approves a waiver to the Council's Contract Procurement Rules to appoint the nominated specialist services as set out in the Waiver Report (Part 2 exempt Appendix A) without carrying out a tender exercise.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1. The Council is required under the Council's Contract Procurement Rules to undertake certain procurement processes. Under certain circumstances set out under Rule 22, a waiver can be applied and in certain situations a waiver may be referred to Cabinet for approval by the relevant Services Directors for Legal and Community and Resources. Otherwise see Part 2 Appendix A.

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 See Part 2 Appendix A.

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

- 5.1. This has been discussed with the Leader and Executive Member. The Deputy Leader has otherwise been involved in discussions and consideration of the potential new project. The Part 2 urgency provisions for the Waiver have been discussed with the Chair of Overview & Scrutiny Committee and his agreement to proceed was received as per Rule 5 (6) The Local Authorities (Executive Arrangements) Meetings and Access to Information) (England) Regulations 2012.

## **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, as the financial element / impact of the contract will be a matter for Full Council's determination.

## **7. BACKGROUND**

- 7.1 See Part 2 Appendix A Waiver.

## **8. RELEVANT CONSIDERATIONS**

- 8.1. The intent was to conduct a tendering exercise regarding Stage 2, however due to timescales and the schedule this is not possible. If this is to proceed, then Stage 2 services are required to progress this work urgently in order to make an informed decision on the next stage and potentially purchasing this property. Otherwise See Part 2 Appendix A.

## **9. LEGAL IMPLICATIONS**

- 9.1 The Contract Procurement Rules (CPR) sets out four levels of contract procurement requirements depending on the value of the contract.
- 9.2 Rule 5.1 of the CPR states that the aggregate value of any contract should be calculated based on the total value of the consideration including any options for extensions or renewals. The appointment of the specialists (whose name will be published if the waiver is agreed and amount under normal contract and transparency procedures) for the proposed service, including any possible extensions after the approval of Full Council will be for a total value of c.£170k (although the figure may be higher dependent on any purchase price). Therefore, the procurement requirements set out in rule 8 of the CPR ought to apply, which would need to be waived as per Rules 22.2 or 22.3b).
- 9.3 Rule 22.4 of the CPR states that a waiver is justified if any of the below grounds apply:
- a) the nature of the market for the works to be carried out or the supplies or services to be provided has been investigated and is demonstrated to be such that a departure from the requirements of Contract Procurement Rules is justifiable; or
  - b) the contract is for supplies, works or services that are required in circumstances of extreme urgency that could not reasonably have been foreseen; or
  - c) the circumstances of the proposed contract are covered by legislative exemptions (whether under EU or UK law); or

- d) where it is in the Council's overall interest; or
- e) there are other circumstances which are genuinely exceptional.

- 9.4 The Service Director: Commercial seeks to rely on rule 22.4(d) and (e) above as a justification for the waiver on the basis that a delay in appointing the specialist may result in either a missed investment opportunity or a less informed/bad investment decision and is demonstrated to be such that a departure from the requirements of Contract Procurement Rules is justifiable.
- 9.5 Legal will assist Officers with the contract if the waiver is approved and will ensure that the contract is properly executed and completed.

## **10. FINANCIAL IMPLICATIONS**

- 10.1. The Service Director – Commercial currently has a budget of £16,000 to support any external investigations regarding potential property acquisitions or investments. This will cover the initial spend of £13,200. Subject to the waiver, a report will be presented to Full Council at its April 2021 meeting to consider continuing with the due diligence work beyond that point and approving the costs in relation to that. As detailed in paragraph 9.2 the costs up to the point of purchase completion are expected to be around £170k. If the property is ultimately purchased then a proportion of the costs will be treated as capital expenditure. If the property is not purchased then all costs incurred will be revenue expenditure. Otherwise see Part 2 Appendix A.

## **11. RISK IMPLICATIONS**

- 11.1. At this stage, the only pertinent risk is that the costs associated with the initial contract might not lead to the progression of the project and the realisation of the associated potential benefits. However, this is outweighed by the need to have comprehensive information available to make an informed decision about committing to a substantial project that could provide an opportunity to achieve significant community, regeneration and financial benefits.
- 11.2. Any further reports regarding whether or not the Council should invest in the property will reference the risk implications associated with the project itself.

## **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 decision.

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1. The Social Value Act and “go local” requirements do not apply to this report, although would if this were an above threshold contract.

**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 known Human Resource implications that apply to this report.

**16. APPENDICES**

- 16.1 Appendix A – Appendix PART 2 -EXEMPT [not for publication by virtue of paragraph 3 of Schedule 12A to the Local government Act 1972] Waiver Report including proposed project schedule

**17. CONTACT OFFICERS**

- 17.1 Jeanette Thompson, Service Director: Legal and Community (and Monitoring Officer)  
[jeanette.thompson@north-herts.gov.uk](mailto:jeanette.thompson@north-herts.gov.uk)
- 17.2 Ian Couper, Service Director-Resources (and Section 151 Officer)  
[ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk)
- 17.3 Steve Crowley, Service Director: Commercial  
[Steve.crowley@north-herts.gov.uk](mailto:Steve.crowley@north-herts.gov.uk)

**18. BACKGROUND PAPERS**

- 18.1 None other than those referred to in the report and Appendix.



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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