

NORTH HERTFORDSHIRE DISTRICT COUNCIL



18 June 2021

Our Ref Cabinet/29.06.21
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To: Members of the Cabinet:

Councillor Elizabeth Dennis-Harburg, Leader of the Council (Chair)
Councillor Paul Clark, Deputy Leader of the Council, Executive Member for Planning (Vice-Chair)
Councillor Ian Albert, Executive Member for Finance and IT
Councillor Amy Allen, Executive Member for Recycling and Waste Management
Councillor Judi Billing MBE, Executive Member for Community Engagement
Councillor Sam Collins, Executive Member for Enterprise, the Arts and Transport
Councillor Gary Grindal, Executive Member for Housing and Environmental Health
Councillor Steve Jarvis, Executive Member for Environment and Leisure

Deputy Executive Members: Councillors: Ruth Brown, Ian Mantle, Nigel Mason, Sam North, Sean Prendergast, Adem Ruggiero-Cakir and Carol Stanier.

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

to be held in the

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

on

TUESDAY, 29TH JUNE, 2021 AT 7.30 PM

Yours sincerely,

Jeanette Thompson
Service Director – Legal and Community

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

Agenda

Part I

Item		Page
1. WELCOME		
2. APOLOGIES FOR ABSENCE		
3. MINUTES - 16 MARCH 2021	To take as read and approve as a true record the minutes of the meeting of the Committee held on the 16 March 2021.	(Pages 7 - 24)
4. NOTIFICATION OF OTHER BUSINESS	Members should notify the Chair of other business which they wish to be discussed at the end of either Part I or Part II business set out in the agenda. They must state the circumstances which they consider justify the business being considered as a matter of urgency. The Chair will decide whether any item(s) raised will be considered.	
5. CHAIR'S ANNOUNCEMENTS	<u>Climate Emergency</u> 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 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 https://www.north-herts.gov.uk/home/council-data-and-performance/policies/climate-change	

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. NORTH HERTFORDSHIRE COMMUNITY LOTTERY - NEW POLICIES** (Pages
REPORT OF THE COMMERCIAL TEAM LEADER, THE COMMERCIAL 25 - 62)
MANAGER AND THE SERVICE DIRECTOR – COMMERCIAL

To seek approval for the Council to introduce and adhere to new policies associated with the delivery of the North Hertfordshire Community Lottery and Gambling Licence application.

- 9. STRATEGIC PLANNING MATTERS** (Pages
REPORT OF THE SERVICE DIRECTOR – REGULATORY 63 - 92)

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

- 10. BALDOCK, BYGRAVE AND CLOTHALL NEIGHBOURHOOD PLAN** (Pages
REPORT OF THE SERVICE DIRECTOR- REGULATORY 93 - 98)

To "make" the Baldock, Bygrave and Clothall neighbourhood plan following the referendum

- 11. REVENUE BUDGET OUTTURN 2020/21** (Pages
REPORT OF THE SERVICE DIRECTOR - RESOURCES 99 - 118)

To inform Cabinet of the summary position on revenue income and expenditure as at the end of the financial year 2020/21.

- 12. INVESTMENT STRATEGY (CAPITAL AND TREASURY) END OF YEAR** (Pages
REVIEW 2020/21 119 -
REPORT OF THE SERVICE DIRECTOR – RESOURCES 146)

To consider the Investment Strategy (Capital and Treasury) End of Year Outturn Review 2020/21.

- 13. RISK MANAGEMENT QUARTERLY UPDATE AND ANNUAL REPORT**
REPORT OF THE SERVICE DIRECTOR – RESOURCES (Pages 147 - 174)
- An update on Risk Management at North Hertfordshire District Council.
- 14. GROUNDS MAINTENANCE CONTRACT REVIEW**
REPORT OF THE SERVICE DIRECTOR – PLACE (Pages 175 - 190)
- To make recommendations for the future delivery of the maintenance of the greenspaces within North Herts implementing the recommendations below following a contract review process with the aim of shaping the service area for the next five years or more as a result of a Project Board process.
- 15. 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).
- 16. GROUNDS MAINTENANCE CONTRACT REVIEW**
REPORT OF THE SERVICE DIRECTOR – PLACE 191 - 202
- To make recommendations for the future delivery of the maintenance of the greenspaces within North Herts implementing the recommendations below following a contract review process with the aim of shaping the service area for the next five years or more as a result of a Project Board process.

NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

**MEETING HELD AS A VIRTUAL MEETING
ON TUESDAY, 16TH MARCH, 2021 AT 7.30 PM**

MINUTES

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

Deputy Executive Members: Councillors: Ruth Brown and Ian Mantle.

In Attendance: *Anthony Roche (Managing Director), Ian Fullstone (Service Director - Regulatory), Ian Couper (Service Director - Resources), Vaughan Watson (Service Director - Place), Steve Crowley (Service Director - Commercial), Isabelle Alajooz (Legal Commercial Team Manager and Deputy Monitoring Officer), Christopher Robson (Senior Estates Surveyor), Louise Symes (Strategic Infrastructure and Projects Manager), Nigel Smith (Strategic Planning Manager), Reuben Ayavoo (Policy and Community Engagement Manager), Chloe Gray (Commercial Officer) and Hilary Dineen (Committee, Member and Scrutiny Manager)*

Also Present: *At the commencement of the meeting approximately 3 members of the public, including registered speakers.*

97 WELCOME AND REMOTE/PARTLY REMOTE MEETINGS PROTOCOL SUMMARY

Audio recording – 25 seconds

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

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

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

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-Handscorn, started the meeting proper.

98 APOLOGIES FOR ABSENCE

Audio recording – 3 minutes 27 seconds

Apologies for absence were received from Councillor Carol Stanier (Deputy Executive Member).

99 MINUTES - 26 JANUARY 2021

Audio recording – 3 minutes 41 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 26 January 2021 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.

100 NOTIFICATION OF OTHER BUSINESS

Audio recording – 4 minutes 42 seconds

There was no other business notified.

101 CHAIR'S ANNOUNCEMENTS

Audio recording – 4 minutes 47 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 20 and 21 following Item 19.

102 PUBLIC PARTICIPATION

Audio recording – 5 minutes 48 seconds

The Chair confirmed that the three registered speakers were present and that he would ask them to make their presentations immediately prior to the relevant item.

103 ITEMS REFERRED FROM OTHER COMMITTEES

Audio recording – 6 minutes 11 seconds

7a - Referral from Cabinet Panel on the Environment - 23 February 2021 – Discussion (Climate Change Strategy)

The Chair advised that this referral would be considered with Item 9

7b - Referral from Hitchin Committee - 2 March 2021 – Community Asset Transfer - Hitchin Bridge Club

The Chair advised that this referral would be considered with Item 8

7c - Referral from Hitchin Committee - 2 March 2021 – Ward Matters and Outside Organisations (Community Space)

Councillor Ian Albert, Chair of Hitchin Committee, presented the referral from the meeting of that Committee held on 2 March 2021 regarding – Ward Matters and Outside Organisations (Community Space). The following recommendations had been made by the Committee:

- (1) That consideration be given to the need for community space in Hitchin for a number of organisations, including Hitchin Band, Citizens Advice North Herts and Hitchin Bridge Club;
- (2) That Officers be encouraged to engage with these groups in order to make initial enquiries regarding need and future options that may be available.

The following Members took part in the debate:

- Councillor Judi Billing;
- Councillor Elizabeth Dennis-Harburg;
- Councillor Paul Clark.

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

RESOLVED:

- (1) That consideration be given to the need for community space in Hitchin for a number of organisations, including Hitchin Band, Citizens Advice North Herts and Hitchin Bridge Club;
- (2) That Officers be encouraged to engage with these groups in order to make initial enquiries regarding need and future options that may be available.

REASON FOR DECISION: To support, wherever possible, organisations to identify appropriate community space therefore encouraging them to continue and grow.

7d - Referral from Hitchin Committee - 2 March 2021 – Ward Matters and Outside Organisations (Parking Tariffs)

The Chair advised that this referral would be considered with Item 16

7e - Referral from Finance, Audit and Risk Committee - 8 March 2021 – Risk Management Update

Councillor Kate Aspinwall, Chair of Finance, Audit and Risk Committee, presented the referral from the meeting of that Committee held on 8 March 2021 regarding Risk Management Update. The following recommendations had been made by the Committee:

- (1) That there be no change to the risk score for Corporate Planning risks, subject to the note 'representation prepared with regard the speculative expansion of London Luton Airport to four runways' being archived as deemed no longer relevant.
- (2) That there be an increase in the risk score from 5 to 7 and a target risk score of 6 for the Increased Homelessness Corporate risk;
- (3) That there be no change to the risk score for the review of the Waste Corporate risks subject to the risk score being agreed and signed off by the Executive Member for Waste and Recycling.
- (4) That that the Workforce Planning Corporate Risk be archived. Original Risk score 5, final risk score 5.

In response to a question the Executive Member for Recycling and Waste confirmed that she had reviewed and was satisfied with the risk score for the review of the Waste Corporate Risks and that this would continue to be monitored.

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

RESOLVED:

- (1) That there be no change to the risk score for Corporate Planning risks, subject to the note 'representation prepared with regard the speculative expansion of London Luton Airport to four runways' being archived as deemed no longer relevant.
- (2) That there be an increase in the risk score from 5 to 7 and a target risk score of 6 for the Increased Homelessness Corporate risk;
- (3) That there be no change to the risk score for the review of the Waste Corporate risks subject to the risk score being agreed and signed off by the Executive Member for Waste and Recycling.
- (4) That that the Workforce Planning Corporate Risk be archived. Original Risk score 5, final risk score 5.

REASON FOR DECISIONS:

7f - Referral from Finance, Audit and Risk Committee - 8 March 2021 – Third Quarter Revenue Monitoring

The Chair advised that this referral would be taken with Item 17

7g - Referral from Finance, Audit and Risk Committee - 8 March 2021 - Third Quarter Investment Strategy (Capital and Investment)

The Chair advised that this referral would be taken with Item 18

7h - Referral from Overview and Scrutiny Committee - 9 March 2021 – Update on Corporate Peer Challenge Action Plan

The Chair advised that this referral would be taken with Item 12

7i - Referral from Overview and Scrutiny Committee - 9 March 2021 – Local Plan Implementation

The Chair advised that this referral would be taken with Item 13

7j - Referral from Overview and Scrutiny Committee - 9 March 2021 - New Year Performance Indicators to be Monitored

The Chair advised that this referral would be taken with Item 15

104 COMMUNITY ASSET TRANSFER: HITCHIN BRIDGE CLUB

Audio recording – 21 minutes 44 seconds

Mrs Margaret Eddleston thanked the Chair for the opportunity to address Cabinet in respect of the report entitled Community Asset Transfer: Hitchin Bridge Club including:

- The officer had provided a very thorough report, which included a lot of documents provided by the Hitchin Bridge Club;
- Since the start of the Covid pandemic the activities of the Bridge Club had moved online and this had enabled them to increase the number of sessions from 5 to 9.
- This increase demonstrated the need for HBC to expand.
- Benefits of playing bridge in person included keeping minds active, improving mental health and reducing isolation;
- As a result of the discussion at Hitchin Committee regarding community space Hitchin Band and Charnwood Community Management Association were looking to work together regarding community space;
- Different types of organisations required different types of accommodation;
- If Cabinet agreed to the proposal in principal to provide a lease, Hitchin Bridge Club would provide a business plan, apply for planning permission and submit a lease for approval by Council.

The following Members asked questions:

- Councillor Judi Billing;
- Councillor Ian Albert.

In response to question Mrs Eddleston advised:

- That they used an online bridge platform to play online;
- That they would continue to provide some online sessions, although this did not provide personal contact;
- They would be happy to have a piece of land anywhere but felt that this was the least obtrusive location;
- They would be happy to share the accommodation, but the layout would not be suitable for organisations such as the Town Band or activities such as dancing;
- The types of organisations and activities suitable to share with would be board game clubs. Lectures and tutoring;
- They would not ask for pre-planning advice but would submit a full planning application.

The Chair thanked Mrs Eddleston for her presentation.

Audio recording – 34 minutes 16 seconds

The Executive Member for Enterprise and Cooperative Development presented the report entitled Community Asset Transfer: Hitchin Bridge Club together with the following appendices:

- Appendix A - Site Plan of NHDC's Freehold Recreation Ground;
- Appendix B - Site Plan of HBC's Proposed Lease Demise;
- Appendix C - HBC's Expression of Interest;
- Appendix D - Comments from HBC Members on Benefits of Playing Bridge;
- Appendix E - HBC and its Relationship with Hitchin, the Local and Wider Community;
- Appendix F - Membership Breakdown of HBC;
- Appendix G - HBC During Covid-19 Lockdown;
- Appendix H - NHDC's insight on Community Asset Transfer request by HBC;
- Appendix I - Equality Analysis;
- Appendix J - Environmental Impact Assessment.

Councillor Ian Albert. Chair of Hitchin Committee, presented the referral from the meeting of that Committee held on 2 March 2021 regarding Community Asset Transfer - Hitchin Bridge Club. The following recommendation had been made by that Committee:

That Cabinet provides its decision in principle to grant a leasehold interest in land at Cadwell Lane, Hitchin to Hitchin Bridge Club as per Recommendation 2.1 in the report due to be considered by Cabinet on 16 March 2021.

Councillor Ian Albert proposed and Councillor Martin Stears-Handscorn seconded that recommendation 2.1 in the report be agreed.

Councillor Steve Jarvis proposed an amendment that Recommendation 2.1 in the report be agreed, subject to consideration of environmental and accessibility issues such as generation of power. electric vehicle charging points and landscaping.

Councillor Keith Hoskins agreed to the amendment.

The following Members took part in the debate:

- Councillor Steve Jarvis
- Councillor Ian Albert

Members' comments included:

- That accessibility to the site was not ideal and consideration should be given to access to the site;
- That the environmental and loss of green space impacts should be mitigated;
- Hitchin Bridge Club would need to consider how to mitigate traffic impacts.

RESOLVED:

- (1) That, subject to (2) below, an in-principle decision to grant a leasehold interest in land at Cadwell Lane, Hitchin to Hitchin Bridge Club be agreed;
- (2) That, as the above is progressed, careful consideration is given to appropriate mitigation of environmental and accessibility impacts such as generation of power, electric vehicle charging points and landscaping..

REASONS FOR DECISIONS: To 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.

105 CLIMATE CHANGE STRATEGY 2021-2026

Audio recording – 49 minutes 17 seconds

The Executive Member for Environment and Leisure presented the report entitled Climate Change Strategy 2021-2026 together with the following appendices:

- Appendix 1 - Climate Change Strategy 2021-2026;
- Appendix A - Proposed Actions;
- Appendix B – Achievements.

He drew attention to the following:

- There were three strands to the strategy:
 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.
- This strategy did not progress waste management, biodiversity or air quality.

Councillor Elizabeth Dennis-Harburg, Joint Chair of the Cabinet Panel on the Environment, presented the referral from the meeting held on 23 February 2021 regarding Discussion (Climate Change Strategy). The following recommendations had been made by the Panel:

- (1) That the revised Climate Change Strategy be endorsed;
- (2) That the target date for achieving Net Zero Carbon District status be brought forward to 2042.

The following Members took part in the debate:

- Councillor Paul Clark;
- Councillor Gary Grindal;
- Councillor Ian Albert;

Points raised by Members included:

- The Council needed to do as much as possible within the capacity available;
- Officers were going above and beyond;
- The key for addressing climate change was to have public involvement;
- Careful consideration of priorities was needed to identify what could be delivered within financial constraints;
- There would be challenges along the way;
- Expectations needed to be managed;
- The Council needed to publicise achievements and actions more widely.

Councillor Steve Jarvis proposed, Councillor Elizabeth Dennis-Harburg seconded and it was:

RESOLVED:

- (1) That the following documents be adopted;
 - Appendix 1 Climate Change Strategy 2021-2026
 - Appendix A Proposed Actions
 - Appendix B Achievements.
- (2) That the target date for achieving Net Zero Carbon District status be brought forward to 2040.

REASON FOR DECISION: 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.

106 STRATEGIC PLANNING MATTERS

Audio recording – 1 hour 8 minutes 58 seconds

The Executive Member for Planning and Transport presented the report and addendum report together with the following appendices:

- Appendix A – Letter from Cllr Clark to Rt. Hon. Sir Oliver Heald QC MP;
- Appendix B – NHDC Response to Luton Airport Arrivals Airspace Consultation;
- Appendix C – Letter from Rt. Hon. Christopher Pincher MP to Rt. Hon. Sir Oliver Heald QC MP.

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

RESOLVED:

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

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

107 LOCAL PLAN FURTHER MODIFICATIONS

Audio recording – 1 hour 14 minutes 23 seconds

The Executive Member for Planning and Transport presented the report and addendum report entitled Local Plan Further Modifications together with the following appendices:

- Appendix A - Examination Documents Submitted by NHDC to the Examination between July 2019 and March 2021;
- Appendix B – Schedule of Further Proposed Modifications to the North Hertfordshire Local Plan 2011-2031 - Issued March 2021.

The following Members took part in the debate:

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

The Executive Member for Planning and Transport, the Strategic Planning Manager responded to questions including that:

- Cabinet were committed to reviewing the Plan in 2023;
- The Plan would be supported by supplementary planning documents and strategies.

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

RESOLVED:

- (1) That the range of additional documentation produced for the Examination since the Cabinet decision of 10 December 2018 and listed in Appendix A be noted and endorsed
- (2) That officers be authorised to conduct a consultation on the proposed Further Main Modifications, attached as Appendix B, and relevant supporting documents.
- (3) That the Service Director: Regulatory in consultation with the Executive Member for Planning and Transport make any such necessary arrangements for that consultation.

REASON FOR DECISIONS: To ensure that North Hertfordshire continues to progress a new Local Plan for management of development in the District.

108 UPDATE ON CORPORATE PEER CHALLENGE ACTION PLAN

Audio recording – 1 hour 21 minutes 59 seconds

The Leader of the Council presented the report entitled Update on Corporate Peer Challenge Action Plan together with the following appendix:

- Appendix A - Updated Corporate Peer Challenge Action Plan.

Councillor David Levett, Chair of the Overview and Scrutiny Committee presented the referral from the meeting of that Committee held on 9 March 2021 regarding Update on Corporate Peer Challenge Action Plan. The Committee had made the following recommendation:

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

The following Member took part in the debate:

- Councillor Martin Stears-Handscomb.

NB: Councillor Paul Clark advised that, as he had been off camera during the debate, he would not take part in the vote.

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

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

REASON FOR DECISION: 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.

109 LOCAL PLAN IMPLEMENTATION

Audio recording – 1 hour 26 minutes 32 seconds

Mr John Web and Mr Roger Lovegrove Transition Town Letchworth, thanked the Chairman for the opportunity to address Cabinet regarding the Local Plan including:

- They were pleased and impressed that the Council was considering National design codes;
- Transition Town Letchworth keenly welcomed the development of the SPDs;
- They were experienced in responding to the Local Plan and had built up a knowledge base of building standards in regard to energy;
- They had provided Members with a document that included a comparison of 2013 standards with Passivhaus and BREEAM building standards;
- They requested that they be able to participate in the development of SPDs at an early stage of development;
- Although they understood that the Council was extremely busy, consideration of the 2031-2050 Local Plan should start now, particularly in regard to the optimum solution for growth being the planning of a New Town.

The Leader of the Council advised that the Council would wish to involve the public and that planning for this period was taking place through the Hertfordshire Growth Board.

He thanked Mr Webb and Mr Lovegrove for their presentation.

Audio recording – 1 hour 33 minute 33 seconds

The Executive Member for Planning and Transport presented the report entitled Local Plan Implementation together with the following appendix:

- Appendix A – North Hertfordshire Masterplanning Principles.

He drew attention to the following:

- The Inspector had not made any substantial changes to the submitted Plan;
- There was a lot of new Government legislation and advice that needed to be considered;
- An enhanced Design SPD was required including more detail regarding local character was required;
- A Sustainability SPD would consider issues holistically such as transport, building performance and green infrastructure;
- A Biodiversity SPD would be developed;
- The evidence base for the SPDs required updating including character assessments and ecological mapping;
- Community Infrastructure Levy had been put in abeyance for the present.

Councillor David Levett, Chair of the Overview and Scrutiny Committee presented the referral from the meeting of that Committee held on 9 March 2021 regarding Local Plan Implementation. The Committee had made the following recommendations:

- (1) That the North Hertfordshire Masterplanning Guidance, attached as Appendix A, be approved and recognised as a material consideration in the determination of relevant planning applications with the following amendment;
 - (i) That Paragraph 3.2 be amended to include references to Neighbourhood Planning Groups and the Design SPD.
- (2) That officers be authorised to commence work on a revised and updated programme of Supplementary Planning Documents and supporting evidence as set out in this report.
- (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. Authorise the reprofiling of existing, approved revenue budgets for Community Infrastructure Levy (£87,000) and the potential Single Issue Review of the Local Plan (£80,000) to deliver this work;
- (4) That a Member working group be arranged to discuss the Design and Sustainability SPDs prior to consideration of these by Cabinet.

Councillor Paul Clark proposed and Councillor Martins Stears-Handscomb seconded the recommendations contained in the report, the recommendations contained in the referral from the Overview and Scrutiny Committee.

The following Members took part in the debate:

- Councillor Ian Albert;

Members comments included:

- There was a need to engage with communities regarding taking over of pubs;
- Paragraphs 14.21 and 14.22 set out the legislation and Compulsory Purchase Options regarding pubs, but details were required regarding how the Council would carry this out and engage with local groups;
- It was important that Cabinet challenge and scrutinise budgets allocated to the Local Plan project.

The Strategic Planning Manager and Service Director – Resources answered questions including:

- This document set out the powers available regarding assets of community value. It was for the Service Director – Resources to chose whether to use them;
- A lot of information was provided to those enquiring about community assets;
- Consideration would be given to making information clearer regarding this on the NHDC website.

NB: Cabinet took a comfort break at 21.22..

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

The Strategic Director - Regulatory advised:

- That officers, together with the Executive Member had assessed a high level cost of consultancy;
- The evidence base would be key and needed to be robust;
- The cost was estimated to be £150,000 for consultancy.

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

RESOLVED:

- (1) That the North Hertfordshire Masterplanning Guidance, attached as Appendix A, be approved and recognised as a material consideration in the determination of relevant planning applications with the following amendment;
 - (i) That Paragraph 3.2 be amended to include references to Neighbourhood Planning Groups and the Design SPD.
- (2) That officers be 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.
- (3) That to support resolution (2) above, Cabinet:
 - a. Resolve not to pursue the preparation of a Community Infrastructure Levy for the District at this time;
 - 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;
 - c. That information included on the NHDC website regarding assets of community value be reviewed and further information, particularly in respect of process, included.
- (4) That a Member working group be arranged to discuss the Design and Sustainability SPDs prior to consideration of these by Cabinet.

REASON FOR DECISIONS: 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.

110 UPDATE ON OUR MAJOR LEISURE FACILITIES

Audio recording – 2 hours 6 minutes 58 seconds

The Executive Member for Environment and Leisure presented the report entitled Update on Our Major Leisure Facilities and drew attention to the following:

- The costs were likely to be less than had been previously expected;
- The Council had been successful in applying for a Government grant;
- It was planned that the outdoor pools be opened on the last weekend of May 2021;
- It was currently unclear as to how and when these pools may be used;
- On a sunny day the pools covered their costs, on a wet day they cost a lot of money to keep open;
- Delegation of the decision regarding extending the season would enable the Council to consider the extent of use and any regulations/guidance;
- Consideration had been given to extending opening hours and it could be feasible to extend hours by 2 hours on 1 evening a week for each pool for a period of 2 months.

The following Members took part in the debate:

- Councillor Ian Albert;
- Councillor Paul Clark.

Member comments included:

- That SLL be thanked for their openness regarding finances;
- That the Council needed to be careful not to direct swimmers later in the evening to a multi-storey car park that may be closed.

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

RESOLVED:

- (1) That the decision to open both Letchworth and Hitchin outdoor pools this summer season be supported;
- (2) That, subject to usage, Covid-19 restrictions and affordability, the extension of the opening season and the extension of opening hours by 2 hours on one evening a week for a period of 2 months for each outdoor pool be supported;
- (3) 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.

REASON FOR DECISIONS: To ensure the Council continues to deliver leisure services that support the health and wellbeing of our residents throughout the Coronavirus pandemic.

111 PERFORMANCE MANAGEMENT MEASURES FOR 21/22

Audio recording – 2 hours 17 minutes 51 seconds

The Leader of the Council presented the report entitled Performance Management Measures for 21/22.

Councillor David Levett, Chair of the Overview and Scrutiny Committee presented the referral from the meeting of that Committee held on 9 March 2021 regarding New Year Performance Indicators to Be Monitored In 2021/22. The Committee had made the following recommendation:

That Cabinet considers and formally approves the PIs and any associated targets that will be monitored throughout 2021/2022 by Overview & Scrutiny.

The Chair of the Overview and Scrutiny Committee drew attention to the information that had been provided to the Committee which compared attendance at physical meetings in 2019/20 with live and later views of YouTube recording of meetings in 2020/21 and highlighted that there had been a significant increase in public participation since meetings had moved online.

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

RESOLVED: That the PIs and any associated targets that will be monitored throughout 2021/2022 by Overview & Scrutiny be approved.

REASON FOR DECISION: 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.

112 PROPOSED INCREASE IN CAR PARKING TARIFFS 2021-22

Audio recording – 2 hours 22 minutes 40 seconds

The Executive Member for Planning and Transport presented the report and addendum entitled Proposed Increase in Car Parking Tariffs 2021-22 together with the following appendix:

- Appendix A - Proposed 2021/2022 Tariff Increases for NHDC Off-Street Managed Car Parks.

He drew attention to the following:

- Car park charges had not been increased last year;
- The Council had a duty to cover the costs of parking facilities;
- There were some concerns regarding recovery of town centres;
- Implementation of the increases could be delayed until June 2021 or September 2021.

Councillor Ian Albert, Chair of Hitchin Committee, presented the referral from the meeting of that Committee held on 2 March 2021 regarding Ward Matters and Outside Organisations (Parking Tariffs), The Committee had made the following recommendations:

- (1) That the Proposed 2021/2022 Inflationary Tariff Increases for NHDC Off-Street Managed Car Parks be implemented;
- (2) That Officers be encouraged to review the balance of short, mid-term and long stay spaces in the car parking estate in Hitchin;
- (3) That Officers be encouraged to explore options for pay-on-exit or other alternative payment collection systems to facilitate ease of use and accurate charges.

The following Members took part in the debate:

- Councillor Ruth Brown;
- Councillor Judi Billing;
- Councillor Steve Jarvis;
- Councillor Keith Hoskins;

Member comments included:

- That the parking situation at the Biggin needed to be progressed;
- That the increased charges should be implemented in September 2021;
- That full review of parking was needed, including consideration of alternative payment methods;
- That Members should be aware of the financial forecast difference between implementing the increases in July and September

The Strategic Infrastructure & Projects Manager advised that:

- The charging bands had been discussed by Cabinet in March 2020;
- This proposals being considered were as a result of building on the previously agreed figures;
- Resident parking/season tickets would be discussed with the Executive Member for Planning and Transport and the Service Director – Resources;

The Service Director – Resources advised Members:

- That the forecast would depend on the level of demand;
- The impact in the first 3 months if the increases not implemented would be less as the Government guarantee would apply;
- After that guarantee each quarter delay would cost £25.000. This figure assumed that usage in all quarters were equal throughout the year;
- July and August were high usage months.

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

RESOLVED:

- (1) That the proposed off-street car park tariffs for 2021/22 as set out in Tables 1 to 5 at Appendix A be adopted;
- (2) That 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 be agreed;
- (3) That it be agreed 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.
- (4) That it be agreed not to increase the charges for resident permits, visitor permits, business permits or visitor tickets for resident permit zones for 2021/22.
- (5) That the proposed tariff changes, as detailed in (1) and (2) above be agreed and be implemented as soon as practicable after lockdown ends, but not before 1 September 2021 and that officers in consultation with the Executive Member and Deputy for Planning and Transport proceed with the implementation as required.
- (6) That officers be encouraged to explore and prepare a business case for alternative methods of payment for on and off-street parking, including investigation of pay on exit within the council's multi-storey car parks.
- (7) That delegated powers be granted to the Service Directors – Regulatory and Resources in consultation with the Executive Members and Deputy for Planning and Transport and for Finance and IT to consider and agree requests for subsidised parking within the council operated car parks.

REASON FOR DECISIONS: 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.

113 THIRD QUARTER REVENUE MONITORING 2020/21

Audio recording – 2 hours 49 minutes 53 seconds

The Executive Member for Finance and IT presented the report entitled Third Quarter Revenue Monitoring 2020/21 together with the following document:

- Third Quarter Revenue Monitoring 2020/21 - Updated Table 5

The Chair advised that the referral from the meeting of the Finance, Audit and Risk Committee held on 8 March 2021 regarding Third Quarter Revenue Monitoring 2020-21 made the following recommendations:

- (1) That the report entitled Third Quarter Revenue Monitoring 2020/21 be noted;
- (2) That the changes to the 2020/21 General Fund budget, as identified in table 3 and paragraph 8.2, a £624k increase in net expenditure, be approved. (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);
- (3) That 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, be approved.

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

RESOLVED:

- (1) That the report entitled Third Quarter Revenue Monitoring 2020/21 be noted;
- (2) That the changes to the 2020/21 General Fund budget, as identified in table 3 and paragraph 8.2, a £624k increase in net expenditure be approved. 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.
- (3) That 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 be approved.

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

114 THIRD QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2020/21

Audio recording – 2 hours 57 minutes 16 seconds

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

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

The Chair advised that the referral from the Finance, Audit and Risk Committee meeting held on 8 March 2021 regarding Third Quarter Investment Strategy (Capital and Treasury) Monitoring 2020/21 made the following recommendations:

- (1) That the forecast expenditure of £2.354million in 2020/21 on the capital programme, paragraph 8.3 refers, be noted;
- (2) That the adjustments to the capital programme for 2020/21 onwards as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend in 2021/22 by £1.102million, be approved;
- (3) That the position of the availability of capital resources, as detailed in table 3 paragraph 8.6 and the requirement to keep the capital programme under review for affordability, be noted;
- (4) That the £0.050million budget to refurbish the Gym Floor at the North Herts Leisure Centre be reprofiled into 2020/21, be approved. (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).

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

RESOLVED:

- (1) That the forecast expenditure of £2.354million in 2020/21 on the capital programme, paragraph 8.3 refers be noted.
- (2) That the adjustments to the capital programme for 2020/21 onwards as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend in 2021/22 by £1.102million be approved.
- (3) That the position of the availability of capital resources, as detailed in table 3 paragraph 8.6 and the requirement to keep the capital programme under review for affordability be noted.
- (4) That it be approved that 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.

REASONS FOR DECISIONS:

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

115 CONTRACT PROCUREMENT RULES WAIVER REFERRAL

Audio recording – 3 hours 9 minutes 10 seconds

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

NB: This Item was discussed after the Part 2 Item of the same name (Minute 117 refers)

The Executive Member for Enterprise and Cooperative Development presented the report entitled Contract Procurement Rules Waiver Referral.

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

RESOLVED: That 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 be approved.

REASON FOR DECISION: 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.

116 EXCLUSION OF PRESS AND PUBLIC

Audio recording – 3 hours 1 minute 7 seconds

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

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

117 CONTRACT PROCUREMENT RULES WAIVER REFERRAL

NB: This Part 2 Item was not audio recorded or filmed

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

The Executive Member for Enterprise and Cooperative Development introduced the report entitled Contract Procurement Rules Waiver Referral.

The Legal Commercial Team Manager & Deputy Monitoring Officer provided Members with detail regarding the report.

The following Member took part in the debate:

- Councillor Ian Albert.

RESOLVED: That Appendix A to the report entitled Contract Procurement Rules Waiver Referral be noted.

REASON FOR DECISION: To ensure that Part 2 Appendix A to the report entitled Contract Procurement Rules Waiver Referral is considered prior to the report of the same name.

The meeting closed at 10.42 pm

Chair

CABINET REPORT 29 JUNE 2021
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*PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: NORTH HERTFORDSHIRE COMMUNITY LOTTERY – NEW POLICIES

REPORT OF: COMMERCIAL TEAM LEADER, COMMERCIAL MANAGER AND SERVICE DIRECTOR - COMMERCIAL

EXECUTIVE MEMBER: EXECUTIVE MEMBERS FOR ENTERPRISE, THE ARTS AND TRANSPORT

COUNCIL PRIORITY: BUILD THRIVING AND RESILIENT COMMUNITIES / ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY

1. EXECUTIVE SUMMARY

- 1.1. The purpose of this report is to seek approval for the Council to introduce and adhere to new policies associated with the delivery of the North Hertfordshire Community Lottery and Gambling Licence application.
- 1.2. As a reminder, the concept of the Community Lottery was approved on 15 December 2020 via Cabinet. Voluntary and Community Sector (VCS) groups such as local charities, community groups, sports clubs and schools will have the opportunity to financially benefit from this project, via funds raised through online lottery ticket sales.

2. RECOMMENDATIONS

- 2.1. That Cabinet approves the implementation of the new policies associated with launching and delivering the North Hertfordshire Community Lottery.

3. REASONS FOR RECOMMENDATIONS

- 3.1. In order to gain a lottery licence from the Gambling Commission, NHDC need to provide and adhere the following policies (as seen in appendix 1):
- Social Responsibility in Gambling Policy
 - Implementation Procedures Policy
 - Protection from Source of Crime and Disorder Policy
 - Fair and Open Gambling Policy
 - Children and Vulnerable Person Protection policy
 - Remote Technical Standards Policy
 - Terms – Complaint Procedure
 - Terms – Site (including self-exclusion)
 - Terms – Games Rules

Gatherwell (External Lottery Manager) have provided draft copies of these policies for NHDC to adopt.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. None, as the Gambling Licence cannot be completed unless the above policies are agreed and approved for use by Cabinet members.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 The Executive Member and Deputy Executive Member for Enterprise, The Arts and Transport have been kept updated regarding this project. The Commercial Team Leader has been in regular communication with the nominated External Lottery Manager (ELM), Gatherwell, who has experience delivering and managing other local authority lotteries. Gatherwell have also advised that in order to be successful, these policies must be adopted in order to proceed with the Gambling Licence required to launch the Lottery itself.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a Key Executive Decision and has been added to the Forward Plan (May 2021).

7. BACKGROUND

- 7.1 The aim of the Community Lottery is to generate additional revenue in support of good causes such as local charities, community groups, sports clubs and schools within the District.
- 7.2 The Community Lottery will support local groups and organisations to create and promote an additional funding stream. Members of the public/ community can purchase tickets from the North Hertfordshire Community Lottery website and choose which VCS group or organisation/s they wish to financially support via a lottery ticket sale. By doing this, it allows a large proportion of the monetary donation to go directly to the good cause.
- 7.3 The Council will also benefit financially from each ticket sale, however at a lower monetary proportion than the VCS groups.
- 7.4 The concept of the Lottery was approved by Cabinet on 15 December 2020.
- 7.5 Since being appointed in January 2021, Gatherwell (External Lottery Managers) have assisted with the completion of the lottery licence application with the Gambling Commission. Whilst completing the application it has come to light that a number of policies (as listed above) need to be included in the application in order to be successful with the licence.

- 7.6 Gatherwell have draft policies written for this purpose, that have previously been adopted by other Local Authorities when completing their application before launching a Community Lottery. In order to move forward with the application, the policies need to be reviewed and approved by relevant officers and Cabinet members. Once submitted, it is approximately 16 weeks to approval of the licence, this could mean a good causes launch in early November, mid-December for ticket sales to start and the first draw towards the end of January 2022.

8. RELEVANT CONSIDERATIONS

- 8.1 This report is seeking the approval of the policies outlined above. Since learning that the policies need to be in place prior to the application, the Commercial team have been working closely with relevant service areas to ensure each officer/ manager is content with the policy outlines and are happy to approve it on their service behalf.
- 8.2 It is important to note that the policies are only relevant to the Community Lottery and have no impact on other policies already in place at the Council.
- 8.3 In order to gain more context around the policies, the team have also communicated with other Local Authorities whom already have the policies in place. The findings were as follows:
- They are not 'council' policies they are policies solely for the lottery operation. The council will have policies as a regulating body but this activity is regulated by the Gambling Commission not the council.
- 8.4 If approved, the following process will be followed and led by the Commercial team with the assistance of Gatherwell:
- Approval at Cabinet to proceed with the application and adoption of policies - 29 June 2021
- Notify Gatherwell of decision and proceed with Gambling Licence application
- Submit application – 30 June 2021
- Await application results – Approximately 20 October 2021
- North Hertfordshire Community Lottery launch event – November 2021
- North Hertfordshire Community Lottery first draw - January 2022
- 8.5 Copies of the policies outlined have been provided to the relevant Executive Members.

9. LEGAL IMPLICATIONS

- 9.1. Following Cabinet approval on the 15 December 2020 to approve the concept in principle of the establishment of a Community Lottery, a Single Tender was conducted to directly appoint Gatherwell as the external lottery manager.
- 9.2. The entering into such contracts must comply with the Council's Contract Procurement Rules (CPRs) and Rule 14 of the CPRs sets out the circumstances in which a Single Tender can be considered.

- 9.3. Single tenders fall under Rule 14 of the Contract Procurement Rules, and it is rule 14.1 c) (i)(ii) that was relied upon by the Commercial team when seeking the Single Tender: “c) Specialist consultants, suppliers, agents or professional advisors are required and: (i) Evidence that there is no satisfactory alternative; or (ii) evidence indicates that there is likely to be no genuine competition.” Consequently, a direct award was made to Gatherwell to operate the Community Lottery on behalf of North Hertfordshire District Council.
- 9.4. The term of the contract would be three years and a forecast total contract value for this term is £19.4k. This includes the initial fee of £5k and Gatherwell’s fee from each *anticipated* ticket sold (based on 2000 tickets a month).
- 9.5. Local Authority Lotteries are regulated by the Gambling Act 2005 and licenced by the Gambling Commission. Consideration will need to be given to all licencing requirements and policies/guidance necessary in the delivery of a community lottery.
- 9.6. Section 257 of the Gambling Act 2005 defines an ELM as a person that makes arrangements for a lottery on behalf of a society or authority of which he is not—
(a) a member,
(b) an officer, or
(c) an employee under a contract of employment.
- 9.7. The Licence Conditions and Codes of Practice of the Gambling Commission sets out the requirements that must be met in order to hold an operating and personal licence and all such requirements must be met.

10. FINANCIAL IMPLICATIONS

- 10.1 The projected net expenditure/income to the Council will not be realised and would be deferred. The launch which was originally planned towards the end of the 2020/21 financial year and was expecting to see net expenditure in 2021/22 of £3.2k. However the initial fee of £5k to Gatherwell has been paid so the projected net income for 2021/22 would be £1.8k. Followed by net income of £4.5k, £7.3k, £10k, £12.9k from 2022/23 up to 2026/27 and beyond.
- 10.2 The projections highlighted above will be pushed back to 2022/23.

11. RISK IMPLICATIONS

- 11.1 There are no direct risk implications relating to the recommendation in Paragraph 2.1, as approval of the new policies enables the previously approved concept of a North Hertfordshire Community Lottery to progress. However, if implementation of the new policies is not approved, this will lead to a failure to gain a lottery licence from the Gambling Commission and subsequently, a failure to deliver a North Hertfordshire Community Lottery. As a result, the identified benefits to the Council and Voluntary and Community Sector groups associated with the project will not be realised.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. There are no direct equality implications arising from this report. One of the three objectives of the Gambling Act 2005 is to protect children and other vulnerable people from being harmed or exploited by gambling'. The promotion of the Gamble Aware via any External Lottery Manager and the Licence Holder will seek to mitigate any adverse and disproportionate impacts on vulnerable groups.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. As the recommendations in the report relate to a contract below £50,000 the "go local" policy has not been applied for the following reason: There is no local provider able to deliver a suitable alternative.

14. ENVIRONMENTAL IMPLICATIONS

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

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 None identified other than staffing requirements detailed in the body of the report.

16. APPENDICES

- 16.1 Appendix A1 – A9 - Gatherwell policies

17. CONTACT OFFICERS

- 17.1 Jess Wallis, Commercial Team Leader, (jess.wallis@north-herts.gov.uk)
- 17.2 Chloe Gray, Commercial Manager, (chloe.gray@north-herts.gov.uk / ext 4223)
- 17.3 Steve Crowley, Service Director – Commercial, (steve.crowley@north-herts.gov.uk / ext 4211)
- 17.4 Reuben Ayavoo
- 17.5 Helen Rae
- 17.6 Isabelle Alajooz, Legal Commercial Manager, (Isabelle.Alajooz@north-herts.gov.uk)
- 17.7 Jeanette Thompson
- 17.8 Shah Mohammed, Group Accountant (shah.mohammed@north-herts.gov.uk)
- 17.9 Tim Everitt, Performance and Risk Officer (tim.everitt@north-herts.gov.uk)

18. BACKGROUND PAPERS

Copies of the relevant policies can be made available upon request.

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North Herts Community Lottery – Glossary of Acronyms

LCCP	Licence Conditions and Codes of Practice
CAP	The UK Code of Non-Broadcast Advertising and Direct & Promotional Marketing
BCAP	The UK code of Broadcast Advertising
ELM	External Lottery Manager
RTS	Remote Technical Standards

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Policy Name	Children and Vulnerable Persons Protection Policy
Policy Purpose	Ensuring that children and other vulnerable persons, will be protected from being harmed or exploited by gambling.
Policy Created By	XXXXXXXXXX
Policy Created date	May 2018
Policy Validated and Checked By	XXXXXXXXXX
Policy Validated and Checked Date	May 2020
Policy Renewal Date	May 2021

Policy Detail

1. NORTH HERTS DISTRICT COUNCIL understands its requirements as part of the LCCP and takes its responsibilities to the protection of children and vulnerable persons very seriously.
2. NORTH HERTS DISTRICT COUNCIL understand that there is a legal requirement to prevent the sale of lottery tickets to under 16's.
 - 2.1. All payers need to self-validate their age through both a positive tick box confirming they are over 16 and date of birth validation.
 - 2.2. To ensure compliance with this requirement, spot checks are taken of new players of the lotteries and are subjected to further age verification validation.
 - 2.3. As a final check before any jackpot prizes are issued, secondary age validation is also sought (passport, driving licence etc).
3. To ensure players are aware of the age limitations,
 - 3.1. Clear statements will be displayed on the various websites relating to the required age to play and the minimum age requirement is also highlighted in the terms and conditions that the player signs up to at registration.
 - 3.2. In addition, NORTH HERTS DISTRICT COUNCIL have enabled their websites to permit filtering software to be used by adults (such as parents or within schools) in order to restrict access as relevant.
4. Should it come to pass that the age verification checks proved inaccurate and someone underage has gambled, then the user account would be suspended and monies returned.
5. Marketing falls into two areas:-
 - 5.1. Firstly, in encouraging good cause participation (where there is a low risk of exposure to children and vulnerable people) and
 - 5.2. Secondly in the development of materials that support participation of the individual lotteries.
 - 5.2.1. In this area generic marketing materials are used which can be tailored to deliver a marketing package to each individual good cause to help them market their lotteries
 - 5.3. To ensure compliance with the Advertising Codes of Practice and Gambling Industry Code for Socially Responsible Advertising, advertising materials will regularly be submitted to the Committee of Advertising Practice (CAP) and The Broadcast Committee of Advertising Practice (BCAP) for approval
6. As recruitment is undertaken to fill vacancies, if exposed to the direct selling of tickets then
 - 6.1. Applicants will need to be of a legal age to do so. And educated on the legal requirement to not sell tickets to children under the age of 16.
7. Player accounts require validation and set up.
 - 7.1. In the instances of direct debit the Direct Debit Guarantee ensures a time lag between ticket purchase and the first draw.
 - 7.2. As draws take place once per week, ticket purchases are therefore not capable of being purchased for immediate play and
 - 7.3. for internal process reasons even debit card payments cannot facilitate instant play into a draw for that week and a minimum of one days lag will be effective.

- 7.4. The combination of these factors does ensure it limits the capability to facilitate instant gambling and therefore significantly reduces the risk of gambling whilst under the influence of drink or other substances.



Policy Name	Fair and Open Gambling Policy
Policy Purpose	Ensuring that gambling will be conducted in a fair and open way.
Policy Created By	XXXXXXXXXX
Policy Created date	January 2017
Policy Validated and Checked By	XXXXXXXXXX
Policy Validated and Checked Date	January 2020
Policy Renewal Date	January 2021

Policy Detail

1. NORTH HERTS DISTRICT COUNCIL are committed to complying with the Gambling Act 2005, The Gambling Commissions LCCP, Lotteries Council Code of Conduct and The CAP and BCAP code.
2. NORTH HERTS DISTRICT COUNCIL utilise the services of Gatherwell Ltd who are an external lottery management company ensuring that the lottery is delivered on a financially sound basis as: -
 - 2.1. The financial structure of the lottery ensures that revenues are received prior to the running of any draw.
 - 2.2. Each draw is self-funded in terms of the liabilities that then arise (prizes, good cause donations etc).
 - 2.3. No players' tickets will be included in the draw unless cleared funds have been secured.
 - 2.4. The prize fund and good cause donations are calculated on a % basis of the revenue pot therefore ensuring sufficient funds will always be in place.
 - 2.5. Jackpot prizes are funded through an underwritten insurance policy provided by a reputable underwriter established in the UK, again paid for as a % of each entry.
3. All terms and conditions are available for participants on the various websites of the NORTH HERTS DISTRICT COUNCIL lottery, including the main www.north-herts.gov.uk website.
 - 3.1. As part of the sign-up process for new participants, new participants are asked to agree acceptance of the terms and conditions at the time of signing up. New accounts cannot be created unless the terms and conditions are accepted.
 - 3.2. Participants will be advised of changes to the terms and conditions via pop ups on the website. In exceptional circumstances, all participants can be emailed a link to advise them of the new terms and conditions.
4. Our terms and conditions detail the complaints procedure should participants need to raise any issues or concern, both internally at NORTH HERTS DISTRICT COUNCIL and externally though the use of an independent arbiter should resolution not be found.
5. No loyalty or reward schemes are being offered.
6. Section 257 of the Gambling act 2005 highlights that "A person acts as an external lottery manager for the purposes of this Act if he makes arrangements for a lottery on behalf of a society or authority of which he is not:
 - (a) a member,
 - (b) an officer, or
 - (c) an employee under a contract of employment.
 - 6.1. As such Gatherwell ask its board and staff to declare any conflict of interest in any potential target clients, in addition to the specific requirement to comply with the law as stated above for existing clients.
7. Gatherwell Ltd holds responsibility for ensuring that all technical solutions remain within scope of the law.
 - 7.1. These include testing procedures for both existing, upgraded and new software propositions.



- 7.2. Ensuring that all servers are located in the UK.
- 7.3. Software protocols and administrator access is limited to core personnel.
- 7.4. All contractors and third party suppliers are advised of our standards before they are allowed to deliver technical support. Access is limited to the scope of their work and monitored and logged accordingly.



Policy Name	Implementation of Procedures Policy
Policy Purpose	The Process for Implementing North Herts District Council policies and procedures.
Policy Created By	XXXXXXXXXXXXXX
Policy Created date	January 2017
Policy Validated and Checked By	XXXXXXXXXXXXXX
Policy Validated and Checked Date	January 2020
Policy Renewal Date	January 2021

Policy Detail

1. NORTH HERTS DISTRICT COUNCIL takes its legal responsibilities very seriously and requires that all officers and staff are aware of their legal obligations in running a successful and legally compliant lottery.
2. New Starters
 - 2.1. All new starters will be given legal training as part of the induction process. The level and depth is dependent on role but covers:
 - 2.1.1. The Gambling Act 2005
 - 2.1.2. LCCP
 - 2.1.3. CAP and BCAP
 - 2.1.4. Data Protection
 - 2.1.5. Plus the process for highlighting any evidence of non-compliance.
3. Existing Staff
 - 3.1. All officers are aware of their legal responsibilities and compliance is a regular agenda item at review meetings.
 - 3.2. Annual refresher courses for staff will be run to maintain knowledge and compliance.
 - 3.3. Ad-hoc on the job training forms part of the development of staff and focus areas for development are identified during the annual appraisal process and regular review process.
4. Training records will be kept as part of the personnel record of individuals and a register of key training delivered and renewal dates kept.
5. Training will be delivered in conjunction with our ELM Gatherwell Ltd.



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Policy Name	Protection From Source of Crime & Disorder Policy
Policy Purpose	Ensuring that North Herts District Council will be protected from being a source of crime or disorder, being associated with crime or disorder or being used to support crime.
Policy Created By	XXXXXXXX
Policy Created date	January 2017
Policy Validated and Checked By	XXXXXXXX
Policy Validated and Checked Date	January 2020
Policy Renewal Date	January 2021

Policy Detail

- This Policy is beholden to the Proceeds of Crime Act 2002 (see <http://www.legislation.gov.uk/ukpga/2002/29/contents>) & The Anti Money Laundering (AML) Regulations
 - Proceeds of Crime Act 2002 : - *“An Act to establish the Assets Recovery Agency and make provision about the appointment of its Director and his functions (including Revenue functions), to provide for confiscation orders in relation to persons who benefit from criminal conduct and for restraint orders to prohibit dealing with property, to allow the recovery of property which is or represents property obtained through unlawful conduct or which is intended to be used in unlawful conduct, to make provision about money laundering, to make provision about investigations relating to benefit from criminal conduct or to property which is or represents property obtained through unlawful conduct or to money laundering, to make provision to give effect to overseas requests and orders made where property is found or believed to be obtained through criminal conduct, and for connected purposes.”*
 - The AML Regulations require relevant businesses to:
 - put in place procedures to verify the identity of customers on entering into a business relationship or transaction and to carry out ongoing monitoring during the business relationship.
 - keep records obtained in establishing customers’ identities and of business relationships for five years.
 - train employees in the relevant procedures and law.
 - appoint a nominated officer whose role includes reporting to NCA, or its successor, suspicions of money laundering activity.
 - put in place and maintain policies and procedures to cover the requirements listed above.
- North Herts District Council is a professional operation and takes its responsibilities to ensure all players of their society lottery are operating within the law very seriously.
- North Herts District Council employ the services of Gatherwell Ltd, a remote external lottery management company, and therefore mainly take transactions electronically though either Direct Debit or debit card. No cash payments can be used for payment, mitigating the chance for the passing of counterfeit money.
- A number of safeguards are in place to validate players’ identities as part of the account verification process. Additionally, safeguards are in place to ensure that ticket purchases are not excessive, therefore mitigating the risk of money laundering. If players tried to purchase excessive tickets, then the system controls built into the software algorithms will advise the player that they have exceeded the number of tickets possible and stop the transaction.
- The software resides on secure servers. These reside behind encrypted firewalls and offer bank level security protocols in the transfer of electronic data. Additionally, they are situated in a secure data centre managed by disclosure and baring checked staff.
- All transactions for the software will have full audit trails of every transaction made including timestamps. These audit trails will ensure that should any suspicious activity be identified a full investigation by Gatherwell Ltd staff or law enforcement bodies can be undertaken.

7. In an effort to minimise the risk of fraudulent behaviour and demonstrate impartiality throughout, the main lottery draw each week takes the results from an independently drawn lottery (currently identified as the Australian Super 66). This ensures no fraudulent activity can be taken in the generation of the winning set of numbers for the draw. To ensure compliance at an entry level into the system, these numbers will need to be entered separately by two of the directors of the business each week. The smaller local level prizes are generated based on a random ticket selection from existing purchased tickets by an algorithm within the software.
8. Whilst by its definition a lottery is a random game of chance and therefore offers little opportunity for collusion or cheating, any suspicion of malpractice will result in the immediate blocking of the users account.
9. Any evidence of illegal behaviour by staff will initiate a full investigation, during which time the member of staff will be suspended from duties to ensure the full protection of the players, staff and reputation of the business.
10. All companies who provide fundamental services in the provision of the service (e.g. Direct Debit Bureaus, age verification service providers, prize fund insurance etc) undergo rigorous validation in terms of their suitability, credibility and reputation. This includes full financial health checks and references where required.

Policy Name	Remote Technical Standards Policy
Policy Purpose	Policy to address the requirements set out in the GC's Remote Technical and Gambling Standards
Policy Created By	Ben Speare
Policy Created date	July 2019
Policy Validated and Checked By	Martin Woodhead
Policy Validated and Checked Date	October 2020
Policy Renewal Date	October 2021

Remote Technical Standards

The Gambling Commission Remote Technical and Gambling Standards document can be found at <https://www.gamblingcommission.gov.uk/PDF/Remote-gambling-and-software-technical-standards.pdf>

In the document, Annex A states that the following RTS apply to subscription lotteries:

- RTS 2 – Displaying transactions
- RTS 3 – Rules, game descriptions and likelihood of winning
- RTS 5 – result determination
- RTS 6 – Result determination for play for free games
- RTS 7 – Generation of random outcomes
- RTS 13A – Time requirements
- RTS 14 – Responsible product design

NB. Please note the lottery will be hosted on Gatherwell's lottery system and therefore all answers to RTS defer to the Gatherwell platform.



Confidential

RTS 2 - Displaying transactions

Transaction values are displayed to all players through the checkout process and on the players account. In addition, players are emailed post purchase with confirmation of the transaction including value and number of draws entered.

RTS 3 - Rules, game descriptions and likelihood of winning

All game rules are clearly displayed on the website. Players must positively confirm their acceptance of the terms at account creation stage.

Game rules detail the method for winning, % split of the entry price, winning odds and prize structure.

RTS 5 – result determination

As referenced in the game rules the results for the lottery are generated in a clear and transparent way with alternative methods for generating winning combinations also outlined in the instance the primary method cannot be completed.

RTS 6 – Result determination for play for free games

In the instance where play for free games are offered, the same rules apply for tickets irrelevant of whether entry was via a purchased chance or free entry.

RTS 7 - Generation of random outcomes

Results for the lottery are generated in a clear and transparent way. Where £25,000 jackpot prizes are offered, the use of an independently verifiable draw are taken (normally the Australian Super 66) to generate winning combinations.

Gatherwell also use Random.org to generate winners in raffle based draws.



Confidential

RTS 13A – Time requirements

Entry into the draws is time dependent, with cut off into the weekly draw being at 11.59pm on the Friday evening prior to the Saturday draw.

RTS 14 - Responsible product design

The Gatherwell platform is designed to encourage participation to support good causes in the objective of fundraising. As such the design of the site is intended to drive positive behaviours and not stretch individuals beyond their means or encourage irresponsible behaviours.

There are appropriate age restriction messaging and account signup protocols as well as signposts to appropriate support organisations and self-exclusion policies should gambling be a problem.

Security Requirements

The lottery is being hosted on Gatherwell's lottery system and as such we will rely on Gatherwell's information security policies, processes and procedures. We are aware of Gatherwell's responsibility to be independently audited annually for their remote security and given we do not host the lottery ourselves, will rely on their security audit (normally completed in May each year).

On completion of their audit we will ensure we are aware of the published content and recommendations and present the information to the Gambling Commission as part of our required audit considerations annually.

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Policy Name	Social Responsibility in Gambling Policy
Policy Purpose	Ensuring the promotion of social responsibility in gambling.
Policy Created By	XXXXXXXXXX
Policy Created date	January 2017
Policy Validated and Checked By	XXXXXXXXXX
Policy Validated and Checked Date	January 2017
Policy Renewal Date	January 2018

Policy Detail

1. North Herts District Council is aware of its social responsibility to protect individuals from excessive and addictive gambling.
2. Limits are in place to ensure individuals cannot buy excessive numbers of tickets;
 - 2.1. This therefore restricts the capability for individuals to gamble beyond their means or gamble what they cannot afford.
 - 2.2. These limits will be monitored to see how many players reach them and may be reduced correspondingly if required.
 - 2.3. These limits are clearly highlighted at the point of purchase online.
3. Accounts require validation and set up.
 - 3.1. In the instances of direct debit the Direct Debit Guarantee ensures a time lag between ticket purchase and the first draw.
 - 3.2. As draws take place once per week, ticket purchases are therefore not capable of being purchased for immediate play and,
 - 3.3. for internal process reasons even debit card payments cannot facilitate instant play into a draw for that week and a minimum of one days lag will be effective.
 - 3.4. The combination of these factors does ensure it limits the capability to facilitate instant gambling and therefore significantly reduces the risk of gambling whilst under the influence of drink or other substances.
4. It is not possible to borrow money or be entered for lottery draws unless cleared funds have been accepted. No exceptions will be made to this position.
5. The system data provides facilities to track major changes in the lottery participation. Any significant outliers in the numbers of tickets will be investigated as part of ongoing assessments on the correct levels for ticket participation.
6. A process for self-exclusion from lottery participation exists to allow anyone to self-exclude themselves from all propositions (existing or future).
7. Links to the support websites (www.gamcare.org.uk & www.Gambleaware.co.uk) plus the National Gambling Helpline are made available on the website to direct anyone to help and support should they need help from gambling addictions. North Herts District Council are also a contributing member to their research and support through membership of the lotteries council.



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Complaint Procedure

Your feedback is important to us

At North Herts Community Lottery, we always aim to provide the highest possible standards of service. If you feel at any time that the service you have received is below the expected level, then we would like to hear from you. Please find details of our complaints procedure below:

You can contact North Herts Community Lottery directly via the following methods:

By email

Email Address TBC

By post

North Herts Community Lottery
Gatherwell Ltd
PO Box 888
Oxford
OX1 9PS

We aim to respond to all written complaints within five working days of receipt.

By phone

Please call us on: **Telephone Number TBC**

In the unlikely event that you feel your complaint has not been resolved to your satisfaction; you can request that it be escalated to a Senior Manager for review. We aim to respond to escalated complaints within 10 working days.

As a final stage, we offer a process of Alternative Dispute Resolution (ADR) through an independent arbiter. All costs associated to this process are paid for by North Herts Community Lottery.

The nominated independent ADR is:

Independent Betting Adjudication Service
PO Box 62639
London
EC3P 3AS

North Herts Community Lottery is regulated by the Gambling Commission Licence Number XXX-XXXXXX-X-XXXXXX-XXX.

If you feel that we have not dealt with your complaint properly or that we have not followed our own published complaints procedure, you can complain to the Gambling Commission about our failure to operate a proper complaints process.

The Gambling Commission is a regulator and not a complaint handling body and they will not investigate the facts of your complaint, nor will they alter the decision that we have made in our internal complaints process. The Commission reviews whether we have adhered to the terms of our operating licence. It does not investigate consumer complaints, rule on prize disputes, pay compensation or provide legal advice.

The contact details of the Commission are as follows:

Consumer Protection
Gambling Commission
4th Floor
Victoria Square House
Victoria Square
Birmingham
B2 4BP

Telephone: [0121 230 6666](tel:01212306666)

Email: info@gamblingcommission.gov.uk

Terms & Conditions

Disclaimer

North Herts Community Lottery is diligent in ensuring that the information posted on this website is the most accurate and reliable information available. However, we do not guarantee the accuracy of any information on or accessed through this website.

We cannot accept any liability for loss or damage including, without limitation, any direct, indirect or consequential loss or damage or other losses of whatsoever nature arising out of or relating to the use of this site or its contents.

Every effort is made to keep the website up and running smoothly. However, Gatherwell Ltd takes no responsibility for, and will not be liable for, the website being temporarily unavailable due to technical issues beyond our control.

Through this website you are able to link to other websites which are not under the control of Gatherwell Ltd. We have no control over the nature, content and availability of those sites. The inclusion of any links does not necessarily imply a recommendation or endorse the views expressed within them.

It should be noted that North Herts Community Lottery, as operated by Gatherwell Ltd is in no way associated with Camelot Group plc - the National Lottery (Lotto), The Health Lottery or Peoples Post Code Lotteries.

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Playing Responsibly

North Herts Community Lottery makes every effort to behave in a socially responsible manner. It is illegal for anyone under 16 to play North Herts Community Lottery and we have measures in place to ensure we do everything in our power to control underage playing. North Herts Community Lottery is an incentivised means of supporting good causes. However, before entering into any scheme which involves speculative spending, you are advised to remember the following:

- Don't think of gambling as a way to make money
- Only gamble with money you can afford to lose
- Set a money limit in advance
- Never chase your losses
- Don't gamble when you're depressed or upset
- Balance gambling with other activities

If you think you may have a problem with gambling, contact the National Gambling Helpline confidentially on [0808 8020 133](tel:0808 8020 133). Alternatively, visit the website at <http://www.gambleaware.co.uk/>.

Self Exclusion Policy

We offer a Self Exclusion facility specifically for those customers for whom gambling has become a serious problem and who wish to restrict their gambling with North Herts Community Lottery.

By entering into a Self Exclusion agreement with North Herts Community Lottery you will be prevented from using your account for a minimum period of 6 months up to 5 years (with the option of extending this if you wish). We will close your account and return any outstanding funds held in your name.

During this period of self-exclusion North Herts Community Lottery will not distribute any promotional emails and do all we can to prevent new accounts being opened. When the exclusion period ends we won't contact you to ask if you would like to reinstate your account.

In order to facilitate gambling again, after the exclusion period you will need to contact the support team on **Telephone TBC** to begin the process of unlocking your account. There will be a 24 hour cooling off period at the end of which your account will be unlocked.

If you wish to proceed with our Self Exclusion Agreement, then please contact the support team either by telephoning **Telephone TBC** or by emailing **Email TBC**

confirming the following details:

- Your account number/ username and or email address
- Your Full Name
- Your Date Of Birth
- Please title your email – SELF EXCLUSION

If you think you may have a problem with gambling, contact the National Gambling Helpline confidentially on [0808 8020 133](tel:0808 8020 133). Alternatively, visit the website at <http://www.gambleaware.co.uk>. Software is available to prevent an individual computer from accessing gambling internet sites more information can be found [here](#)

How We Use Cookies

Cookies are very small text files that are stored on your computer when you visit some websites.

We use cookies to help identify your computer so we can tailor your user experience, track shopping basket contents and remember where you are in the order process.

You can disable any cookies already stored on your computer, but these may stop our website from functioning properly.

The following is strictly necessary in the operation of our website.

This website will:

- Remember that you are logged in and that your session is secure. You need to be logged in to complete an order.

The following are not strictly necessary, but are required to provide you with the best user experience and also to tell us which pages you find most interesting (anonymously).

Functional Cookies

This Website Will:

- Track the pages you visit via Google Analytics.

This website will not:

- Share any personal information with third parties.

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The Rules of North Herts Community Lottery

1. Introduction

1.1 North Herts Community Lottery ("the Lottery") will be operated as a Local Authority Lottery under the Gambling Act 2005 as amended ("the Act")

1.2 The Lottery is promoted by The Royal Borough of Kingston upon Thames and conducted for the benefit of the good causes listed from time to time as participating good causes.

1.3 The Lottery is administered by Gatherwell Ltd, PO Box 888 Oxford OX1 9PS, acting for The Royal Borough of Kingston upon Thames as the participating Society.

1.4 Gatherwell is certified as an External Lottery Manager ("ELM") by the Gambling Commission (000-036893-R-317859-002)

2. Definitions

"Act" The Gambling Act 2005

"Lottery" North Herts Community Lottery

"Draw" The process by which winners are selected

"Gatherwell" Gatherwell Ltd

"Member" An individual who has registered with the Lottery

"Rules" The rules of the Lottery as set out below and amended from time to time

"Chance" The entry into the Lottery

"Society" The Royal Borough of Kingston upon Thames which participate and promote the Lottery from time to time

"Promoter" The registered promoter of the lottery for The Royal Borough of Kingston upon Thames

"Game Number" The six digit number unique to each Member used to identify individual Chances which are entered into the Lottery

"Winning Number" The number as explained in Rule 9.1

3. Entry into the Lottery

3.1 The Lottery is promoted in accordance with the Gambling Act 2005 as amended ("the Act"). In order to comply with the Act, during the purchase of Lottery Chances you will be required to confirm that:

(a) You are at least 16 years of age

(b) You are resident in Great Britain

(c) You will not buy or claim to buy lottery chances on behalf of any other person

3.2 If, upon winning any prize in the Lottery, you are not able to prove that you have met the criteria specified in Rules 3.1 (a), (b) and (c) above then you will not be entitled to receive that prize.

3.3 In order to comply with the Act, lottery chances that have been purchased are prohibited from being subsequently refunded.

3.4 By entering into the Lottery, you agree to be bound by the Rules, and applicable provisions of the Act and any relevant regulations made there under from time to time. The Society shall not be liable for any loss or damage (including loss of the opportunity to enter the Lottery and / or the right to receive a prize) suffered by you if you have not complied with the Rules. The Rules may be amended by Gatherwell from time to time.

4. Registration with the Lottery

4.1 You can only enter the Lottery by registering with the Lottery via the completion of an application form which will be published in a variety of forms from time to time.

4.2 Registration will require you to provide the following information:

(a) Your name and address, so that we can write to you to confirm your entry into the lottery and contact you if you have won a prize.

(b) Confirmation that you are over 16 years of age, in order to ensure compliance with the Act.

(c) The number of Chances in the Lottery you wish to purchase

4.3 You will also be asked to provide the following information:

(a) Your date of birth

(b) Your e-mail address

4.4 You will also be required to provide information relating to the purchase of your Chances. Payment may be made via the following methods and the relevant information will vary depending upon the payment method.

(a) Direct Debit - Information required will include your bank or building society details together with an instruction to such bank or building society to make payments by Direct Debit

(b) Debit Card - Information required will include card number, expiry date and card security number

(c) Any other made method made available by Gatherwell from time to time - The information required will depend upon the payment method

4.5 Gatherwell shall be entitled to take any steps necessary to verify the above information and to process your registration. Gatherwell may (in its absolute discretion) refuse to accept an application for an individual to become a Member of the Lottery.

4.6 Following registration Gatherwell will send you confirmation of your entry. If you have chosen to pay by Direct Debit you will receive an Advance Notification Letter.

4.7 It is your responsibility to ensure that the personal information you provide to us is accurate.

4.8 If you discover any error in your name, address or any other details provided to Gatherwell as part of your registration, when you receive your confirmation, then you must correct this by notifying Gatherwell in writing or by e-mail. Gatherwell will make any required corrections as soon as reasonably possible. Gatherwell shall not be liable for any loss or damage (including loss of the opportunity to enter the Lottery and / or the right to receive a prize) suffered by you until such correction has been made. Any correction notified to Gatherwell shall only become effective once the correction has been made.

4.9 Each Game Number is unique to you. When registering for tickets, you will have the choice of selecting a 6 digit number yourself or allowing a randomly generated number to be allocated to you. You may subsequently amend this Game Number, if you wish, at any time.

5. Payment

5.1 Payment for Chances may be made by the following methods:

(a) Direct Debit

(b) Debit Card

(c) Any other method made available by Gatherwell from time to time

5.2 Payment for Chances are made directly to Gatherwell. Therefore:

(a) Direct Debit payments will be referenced as either Gatherwell or North Herts Community Lottery on your bank statement.

(b) Any other method made available by Gatherwell from time to time would also be referenced as or be payable to Gatherwell or North Herts Community Lottery on any appropriate documentation.

5.3 The price for each Chance is £1 or such other sum as Gatherwell may from time to time notify to you.

5.4 Your Chances and therefore associated Game Number(s) will not be entered into the Draw unless Gatherwell has received all amounts payable (cleared funds) relating to your Game Numbers relating to your Chances by 23:59 on the Friday of that week's draw. If there is a dispute regarding

whether Chances have been paid for, then such dispute shall be resolved by reference to details included in official statements from the bank with which the Gatherwell's bank accounts operate.

5.5 Direct Debit payments will be entered into the first available draw 3 working days after the collection has been made from your bank account. You will be notified of your first draw date by email.

5.6 You may cancel your entry into the Lottery by notifying Gatherwell in writing or by e-mail (or via any other methods specified by Gatherwell from time to time). Upon receipt of this notice Gatherwell will;

(a) Cancel future Direct Debit payments as soon as is reasonably practicable.

(b) In accordance with the Act and as described in Rule 3.3 any payments made prior to such cancellation taking effect but which have not been used to pay for Chances in previous Draws will be used to pay for entry for your Chances into future Draws.

5.7 Gatherwell may cancel your entry into the Lottery (in its absolute discretion) at any time. Gatherwell will notify you accordingly as soon as reasonably practicable and will reimburse any amounts which have been paid but relate to future Draws. Other than the reimbursement of any such amounts, Gatherwell shall not be liable for any loss or damage (including loss of the opportunity to enter the Lottery and / or the right to receive a prize) suffered by you in relation to such cancellation.

6. Protection of customer funds

6.1 Gatherwell transfer customer funds within 14 working days of receipt into a separate client account on behalf of the societies we act for and these funds are transferred to the Society on a regular basis. All remote operators licensed by the Gambling Commission have an obligation to hold separate accounts for proceeds. This is to protect the player in the event of an insolvency incident. Gatherwell have assessed that they offer a 'Medium' rated level of protection as classified by the gambling commission <http://www.gamblingcommission.gov.uk/for-the-public/Your-rights/Protection-of-customer-funds.aspx>

7. Ticket Numbers

7.1 Ticket numbers can be chosen at the time of purchase, either by self-selection or by a "Choose for me" option where a random combination will be selected.

7.2 Ticket Numbers can be amended at any time, however for the avoidance of doubt ticket numbers amended after 23.59 on the Friday prior to a draw will not become effective until after the next draw has concluded.

8. Changes to Member Details

8.1 Any changes to your details as provided by you upon registration should be notified to Gatherwell in writing or by e-mail. Changes to the bank or building society specified during registration will require the completion of a new Direct Debit Instruction. Further information regarding this can be obtained from Gatherwell upon request.

9. Draws

9.1 The Draw process is based upon the results of the Australian National Lottery Super66 game, as published on the Lottery West website (www.lotterywest.wa.gov.au). The Winning Number for each weekly draw shall be the six digit number generated as follows:

(a) the Winning Number shall be the six digits (in the same order) of the Australian National Lottery Super66 draw which takes place on the Saturday night of the same week.

9.2 In order to comply with the Act only those Chances for which payment has been received are eligible for entry into the Draw.

9.3 In the event that the Super66 draw as described in Rule 9.1 does not occur or is declared void on a single occasion then the Winning Number shall be determined in the same way but from an alternative lottery game. Details of such an occurrence will be published on the Lottery website.

9.4 In the event that the Draw process in Rule 9.1 ceases to occur or is subject to fundamental change which prevents a Winning Number being selected then Gatherwell reserves the right to select an alternative Draw process. Such an alternative Draw process would be selected on the basis that the basic principles of the Draw as described in Rule 9.1 would continue and the basic principles of how winners would be selected would continue as described in Rule 10. Such changes will be published on the Lottery website.

9.5 Gatherwell and the Lottery are not related in any way to the Australian National Lottery, the National Lottery, Camelot Group PLC or any other organisation involved in the operation of the National Lottery.

9.6 The winning probabilities for prizes are as follows:

Number of matches	Matching patterns*	Odds
-------------------	--------------------	------

6	NNNNNN	1,000,000:1
5	NNNNNn or nNNNNN	55,556:1
4	NNNNnn or nnNNNN	5,556:1
3	NNNnnn or nnnNNN	556:1
2	NNnnnn or nnnnNN	56:1

*N is a match, n is not. So NNNNNN is 6 matches and nnnnnn is no matches

10. Prizes

10.1 Prize winners will be determined by whether a Members Game Number relating to a Chance in the Lottery matches the Winning Numbers as described in Rules 9.1 and 9.6 dependent that the Chance relating to the Game Number in question complies with Rules 9.2.

10.2 Prizes are issued as follows:

Number Of Matches	Prize
-------------------	-------

6	£25,000
5	£2,000
4	£250
3	£25
2	3 extra tickets

10.3 The promoter reserves the right to amend the prize structure at any time. Any such changes will be published on the Lottery website at least one month prior to a change being made.

10.4 Each Game Number shall only be entitled to win one prize in one Draw. The prize won will relate to the highest value prize.

10.5 The results of each Draw will be published on the Lottery website within one week of the date of the draw and may also be published in any other manner determined by Gatherwell Ltd from time to time.

10.6 Winners will be notified by email within two weeks of the date of the draw. Such notification will include a link to claim the prize to the value of the prize won by the Member.

10.7 Gatherwell reserves the right to withhold the payment of any prize until it is entirely satisfied that the Member who has won the prize has fully complied with the Rules.

10.8 If, upon winning any prize in the Lottery, you are not able to prove that you have met the criteria specified in Rules 3.1 (a), (b) and (c) above then you will not be entitled to receive that prize.

10.9 There are no alternatives to the prizes offered from time to time and no interest is payable.

10.10 Any unclaimed prizes will be re-credited to the Gatherwell main account after a period of six months has elapsed.

11. Suspension of the Lottery

11.1 The promoter may (at its absolute discretion) suspend the Lottery for any period of time. During such period, Gatherwell shall:

(a) Suspend Direct Debit payments from your bank or building society account as soon as reasonably practicable, and;

(b) Retain any amounts which were paid prior to such suspension taking effect that have not been used to pay for chances in previous Draws.

You will be notified of further details regarding the resumption of the lottery or otherwise as soon as reasonably practicable after the date of suspension in writing.

12. Liability

12.1 Neither Gatherwell nor any of the Societies participating in the lottery from time to time shall be liable to you for any loss or damage suffered by you arising from:

(a) Any delays or failures in the postal service or other delivery methods used by Gatherwell or you from time to time.

(b) Any delays or failures in any systems used by Gatherwell or you to transmit e-mails.

(c) Any failure in any software or other systems used by Gatherwell for the administration of the Lottery.

(d) Any delays of failures in the banking system used by Gatherwell or you.

(e) Any refusal by Gatherwell to accept registration of an individual as a Member or the cancellation of a Member by Gatherwell.

(f) Any failure to enter your Chance into the Draw.

(g) Any event beyond the reasonable control of Gatherwell.

12.2 Neither Gatherwell nor any of the Societies participating in the lottery from time to time shall be liable to you in contract, tort, negligence or otherwise for any indirect or consequential loss suffered by you in relation to your participation in the Lottery (including loss of the opportunity to enter the Lottery and / or the chance of winning a prize).

13. Complaints

13.1 Please see our Complaint Procedure.

14. Contact Address

14.1 All correspondence should be sent to the following address:

North Herts Community Lottery

Gatherwell Ltd

PO Box 888

Oxford

OX1 9PS

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**CABINET
29 JUNE 2021**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: STRATEGIC PLANNING MATTERS

REPORT OF THE SERVICE DIRECTOR - REGULATORY

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR PLANNING & EXECUTIVE MEMBER FOR 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 and transport 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 to C be noted and endorsed by Cabinet.
- 2.3. That the use of the reserve from the additional planning income in 2017/18 be extended to include the delivery of the Local Plan as per paragraph 10.4

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 Members for Planning and Transport and Deputies have been briefed on the relevant matters in this report. The Local Plan Project Board has been 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 ran until Thursday 18 March 2021. These covered a range of housing issues including objectively assessed need, Green Belt, housing supply and proposed allocations. Following the sessions, the Inspector issued 'round-up notes' setting out the additional information required and the potential ways forward for the examination.
- 8.2. 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.
- 8.3. **Central Bedfordshire** – [Consultation on proposed Main Modifications](#) to the Plan following the examination hearing sessions was held between 19 March and 5 May 2021. The proposed modifications incorporated a number of suggested changes to the Plan made by this Council. As the consultation closed during the pre-election period, an officer response to the consultation was prepared and submitted. This is attached at Appendix A to this report.

North Hertfordshire Local Plan

- 8.4. Consultation on the further proposed Main Modifications to the Plan (and associated evidence to the examination) began on Wednesday 12 May 2021 and closes on Thursday 24 June 2021. Any initial information about the level of response to the consultation will be reported verbally to the Cabinet meeting if available.
- 8.5. Following the consultation, which is administered by the Council, all responses will be sent to the examining Inspector who will determine the next steps.

Neighbourhood Plans

- 8.6. The [Baldock, Bygrave and Clothall Neighbourhood Plan](#) is subject to a separate report to this meeting.

- 8.7. Consultation on the Regulation 16 (pre-examination) version of the [Ashwell Neighbourhood Plan](#) closed on 15 April 2021. As the consultation closed during the pre-election period, an officer response to the consultation was prepared and submitted. This is attached at Appendix B to this report. A copy of all responses to the consultation, which is administered by the Council, have been provided to the Parish Council. Officers will liaise with the Parish Council as to the (timing of the) next steps, which are normally to appoint an independent examiner.
- 8.8. Consultation on the Regulation 16 (pre-examination) version of the [Knebworth Neighbourhood Plan](#) closed on 09 June 2021. A response to the consultation was prepared in consultation with the Executive Member and deputy and submitted under delegated powers. This is attached at Appendix C to this report. A copy of all responses to the consultation, which is administered by the Council, will be provided to the Parish Council. Officers will liaise with the Parish Council as to the (timing of the) next steps, which are normally to appoint an independent examiner.
- 8.9. The Charlton Society Neighbourhood Forum has applied to the Council for designation as a neighbourhood planning forum and for a neighbourhood planning area to be designated for the area of Charlton, which forms part of the unparished area of Hitchin. As the area covered by this application is unparished, it does not benefit from automatic designation. [Consultation on the proposed designation](#) of this area is underway, closing on 21 July 2021. A report on the consultation and recommended way forward will be presented to July Cabinet for consideration.

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

- 8.10. Any updates will be reported verbally to the meeting.

Government announcements

- 8.11. The Government has announced a new form of affordable housing – First Homes. First Homes are discounted market sale housing which:
- must be discounted by a minimum of 30% against the market value;
 - are sold to a person or persons meeting the First Homes eligibility criteria (see below);
 - on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and,
 - after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London).
- 8.12. Under the Government's transitional arrangements, the Council will not have to specifically reflect this new tenure in the new Local Plan currently being examined. However, it would fall under the Plan's requirement that 35% of secured affordable homes should be other forms than rented housing.
- 8.13. For decision-making, the requirement to secure first homes will not be mandatory before 28 December 2021 but local authorities should allow developers to introduce First Homes into their tenure mix if they wish to do so ahead of this.

- 8.14. Planning and housing officers will monitor any further information released about first homes and consider how best to reflect this in any evidence or guidance produced for or by the Council.

Other transport, planning and infrastructure matters

- 8.15. An interim update on the **Council's five-year housing land supply position** has been [published on the Council website](#). The requirement to maintain a five-year supply of housing is a key element of Government planning policy. This Council has been unable to demonstrate a five-year supply for a number of years. The latest figures demonstrate a 1.5-year supply of deliverable sites pending the resolution of the Local Plan examination. Decision makers must have regard to the broad magnitude of any shortfall against the five-year supply requirement when determining applications and considering the weight to be applied to the benefits and harms of individual applications.
- 8.16. 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.
- 8.17. **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.
- 8.18. **Active Travel Fund** – HCC are currently consulting on proposals for a new cycle way scheme in Stevenage that 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.
- 8.19. **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.

- 8.20. **DfT Rural Mobility Fund** – the DfT shortlisted the application 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 service is due to commence in September 2021 with a pre-marketing and publicity campaign starting in August 2021. The 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.
- 8.21. **Sustainable Travel Towns** – the officer working group's for both the Letchworth Garden City and Royston Sustainable Travel Town's schemes led by HCC are continuing to meet on a fortnightly basis to develop high level action plans that will be submitted to HCC for final approval later in the year.

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. Claims have been submitted for 2020/21. Guidance is awaited on the arrangements for 2021/22.

- 10.4 In December 2017, Cabinet resolved that: *(2) That a financial risk be built into the Budget regarding any urgent resources required to supplement the work of the Planning Policy Team on other emerging matters.....* At January 2018's Cabinet this was modified to as *at the end of November 2017, it was forecast that planning income would exceed the current budget by £137,000 (excluding the impact of the 20% increase in planning fees). It was proposed that this be put into a reserve to provide the funding (e.g. additional officer resource, consultants) to be able to respond to and influence the plans, policies, strategies and proposals that impacted upon the District.* Given the increased workload upon the planning teams as a result of master planning it is proposed that the use of this reserve from the 2017/18 surplus planning income, currently circa £436k, is extended to support the planning teams delivery of the Local Plan including master planning. Going forward the use of planning agreements will also be used to seek contributions to the master planning process from developers.

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.
- 11.2. Following the issuing of the further proposed Main Modifications for consultation and the approval by Cabinet in March 2021 of the broad approach to the masterplanning and delivery of the largest proposed sites in the District, officers will undertake a review of the existing risks for planning and development to be included in the Q2 update.

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. Two members of the Strategic Planning team are currently informally seconded to the Development Management team on a part-time basis to assist with determining planning applications.

16. APPENDICES

- 16.1. Appendix A – NHDC response to Central Bedfordshire Main Modifications consultation
- 16.2. Appendix B – NHDC response to Ashwell Neighbourhood Plan consultation
- 16.3. Appendix C – NHDC response to Knebworth Neighbourhood Plan consultation

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18. BACKGROUND PAPERS

18.1 None



04 May 2021

Central Bedfordshire Council
Local Plans Team

Contact Officer: Nigel Smith
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By email only

Dear Sir / Madam,

Central Bedfordshire Local Plan 2015-2035: Main Modifications Consultation

Thank-you for the opportunity to comment on the above consultation. Our authorities have worked collaboratively in the preparation and subsequent examination of your Plan. This is reflected in the Memorandum of Understanding (MoU) agreed between the two Councils. (your reference Exam 5C Annex 2). The MoU included, in its Appendix 1, a number of agreed Main Modifications on transport matters which, subject to their inclusion, resolved North Hertfordshire's outstanding concerns.

From review of the published Main Modifications, North Hertfordshire is pleased to see the significant majority of these reflected in the proposed changes to the Plan. Specifically:

- **MM35** / Policy SA3 in relation to proposed development East of Arlesey where modifications are included as agreed and this change is **supported**;
- **MM38** / Policy SA4 in relation to proposed development East of Biggleswade where modifications are included as agreed and this change is **supported**;
- **MM141** / Paragraph 14.5.2 in relation to assessments of transport capacity where modifications are included broadly as agreed, making reference to cross-boundary traffic movements, and this change is **supported**;
- **MM143** / Policy T1 in relation to the cumulative transport impact of cross-boundary development where modifications are included as agreed and this change is **supported**;
- **MM190** / Policy HQ2 in relation to the securing of developer contributions where modifications are included as agreed and this change is **supported**.

Of the other agreed changes references in our MOU:

- Changes to Paragraph 14.3.2 in relation to cross-boundary transport movements are included as agreed in the schedule of additional modifications (**AM45**). Although the additional modifications are not subject to formal consultation, we support your intention to make this change;
- The proposed allocation of RAF Henlow for mixed-used redevelopment is proposed for deletion by MM42, rendering our previously agreed changes obsolete. We note your intention, as expressed through **MM134** and **MM135** to further consider the future of this site outside of this Plan process and / or to inform the proposed review. We would welcome an ongoing dialogue with you on the future of this site given its location close to the administrative boundary (*see also our comments below on masterplanning and delivery and the proposed plan review*).

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

- The previously agreed changes to Policy SE3 in relation to the cumulative traffic impacts of proposed employment development at Holme Farm, west of the A1 at Biggleswade have been excluded from **MM40**. North Hertfordshire **objects** to this omission and requests that the previously agreed changes are incorporated into the changes to this policy for effectiveness and consistency with the approach taken elsewhere. This is for the reasons set out in our previous MoU.

Beyond these issues, the Council **supports** the continued provision made in Central Bedfordshire's Plan towards unmet development needs from Luton and the identification in **MM14** and **MM15** of the specific sites within Central Bedfordshire that will achieve this.

We note the proposed policy requirement in **MM8** for an early review of the Plan to commence six months from adoption. We anticipate playing an active part in this review and the development of any relevant evidence and policies under the Duty to Cooperate (or any successor arrangements under the Government's planning reforms) given our proximity, shared housing and economic market areas and linked transport and green infrastructure.

Our own Local Plan for the period to 2031 is similarly progressing. The Inspector's proposed Further Main Modifications were issued in March 2021 and are due to be consulted upon following the upcoming local elections. These latest amendments do not propose any significant alterations to the spatial strategy but do include significantly strengthened requirements in relation to the masterplanning and design of strategic and significant development sites in the District.

Recognising that the modifications to both Plans are issued without prejudice to the Inspectors' final conclusions, we would welcome opportunities to discuss the masterplanning and implementation of sites close to our shared administrative boundaries on an ongoing basis. These sites provide the potential to jointly deliver and / or contribute towards the provision of linked strategic green infrastructure (including opportunities for biodiversity net gain), walking and cycling provision and public transport to the benefit of existing and future residents.

This particularly relates to the proposed strategic allocation east of Arlesey and developments in and around Stotfold, Henlow (including any future plans for the RAF base) and Lower Stondon in Central Bedfordshire and proposed sites in and around Baldock, Letchworth, Hitchin and Ickleford in North Hertfordshire.

If you would like to discuss any of the comments raised in this response in more detail, please contact me using the details provided.

Yours sincerely,

Nigel Smith
Strategic Planning Manager, MRTPI
North Hertfordshire District Council



Date 14 April 2021

Strategic Planning Team
North Hertfordshire District Council

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Your Ref:

By email

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**Ashwell Neighbourhood Plan – 2nd Submission Version – Regulation 16
Comments made on behalf of North Hertfordshire District Council**

The District Council welcomes the publication of the Submission Version of the Ashwell Neighbourhood Plan and appreciates the significant amount of work undertaken by the Neighbourhood Plan Steering Group and the Parish Council in reaching this stage in the preparation of the Neighbourhood Plan. The attached comments are made by officers and follow on from the comments that were made to the earlier drafts of the neighbourhood plan.

In reviewing the Neighbourhood Plan documents, it is clear that a significant amount of public consultation has been undertaken in the preparation of the neighbourhood plan and that this is reflected in the Consultation Statement.

All neighbourhood plans must meet certain “basic conditions” before they can come into force. These are tested through the independent examination, before a plan can proceed to a referendum. The basic conditions for neighbourhood plans are to:

- have regard to national policy;
- contribute to the achievement of sustainable development;
- be in general conformity with the strategic policies in the development plan for the area; and
- be compatible with EU obligations.

In terms of compliance with existing planning policy, the Neighbourhood Plan Regulations are clear that the neighbourhood plan should be in “general” conformity with the current statutory Local Plan. The adopted local plan for North Hertfordshire is the District Local Plan No. 2 with Alterations, 1996.

Although a draft neighbourhood plan is not tested against the policies in an emerging local plan, Planning Practice Guidance does state that emerging evidence is likely to be relevant to the consideration of the basic conditions. The District Council acknowledges that work that the Parish Council has undertaken to ensure that the neighbourhood plan has been prepared having regard to the emerging policies in the Local Plan, which is at a relatively advanced stage of preparation, but a concern has been raised about one policy, ASH2 in the attached schedule.

The District Council is satisfied that the Ashwell Neighbourhood Plan is in general conformity with the saved policies from the District Local Plan No. 2 with Alterations, 1996 and has regard to national planning policy.

In submitting these representations, it should be clear that the District Council fully supports Ashwell Parish Council's ambition to put into place a neighbourhood plan for the parish and will continue to work with the Parish Council in the next stages of the neighbourhood plan.

Yours sincerely

Nigel Smith
Strategic Planning Manager

Ashwell Neighbourhood Plan – Regulation 16 Submission Version

Response from North Hertfordshire District Council

There are a number of policies in the neighbourhood plan where it is still not entirely clear whether development proposals will or will not be supported. This was an issue was raised by the District Council in response to the Regulation 14 consultation plan.

As a matter of detail, there are references to Figures throughout the document which will need updating once the neighbourhood plan has been examined and the examiner's recommendations made.

Page No.	Paragraph or Policy	Comments
Various	Various	The Inspector's latest proposed modifications to the Local Plan suggest that site AS1 (Claybush Road) should now be deleted. Development of this site has now commenced rendering the proposed Local Plan allocation obsolete. There are also changes to the number of homes proposed. Consider amending relevant references (e.g. paragraphs 5.1 to 5.3, 6.4 etc) as necessary.
15 – 16	Fig. 3.2 & Fig 3.3	Figures 3.2 and 3.3 both illustrate the amount of development in Ashwell, with Figure 3.2 being particularly detailed. Would this more detailed information be better placed in an appendix to the neighbourhood plan?
15	Paragraph 3.14	The paragraph states that the developments at Walkdens & Philosophers' gate included affordable housing and starter homes. The word 'starter' should be deleted and replaced with 'shared ownership'
22	Policy ASH1(A)	The criterion makes reference to "within the proposed extension to the settlement boundary..". This makes the policy sound as though development will be focussed within the (less developed) areas added to the settlement boundary which conflicts with the aspiration to support development on previously developed land. Should the criterion be re-worded to refer to the "...proposed extended settlement boundary.."
	Policy ASH1(B)	The Basic Conditions Statement states that this policy synchronises with Policy SP2 in the emerging Local Plan but it is considered that as worded the policy is contrary to the strategic policy, SP2 – Settlement Hierarchy and Spatial Distribution in the emerging Local Plan. Policy SP2 in the emerging Local Plan states that general development will be permitted within the proposed settlement boundary (subject to consideration of other relevant policies), whereas the policy wording in the

		<p>submitted neighbourhood plan attempts to restrict development within the amended village boundary with only proposals on brownfield land being supported. The second sentence of this criterion should be deleted.</p> <p>Subject to compliance with the basic conditions, any greenfield sites (or types of site) which are not considered to be adequately protected by national policy or other policies of the Neighbourhood Plan or Local Plan should be identified with any necessary supporting evidence – as with Policy ASH12. This approach allows for applications to be considered against criterion a of this policy.</p>
26	Paragraph 6.13	<p>The paragraph describes the findings of the Housing Survey 2015 and suggests that smaller units would be suitable. Does this mean one and two bed homes (which is how the term is generally used in the Local Plan)? Elsewhere, the Neighbourhood Plan (e.g. Paragraph 6.27) suggests ‘smaller’ refers to homes with up to three bedrooms.</p> <p>The Council does not object to a different definition of ‘smaller’ being used within the Neighbourhood Plan but this should be clearly defined to prevent any confusion when reading across policies or the two plans.</p>
26	Paragraph 6.14	<p>As a matter of note, supported social / sheltered housing schemes are difficult to achieve on a small scale. The same is true for market accommodation for sale or private rent.</p>
28	Paragraph 6.18	<p>The final sentence of the paragraph should be amended as eligibility is determined in accordance with the Common Housing Allocation Scheme (CHAS) and through the Help to Buy Agent for low cost home ownership.</p>
29	Paragraph 6.27	<p>The word “smaller” should be deleted from the first sentence. Reference should be made to the 2016 Strategic Housing Market Assessment (SHMA) Update which identifies a need for 94% one, two & three bed affordable homes for rent and 90% one, two & three bed homes for intermediate affordable housing tenure.</p> <p>In the second paragraph it is suggested that the word ‘smaller’ should be replaced with ‘a mix of’.</p> <p>The final sentence should be deleted and replaced with ‘Affordable Housing must meet definitions in NPPF and meet NHDC’s policy requirements’.</p> <p>Here and in Policy ASH2 references to sales costs should either be removed (as this can’t be controlled through the planning system) or expressed as an aspiration / intended policy outcome of encouraging more smaller homes</p>

29	Policy ASH2 (B)	The provision of one and two bed homes will assist in meeting the requirements of (i) and (ii). The policy could be amended to support development of one and two bedroom homes.
	Policy ASH2 (C)	The second sentence of the criterion states “Applications that offer affordable housing substantially in excess of the ratios required in the Local Plan will be supported...” This seems to suggest that applications that don’t offer in excess of the ratios will not be supported. The Council cannot demand affordable housing above Policy requirements although any ‘excess’ of affordable housing above policy requirements may be viewed positively in the determination of any schemes.
	Policy ASH2 (D)	This criterion should be amended to include a reference to the latest housing survey or the latest version of the Strategic Housing Market Assessment as these will include information on housing need
33	Policy ASH3 (C)	This wording of this criterion has been amended following the Regulation 14 consultation. The Council considers that the wording has been made less certain in the revisions. Previously a development proposal would have been expected to, but this has been amended to development proposals “should address”.
39	Policy ASH4 (vii)	This criterion should be deleted from this policy as car parking is comprehensively addressed in Policy ASH22.
41	Policy ASH5	In response to the Regulation 14 consultation, the Council stated that much of the policy replicated policy guidance that is included in the NPPF, National Planning Practice Guidance and the emerging Local Plan. The Council’s position has not changed and it is considered that this policy could be deleted from the neighbourhood plan.
44	Policy ASH7	The District Council welcomes the amendments made to the Policy ASH7.

46	Policy ASH8 (B)	The policy includes the phrase “structures of character” which is used in the 2 nd sentence together with a reference to Appendix C of the neighbourhood plan. However, there is no specific reference to “structures of character” within the Appendix. The wording of the Policy should be amended to delete the reference to “structures of character” and replace this with “undesigned heritage assets”, which would be in line with the guidance in the NPPF.
	Policy ASH8 (C)	Guidance published by Locality on writing planning policies for neighbourhood plans suggests that using “not normally” introduces a vagueness to planning policies. To be used effectively in determining planning applications, the policy wording needs to provide some certainty about how a development proposal will be considered. By deleting the first few words of this criterion, the policy could be worded to provide more certainty.
53	Policy ASH9	It appears that Policy ASH9 has been amended following publication of the Regulation 14 consultation draft neighbourhood plan. The Council considers that the introduction of criterion B makes the policy unclear and should be deleted.
62	Policy ASH11 (C)	This criterion should be deleted from the policy as it duplicates the provisions set out in Policy NE9: Water quality and environment in the emerging Local Plan.
	Policy ASH11 (D)	In its response to the Regulation 14 consultation, the Council stated that the wording of this criterion should be amended to reflect the language used in the NPPF. However, the revised wording now includes text from the NPPF which is unnecessary and should be deleted from the neighbourhood plan.
64	Policy ASH12 (B)	In its response to the Regulation 14 consultation, the Council stated that the wording of this criterion should be deleted as it duplicates what is set out in the NPPF. This remains the case and the Council considers that this criterion should be deleted.
68	Policy ASH15 (B)	The Council welcomes the changes made to this policy in light of the revisions made to the Use Classes Order in 2020. However, the Council considers that the second and third sentences of criterion B should be amended to ensure that the policy meets the basic conditions and accurately reflects the changes to the Use Class Order. The Council assumes that the intention of the policy is to protect retail and community uses, the policy could be amended to specifically identify those uses, rather than make reference to the Use Classes E, F1 and F2 which

		<p>include other uses including cafes, offices and light industrial uses. This is an approach which is proposed in the Further Main Modifications to the emerging Local Plan.</p> <p>As worded, policy criterion (B) refers specifically to retail and community uses, whereas the new E, F1 and F2 Use Classes include a number of other uses, including cafes, offices and light industrial uses. These references should be deleted from the policy.</p>
82	Policy ASH22 (C)	The criterion could be re-worded to read: “Development proposals which result in the loss of publicly accessible off-street car parking will not be supported” which would make the policy clear.

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7 June 2021

Strategic Planning Team
North Hertfordshire District Council

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**Knebworth Neighbourhood Plan– Regulation 16
Comments made on behalf of North Hertfordshire District Council**

The District Council welcomes the publication of the Submission Version of the Knebworth Neighbourhood Plan and appreciates the significant amount of work undertaken by the Parish Council in reaching this stage in the preparation of the Neighbourhood Plan. The attached comments are made by officers and follow on from the comments that were made to the earlier drafts of the neighbourhood plan.

In reviewing the Neighbourhood Plan documents, it is clear that a significant amount of public consultation has been undertaken in the preparation of the neighbourhood plan and that this is reflected in the Consultation Statement.

All neighbourhood plans must meet certain “basic conditions” before they can come into force. These are tested through the independent examination, before a plan can proceed to a referendum. The basic conditions for neighbourhood plans are to:

- have regard to national policy;
- contribute to the achievement of sustainable development;
- be in general conformity with the strategic policies in the development plan for the area; and
- be compatible with EU obligations.

In terms of compliance with existing planning policy, the Neighbourhood Plan Regulations are clear that the neighbourhood plan should be in “general” conformity with the current statutory Local Plan. The adopted local plan for North Hertfordshire is the District Local Plan No. 2 with Alterations, 1996.

Although a draft neighbourhood plan is not tested against the policies in an emerging local plan, Planning Practice Guidance does state that emerging evidence is likely to be relevant to the consideration of the basic conditions. The District Council acknowledges that work that the Parish Council has undertaken to ensure that the neighbourhood plan has been prepared having regard to the emerging policies in the Local Plan, which is at a relatively advanced stage of preparation. We have, however, made a series of comments to ensure maximum conformity with both Local Plan and national planning policy.

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

The District Council is satisfied that the Knebworth Neighbourhood Plan is in general conformity with the saved policies from the District Local Plan No. 2 with Alterations, 1996 and has regard to national planning policy. It is the Council's view that the Neighbourhood Plan meets the basic conditions, subject to taking on board the detailed comments in the attached schedule.

In submitting these representations, it should be clear that the District Council fully supports Knebworth Parish Council's ambition to put into place a neighbourhood plan and will continue to work with the Parish Council in the next stages of the neighbourhood plan.

Yours sincerely

Nigel Smith
Strategic Planning Manager

Knebworth Neighbourhood Plan – Regulation 16 Submission Version

Response from North Hertfordshire District Council

Page No.	Paragraph or Policy	Comments
18	3.2	Objective B: what is meant by 'built up area'? This would be good to define as a footnote or similar.
18	3.2	Objective C: the aspiration to retain and protect the 'high street' retail frontage is compatible with the North Hertfordshire District Council Saved Policy 43 and emerging Local Plan Policies ETC4, ETC5 and ETC6 to protect and encourage retail areas.
20	KBDS1	We are pleased to see that this policy has been effectively reworded since the last round of consultation.
21	KBDS2	<p>The AECOM work is quite high level and was produced at a point in time on fairly limited evidence base so does not really hold up too much scrutiny and as such can only be given very limited weight. It is acceptable to keep it as an appendix and retain the words 'in order to guide development in Knebworth'. The guidelines have some useful components to steer the masterplan</p> <p>The guidelines state an average density of 28-30 dph and do not identify a northern access for KB1 over Deard's End Lane Bridge, with a strong green buffer instead and require allotments and sports facilities on KB1.</p> <p>There seems to be quite a discrepancy between our open space calculations and the AECOM report. Our figures are much lower, and they identify 0.3 sites for both KB1 and KB2 for children and young people. Further work is needed on what green space is really needed, and in terms of function/design/multi-functional use. In conjunction, a land use budget would assist in determining at 30 dph how many dwellings can be built with an appropriate amount of green infrastructure in addition. In general, open spaces should be planned as part of a wider masterplanning approach, which delivers 'critical masses' of different uses.</p>
22	5.1	We support the reference given to the role of local hubs of shops, community spaces and small business units in reducing the dependence on motor vehicles and encouraging people unable to walk to the Village centre. This is particularly pertinent in light of the recent pandemic and is in conformity with the aims of the 2020 amendments to the Use Classes Order, emerging Local Plan Policy ETC6 and paragraph 92 of the NPPF.

22	KBLE1	Retail Area: this would benefit from cross referencing of where the physical extent of this is shown on the Policies Map for clarity.
23	5.2	The end of the first paragraph seems to trail off. Should the sentence finish by stating, “the 30% increase in residential properties proposed in the North Hertfordshire District Council Local Plan.”?
23	KBLE2	<p>We are pleased see that this policy has been effectively reworded following the last stage of consultation.</p> <p>In relation to the requirement for a minimal traffic impact, is this what is meant by the intention of the policy, or would it be more reasonable to state that “where impacts are predicted, they are sufficiently and effectively mitigated”? Development proposals inevitably bring with them residual impacts and through requirements such as Transport Statements/ Assessments, appropriate measures can be identified and required at application stage. This approach would enable conformity with the NPPF, which provides robust safeguards in this respect and which states that development should only be prevented or refused on highways grounds if there would be an unacceptable impact on highway safety, or the residual cumulative impacts on the road network would be severe</p>
23	5.3	Acknowledges the amendments to the Use Class Order to ensure legal compliance with reference to the application of the policy to predominantly Class E – commercial, business and service and B8 – storage and distribution uses.
24	KBLE3	We are pleased to see this has been reworded since the last consultation.
24	KBLE3	Village Centre: it would be good to define this somewhere for clarity
26	KBLE4	The thrust of this policy is beneficial in light of the economic recovery from the Covid 19 pandemic. Emerging Local Plan Policy ETC6 reflects such an approach and echoes the general shift towards flexibility between commercial uses in the 2020 amendments to the Use Class Order.
27	KBLE5	Whilst it may be premature to predict future homeworking trends, the survey results may not be reflective of current patterns given the recent pandemic. A caveat to the timing of this data collection should be made.
30	6.2	Reference to Starter Homes should be removed as this has been abolished by Government.
31	KBBE2	<p>This policy would benefit being disaggregated e.g. parts A, B, C, D etc.</p> <p>The policy introduces requirements beyond the current and emerging Local Plan requirements which have not been subject to viability testing. Evidence would be beneficial to demonstrate deliverability.</p>

		The wording of this policy could be improved, and we do not see the link to emerging Local Plan Policy SP9. The way it is worded does not introduce requirements as states 'wherever possible' and 'will be'. It is not prescriptive, and it would be beneficial if this could be made clear to ensure clarity at planning application stage. This is the same in relation to HQM.
32	KBBE3	The wording of the policy repeats guidance in National Design Guide and Building for a Healthy Life. It would benefit from being referenced in Policy KBBE5 so as to attribute greater weight. e.g. 'Developers should take account of the design guidance in Building for a Healthy Life; A Design Toolkit for neighbourhoods, streets, homes and public spaces.' The policy goes beyond current and emerging Local Plan requirements which have not been subject to viability testing. Evidence would be beneficial to demonstrate deliverability.
32	6.4	Building for Life has now been replaced by the Building for a Healthy Life design toolkit. We support reference to BFHL in promoting design quality in a comprehensive way. It would also be beneficial to reference adherence to the National Design Guide.
33	KBBE4	We are pleased to see the last paragraph of the policy has been reworded since the last consultation. This policy would benefit being disaggregated e.g. parts A, B, C, D etc
34	6.5	It is stated that removing the permitted right to convert a garage or parking space is the intention of the policy. This is not realistic as any conditions would be required to meet the tests for conditions, and particularly in relation to being enforceable.
34	6.5	The reference to 'Social Infrastructure Facilities Requirements can be calculated using AECOM's infrastructure model as shown in section 2.3 of the AECOM report' needs to be qualified. The social infrastructure requirements for sites KB1, KB2 and KB4 are set out in the site allocation policies in the emerging Local Plan and are supported by the Local Plan evidence base. The AECOM model outcomes can be used to inform any further social infrastructure if required and deliverable.
35	6.5	A range of parking arrangements should be provided, and they should be well integrated into the plot (i.e. do not disrupt the building line) and street, preferably with good quality hard and soft landscaping. With the move towards less car ownership/car sharing and electric cars, small pods of parking could work as this would a) get people to walk to the car and b) free up the streets for children to play in and to act as public space. In a 15-

		minute neighbourhood it would be possible to create a hub with such a parking pod and with access to public transport/workspace/shop/green space etc.
35	KBBE5	<p>This policy would benefit being disaggregated e.g. parts A, B, C, D etc</p> <p>As a general point, this policy seems more about access and transport rather than wider masterplanning and placemaking principles, which encompasses much more. Could this policy title be reframed to better reflect the content. Further to this, the point about parking should come out and maybe join the supporting text for KBBE4 instead.</p> <p>Good practice states that a variety of parking typologies should be used to sensitively integrate cars into the street, block and plot design, rather than the predominate parking being on plot to the side or in front. The objective is not to let the car dominate the layout, and up to 50% of land use in a standard development is for the car.</p> <p>KBBE5 should just focus on accordance with SP9 and the AECOM guidelines. The reference to Building for A Healthy Life would be better placed in this policy.</p>
36	KBBE6	<p>Part c) requires green spaces along A1(M) facing side, incorporating allotment gardens and potential noise mitigation features. The applicant for KB1 will be required to undertake a masterplanning process, which will include the provision of green infrastructure. The suitability of different types of open space will be highly dependent on further information relating to surface water run-off, noise and land use layout.</p> <p>Part d) refers to the provision of outdoor sports facilities. A requirement such as this should be justified in quantitative terms, including reference to the NHDC Open Space Review and Standards. Management and maintenance arrangements should be clearly stipulated in the policy to ensure ongoing quality is maintained. It is acknowledged though that community consultation (as indicated at paragraph 7.2.4) that sports facilities are considered inadequate. The allocations KB1, KB2 and KB4 should be considered holistically in terms of their outdoor sports facilities requirement to ensure that the most appropriate type and location for such facilities is achieved.</p> <p>With regard to the parking requirement, this should be linked to the size of provision, which is currently unknown. Reference should be made to the NHDC car parking standards to ensure adequate car parking provision in relation to the scale of provision of outdoor sports facilities where this requirement is retained.</p>

		<p>The destination park envisaged for KB1 should ensure it becomes just that, by being well landscaped with new habitats/wildlife areas, a range of play areas and recreational and amenity space to meet the needs of all age groups. The policy criteria d should just say 'outdoor sports facilities' and then this can be determined through the masterplanning process. The same goes for KBBE7. Should the policy not reference the need for on-site allotments given they are shown in the AECOM concept plan for KB1 and a requirement of policy KBW5?</p> <p>In general, open spaces should be planned as part of a wider masterplanning approach, which delivers 'critical masses' of different uses.</p>
37	KBBE7	<p>Part c) requires green spaces along A1(M) facing side, incorporating allotment gardens and potential noise mitigation features. The applicant for KB1 will be required to undertake a masterplanning process, which will include the provision of green infrastructure. The suitability of different types of open space will be highly dependent on further information relating to surface water run-off, noise and land use layout.</p> <p>In relation to part e), further information is needed to determine suitable access and mitigation measures. This will form part of masterplanning work and in addressing the cumulative transport impacts required by main modifications to this allocation in the emerging Local Plan.</p> <p>Part f) refers to the provision of outdoor sports facilities. A requirement such as this should be justified in quantitative terms, including reference to the NHDC Open Space Review and Standards. Management and maintenance arrangements should be clearly stipulated in the policy to ensure ongoing quality is maintained. It is acknowledged though that community consultation (as indicated at paragraph 7.2.4) that sports facilities are considered inadequate. The allocations KB1, KB2 and KB4 should be considered holistically in terms of their outdoor sports facilities requirement to ensure that the most appropriate type and location for such facilities is achieved.</p> <p>In general, open spaces should be planned as part of a wider masterplanning approach, which delivers 'critical masses' of different uses.</p>
38	KBBE8	<p>Unlike KB1 and KB2 there is no requirement for outdoor sports facilities. Is this deliberate, as the location may be more suitable given the fewer site constraints and potential for integration with the community centre/ form a sports hub with Watton Road with shared stewardship etc? The allocations KB1, KB2 and KB4 should be considered holistically in terms of their outdoor sports facilities requirement to ensure that the most appropriate type and location for such facilities is achieved.</p>

		In general, open spaces should be planned as part of a wider masterplanning approach, which delivers 'critical masses' of different uses.
41	KBW1	<p>This policy would benefit being disaggregated e.g. parts A, B, C, D etc</p> <p>This policy relates to community facilities and services, however reference is made to commercial uses. It would be helpful if this was clarified and whether it connects to the Commercial E Class uses brought about by the 2020 amendments to the Use Class Order.</p> <p>The first and second paragraphs of this policy are written in a long-winded way and editing would be beneficial to ensure clarity. Reference should be made to sources of information relating to service provision, for instance the HCC Guide to Developer Contributions. This would enable applicants and case officers to understand the intentions of the policy and how to meet the requirements of the policy.</p> <p>The third paragraph of the policy refers to GP provision. It may bolster the intention of the policy to refer to resisting the loss instead.</p> <p>In relation to the fourth paragraph, does this relate to all planning applications, or just those relating to community facilities and services? This should be clarified as the provision of recreation space may not be reasonable or proportionate to all planning applications, e.g. small-scale applications or retail uses.</p>
44	7.2.4	Makes reference to the use of CIL, however North Hertfordshire does not currently have CIL in place and so this should be removed.
44	7.2.4	Reference is made to new indoor sports facilities, but as with outdoor sports provision this should be justified and linked back to quantitative evidence. The North Hertfordshire Indoor Sports Facilities Study (2016) would be particularly useful in this regard in drawing out the assessed need.
49	KBW3	Reference is made to current standards but the source of these are not referenced. It should instead refer to the NHDC Open Space Review and Standards.
51	KBW4	<p>We are pleased to see that this policy has been amended since the last stage of consultation.</p> <p>Part c) refers to better facilities but it would be beneficial for it to be clarified whether this means in terms of quality or quantity, or both.</p>

53	KBW5	It should be clarified whether this applies to emerging Local Plan allocations KB1, KB2 and KB4 in its intention? The requirement is high and could render other forms of open space difficult to deliver should this be prioritised. The requirement should be justified by a robust evidence base. It would be beneficial to provide a clear allotment requirement for each site KB1, KB2 and KB4 in terms of hectareage and number of plots this would provide. This should not just meet existing need but provide for new residents as well. This way, the allotments/community gardens would become a key aspect of the green infrastructure plan for each site.
55	KBS2	The first sentence of the policy should be removed.
56	KBS4 and paragraph 8.5	<p>The latest proposed modifications to emerging Local Plan Policy SP10 and associated supporting text of the District Council's Local Plan – agreed in principle with HCC - specifically recognises the challenges around predicting and providing for long-term education needs and that alternate possibilities may be identified in the intervening period. It is considered that this would provide a more appropriate basis for the commentary in the Neighbourhood Plan rather than the 'ins and outs' of the Local Plan Examination.</p> <p>The policy and supporting text effectively seek to apply Green Belt policy to land that would not be Green Belt if the Local Plan proceeded to adoption and this is not considered appropriate.</p> <p>However, the NHDC Local Plan does include a proposed 'urban open land' policy (Policy CGB5) for some specified areas of land elsewhere in the District where land is proposed to be released from the Green Belt and / or brought inside settlement boundaries but where it is still considered appropriate to exercise relatively strict control. The Neighbourhood Plan may wish to consider a similar approach for this area pending greater certainty over future requirements.</p>
61	KBEF2	<p>Existing legislation already covers these matters (apart from c). Nonetheless, inclusion may be appropriate to emphasise that these are issues of local importance and will help achieve sustainable development.</p> <p>In relation to part b) reference to the relevant guidance/ source for minimum requirements should be included.</p>
64	KBEF4	To ensure deliverability, 'seek to' rather than 'must' would be most appropriate.
83	KBT1	This policy is positive in promoting the use of sustainable modes of transport, which sits in conformity with paragraph 102 part c) of the NPPF.
84	KBT2	<p>The second paragraph duplicates emerging Local Plan policy for the relevant allocations listed.</p> <p>This policy would benefit being disaggregated e.g. parts A, B, C, D etc</p>

84	10.3	<p>In relation to KB2 and KB4, the neighbourhood plan makes reference to utilising existing narrow country lanes (Gypsy Lane and Old Lane, respectively) as pedestrian/cycle routes (plus vehicular access to existing dwellings) and providing separate routes for carrying traffic to/through new developments.</p> <p>Cumulative transport impacts will be considered as part of the masterplanning process for allocations KB1, KB2 and KB4, which will inform appropriate transport access arrangements and mitigation measures. As such, it is too early to stipulate exactly what transport measures will be suitable.</p>
85	10.3	<p>We do not consider that the Council is treating developments in a piecemeal way. This is demonstrated through the inclusion of main modifications in the emerging Local Plan to consider the cumulative transport impacts of sites KB1, KB2 and KB4 across different transport modes, and also the commitment to facilitating masterplanning/mitigation across these three sites.</p>
88	10.5	<p>The reference to 'As frontage properties are developed in future the building line should be brought back to be at least 7 metres from the existing carriageway centre to allow continued social distancing on the pavement' is not backed by an evidence base and relates to public realm works, which fall beyond the scope of planning policy. It should therefore be removed.</p>
90	KB11	<p>A cross reference to Appendix E would be beneficial.</p> <p>Developer contributions are sometimes sought to mitigate against impacts beyond the immediate area, for instance where there are strategic transport impacts, strategic healthcare impacts (such as hospitals) or air quality impacts. Due to this, essential developer contributions could be prevented from being sought if using this current policy wording, which would be a missed opportunity to fully capture the infrastructure needs generated by the scale of development envisaged over the plan period in Knebworth.</p> <p>It is advised that this policy is edited to align with the statutory tests in Regulation 122 (as amended by the 2011 and 2019 Regulations) and the tests in the National Planning Policy Framework. These tests require that planning obligations meet the following requirements:</p> <ul style="list-style-type: none"> • necessary to make the development acceptable in planning terms; • directly related to the development; and • fairly and reasonably related in scale and kind to the development.

98	Appendix E	Actions 1, 12 and 20 conflict with other policies in the Neighbourhood Plan aimed at promoting sustainable transport modes.
98	Appendix E	Action 4 should be backed by quantitative evidence and ongoing management and maintenance arrangements will be required.

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**CABINET
29 JUNE 2021**

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: BALDOCK, BYGRAVE AND CLOTHALL NEIGHBOURHOOD PLAN

REPORT OF THE SERVICE DIRECTOR - REGULATORY

EXECUTIVE MEMBER: PLANNING

COUNCIL PRIORITY: BUILD THRIVING AND RESILIENT COMMUNITIES

1. EXECUTIVE SUMMARY

- 1.1. The report details the referendum results for the Baldock, Bygrave and Clothall Neighbourhood Plan and asks Cabinet to formally 'make' (adopt) the Plan.

2. RECOMMENDATIONS

- 2.1. That the result of the referendum for the Baldock, Bygrave and Clothall Neighbourhood Plan is noted.
- 2.2. To "make" the Baldock, Bygrave and Clothall Neighbourhood Plan as part of the statutory Development Plan for North Hertfordshire.

3. REASONS FOR RECOMMENDATIONS

- 3.1. As previously reported to Cabinet, the Baldock, Bygrave and Clothall Neighbourhood Plan has successfully been examined by an independent examiner and the referendum held on May 6th 2021 voted in favour of "making" the neighbourhood plan becoming part of the statutory development plan for North Hertfordshire.
- 3.2. Neighbourhood plans have normally been "made" by delegated authority, as approved by Cabinet in July 2018 (Minute 21). However, the designated neighbourhood planning area for Baldock, Bygrave and Clothall covers more than two wards and "making" the neighbourhood plan is therefore a key decision which must be taken by Cabinet.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. None. Once a neighbourhood plan has been supported by a majority of those voting following a referendum, the Council has no other option than to "make" the Plan under section 38A (A)(4) of the Planning and Compulsory Purchase Act 2004 unless the making of the plan would breach, or otherwise be incompatible with any EU obligation or any of the Convention rights (within the meaning of the Human Rights Act 1998).

- 4.2. The Baldock, Bygrave and Clothall Neighbourhood Plan, including its preparation, does not breach, and would not otherwise be incompatible with any EU obligation or any of the Convention rights. Therefore, the only available option open to the Council is to make the plan part of the Development Plan for North Hertfordshire.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

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

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 24 May 2021.

7. BACKGROUND

- 7.1. In July 2018, Cabinet delegated a number of functions in relation to key stages in neighbourhood plan preparation to the Director of Regulatory Services in consultation with the Executive Member for Planning, Enterprise and Transport (Minute 21). It was recognised that decisions relating to neighbourhood planning areas covering multiple wards (such as Baldock, Bygrave & Clothall) would still need to be referred to Cabinet as a Key Decision.
- 7.2. The Baldock, Bygrave and Clothall neighbourhood plan was submitted to the Council in December 2019 and was subsequently publicised for comments for six weeks in February and March 2020. An independent examiner, John Parmiter was appointed by the Council in consultation with Bygrave Parish Council and the Baldock, Bygrave and Clothall Neighbourhood Planning Group to undertake the independent examination of the neighbourhood plan. The examiner did not consider that a public hearing was necessary for this neighbourhood plan but did ask for some additional information from the District Council and the neighbourhood plan steering group.
- 7.3. After receiving the additional information from both the Parish and District Councils, the examiner issued his report which concluded that subject to making some minor modifications, the neighbourhood plan met the “basic conditions” and should proceed to a referendum.
- 7.4. It was considered that there were reasonable grounds to depart from the examiner’s recommended modifications after a number of specific issues were raised by the Baldock, Bygrave and Clothall Neighbourhood Plan Steering Group (Cabinet, September 2020 – Minute 46). Further public consultation took place on the additional modifications between 6 November and 18 December 2020.
- 7.5. Following this additional period of public consultation and consideration of the representations made, Cabinet resolved that the neighbourhood plan should be subject to a referendum, Cabinet 26 January 2021, Minute 90.

8. RELEVANT CONSIDERATIONS

- 8.1. Once a neighbourhood plan has successfully passed all of the stages of preparation, including the examination and there is a favourable response to the referendum, where more than 50% of those voting vote in favour of the plan, then the local planning authority will “make” the neighbourhood plan.
- 8.2. The referendum for the was held on May 6th 2021. The residents of the Baldock, Bygrave and Clothall neighbourhood planning area voted in favour of the area’s neighbourhood plan. In total, 3,101 people voted “yes” and 413 people voted “no”. There were 75 ballot papers which were rejected. The turnout was 42.85% of the electorate. 88.15% of those voting voted in favour of the neighbourhood plan.
- 8.3. The local planning authority must “make” the neighbourhood plan within 8 weeks of the referendum. Once the neighbourhood plan is “made”, it will form part of the statutory development plan and the policies in the neighbourhood plan will be used in determining planning applications within the designated neighbourhood planning area for Baldock, Bygrave and Clothall.

9. LEGAL IMPLICATIONS

- 9.1. Section 38A(4)(a) of the Planning and Compulsory Purchase Act 2004 requires the Council to “make” the Neighbourhood Plan as soon as reasonably practicable if more than half of those voting in the referendum have voted in favour of the proposal. The Council is content that the Baldock, Bygrave and Clothall Neighbourhood Plan meets the specified basic conditions, does not breach the European Convention on Human Rights and is not incompatible with EU obligations arising from the Habitats Regulations Assessments and other directives.
- 9.2. Sections 38A (9) and (10) of the Planning and Compulsory Purchase Act 2004 requires the Council to publicise their decision (the “decision statement”) and reason for the decision and details of where and when it can be inspected. A copy of the decision statement should be sent to the Parish Council (as the qualifying body that initiated the process) and to any person who asked to be notified of the decision.
- 9.3. Section 38A (3A) of the Planning and Compulsory Purchase Act 2004 states that a neighbourhood plan is part of the Development Plan if it has been approved by referendum and Section 38 (6) states that decisions on planning proposals must be made in accordance with the development plan unless material considerations indicate otherwise.

10. FINANCIAL IMPLICATIONS

- 10.1. There are no direct financial implications arising from the decision to “make” the Baldock, Bygrave and Clothall Neighbourhood Plan 2018 – 2031 as part of the statutory development plan for North Hertfordshire.

- 10.2. In response to the COVID-19 pandemic, the Ministry of Housing, Communities and Local Government changed the ways in which payments were made to local planning authorities for the work involved in neighbourhood planning. A claim for £20,000 was submitted to MHCLG in March 2021 when a decision statement had been published detailing the intention to hold a referendum for the neighbourhood plan. This claim is currently subject to ministerial approval with a decision expected shortly.
- 10.3. Historically, neighbourhood planning activity has predominantly been funded through an annual allocation of £10,000 in the approved revenue budget. Any expenditure above this level in a given year has been funded from the neighbourhood plan reserve. The annual £10k has been removed for 2021/22 as a cost saving. Any neighbourhood planning expenditure (including that which requires 'forward funding' by the Council such as the examination of plans prior to referendum) will be funded from the reserve which stands at £98,200.
- 10.4. The £20k funding from Central Government will be used to offset any costs of the referendum, and any funding left will be transferred to the reserve and will be ringfenced for any future neighbourhood plan expenditure. If the £20k claim is not successful then there will be enough in the reserve to cover any future referendum expenditure.

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 neighbourhood plan will provide a policy framework for planning proposals and help to achieve sustainable development in the neighbourhood planning area for Baldock, Bygrave and Clothall.

12. EQUALITIES IMPLICATIONS

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

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

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

- 14.2 The District Council, as “responsible authority”, determines if the plan is likely to have significant environmental effects. It was determined, in a Screening Determination of April 2019, that the neighbourhood plan would not require a Strategic Environmental Assessment.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 None.

16. CONTACT OFFICERS

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17. BACKGROUND PAPERS

- 17.1. Cabinet reports:

[Baldock, Bygrave and Clothall Neighbourhood Plan – January 2021 \(Minute 90\)](#)

[Strategic Planning Matters Report and Addendum : Baldock, Bygrave and Clothall Neighbourhood Plan – Proposed Modifications Consultation – September 2020 \(Minute 46\)](#)

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

[Strategic Planning Matters – July 2018](#)

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

- 17.2. Other information:

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

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

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

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

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

Schedule of proposed additional modifications – November 2020

**CABINET
29 JUNE 2021**

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: REVENUE BUDGET OUTTURN 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 as at the end of the financial year 2020/21. The net outturn of £19.379m represents a £866k decrease from the working budget of £20.245million. There are corresponding requests to carry forward £317k (of underspends) to fund specific projects that will now take place in 2021/22. There is a further forecast impact on the 2021/22 base budget of a £10k increase. As itemised and explained in table 3, the most significant variance, a decrease of £321k, relates to the financial support provided to Stevenage Leisure Limited (SLL) to maintain operations during the year. The finance required to allow leisure centres to open as restrictions were eased contributed to a total net additional expenditure due to Covid-19 in the year of £1.5m. Table 6 lists the main financial impacts of the pandemic and shows the extent to which these have been mitigated by additional government funding received.
- 1.2. The report also provides an update on;
- the delivery of planned efficiencies (paragraph 8.4 and table 4)
 - the use of budget approved to be carried forward from 2019/20 (paragraph 8.5)
 - performance against the four key corporate 'financial health' indicators (paras 8.6-8.7)
 - confirmation of the funding position as at the end of 2020/21 and the financial impact of Covid-19 (paras 8.8 – 8.20)
 - details of earmarked reserves movements and balances (table 9)
 - the support payments made to businesses and those individuals required to self-isolate due to the Covid-19 pandemic (table 10)

2. RECOMMENDATIONS

- 2.1. That Cabinet note this report.
- 2.2. That Cabinet approves a decrease of £866k in the 2020/21 net General Fund expenditure, as identified in table 3 and paragraph 8.1, to a total of £19.379million.
- 2.3. That Cabinet approves the changes to the 2021/22 General Fund budget, as identified in table 3, paragraph 8.2 and paragraph 8.3, a total £377k increase in net expenditure.

That Cabinet recommends to Council

- 2.4. That Council approves the net transfer to earmarked reserves, as identified in table 8, of £11.464million.

3. REASONS FOR RECOMMENDATIONS

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

4. ALTERNATIVE OPTIONS CONSIDERED

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

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

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

6. FORWARD PLAN

- 6.1. The report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 5th February 2021.

7. BACKGROUND

- 7.1. Council approved the revenue budget for 2020/21 of £15.136million in February 2020. At the end of the financial year the working budget has increased to £20.245million. Table 1 below details the approved changes to this budget to get to the current working budget:

Table 1 - Current Working Budget

	£k
Original approved budget for 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

	£k
Quarter 3 2020/21 Revenue Monitoring report - 2020/21 variances approved by Cabinet (March 2021)	624
Current Working Budget	20,245

- 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 Three monitoring report.

Table 2 – Service Directorate Budget Allocations

	Net Direct Working Budget at Q3	Changes approved at Q3	Other Budget Transfers	Net Direct Working Budget at Outturn
Service Directorate	£k	£k	£k	£k
Managing Director	1,866	0	(26)	1,840
Commercialisation	(214)	2	38	(174)
Customers	4,318	(46)	3	4,275
Legal & Community	2,193	(37)	23	2,179
Place	7,155	66	28	7,249
Regulatory Services	1,826	641	40	2,507
Resources	2,477	(2)	(106)	2,369
TOTAL	19,621	624	0	20,245

8. RELEVANT CONSIDERATIONS

- 8.1. Cabinet are asked to approve the net expenditure on the General Fund in 2020/21 of £19.379 million (recommendation 2.2). This is a net decrease of £866k on the working budget of £20.245million. Table 3 below highlights the most significant variances, which are generally more than £25k, and contains an explanation for each. The final columns detail if a carry forward into 2021/22 is requested and the estimated ongoing impact of the variances reported:

Table 3 - Summary of significant variances

Budget Area	Working Budget £k	Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2021/22 £k
External Audit Fees	40	80	+40	Outturn includes accrued additional fees relating to both the 2019/20 and 2020/21 Final Accounts audits for the supplementary audit work required to be undertaken as a result of the impact of Covid-19, as detailed in the Annual Audit Letter presented to Finance, Audit and Risk Committee in January this year.	0	12

Budget Area	Working Budget £k	Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2021/22 £k
Strategic Priorities Fund	81	0	(81)	A total budget of £100k was made available for the Strategic Priorities Fund in 2020/21, of which a total of £19k was allocated to successful investment bids. It is requested that the remaining £81k is carried forward to enable the Council's Leadership Team to fund invest to save or continuous improvement projects as the opportunity arises in the next financial year.	81	0
Apprenticeship Scheme	93	0	(93)	The impact of the pandemic and the subsequent closure of Council offices has resulted in some delays to the recruitment and induction of apprentices in the current remote working arrangements. A proportion of the underspend will relate to several apprentices who moved into permanent roles before the end of their apprenticeships, and one apprentice who left the council mid-way through their apprenticeship for personal reasons. It is requested that the unspent budget is carried forward and used to increase the number of apprenticeship placements in the next financial year.	93	0
HMRC Tax Liability	0	28	+28	Through a review of the vehicles provided to employees for business purposes, the Council identified that cars provided to staff in the Enforcement and Waste teams created a tax liability. The vehicles were taken home for efficient business reasons but this is considered to be personal use by HMRC, and therefore creates employment tax and VAT liabilities. The Council has notified HMRC of the issue and is seeking an employer voluntary settlement agreement for the tax payable, while the Vehicle Use Policy has been updated to ensure a similar issue does not arise in future years. The accrued cost is the Council's assessment of the relevant tax liability. Should HMRC disagree with the basis of the calculation, the final tax bill could be significantly higher.	0	0

Budget Area	Working Budget £k	Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2021/22 £k
Commercialisation – Consultants Expenditure	33	18	(15)	The impact of the pandemic limited the capacity to pursue commercial opportunities and investments, hence the use of consultants during the year was lower than anticipated. However, as the economy reopens and recovers, there are several potential large opportunities that will require specialist expertise and guidance. A carry forward is therefore requested to finance these activities in the next financial year.	12	0
Sales Ledger Bad Debt Provision	26	88	+62	The higher than budgeted contribution to the bad debt provision is indicative of the higher level of outstanding debt at the end of this year. The level of aged debt between 3-12 months old is £223k, compared to £40k at the end of the last financial year. The increase in debt follows the light touch approach adopted to debt recovery to assist customers amidst the Covid-19 pandemic.	0	0
Debt Recovery - Court Fees	8	(33)	(41)	While no court cases have occurred due to the pandemic, the negative expenditure outturn in 20/21 relates to expenditure accrued at the end of 2019/20 for outstanding court costs that had not been invoiced by the court. With no invoices received this year, and in light of the age of the cases to which the fees relate, it is now considered more likely that the relevant invoices will not be raised by the court.	0	0
IT Software Support and Maintenance	683	642	(41)	The budget for 2020/21 included £35k for the investigation of the potential for Artificial Intelligence (AI) software to automate processes to enable customer queries to be dealt with more efficiently and reduce the number of customer contacts. The procurement of the robotics software was completed in March 2021, meaning the software licenses will not commence until 2021/22. A carry forward of the 2020/21 approved investment budget is therefore requested.	35	0
Careline Agency Staff	43	83	+40	Overspend on agency staff is due to a higher than anticipated level of vacancies and the need to ensure key service performance indicators were delivered.	0	0

Budget Area	Working Budget £k	Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2021/22 £k
Premises License Application Income	(32)	(68)	(36)	The over achievement of income relates to an application for a planned large event that was ultimately cancelled.	0	0
Green Space Maintenance - Water Rates	20	(6)	(26)	In response to Covid-19, the splash parks were closed for most of the year. This therefore reduced water consumption significantly. The negative outturn is due to credit adjustments in respect of the sites at 50 Burford Way and Avenue Park Recreation Ground. Previous charges had been based on estimated usage while actual consumption was much lower.	0	0
Green Space Maintenance - Howard Park and Gardens	42	6	(36)	This underspend is due to the lower number of activities and events in Howard Park and Gardens over the last 12 months.	0	0
Leisure Centre Management	1,642	1,321	(321)	The working budget expectation was based on a worst-case scenario and represented the maximum level of support approved by Council. Stevenage Leisure Limited were able to manage down costs (e.g. through use of Furlough and reducing utility costs) to reduce the impact.	0	0
Waste Awareness Expenditure (AFM Funded)	97	19	(78)	This budget is used for improving communication and engaging with residents on waste related matters with the aim of improving recycling performance and our environment. The impact of Covid-19 and lockdown has limited opportunities for communication and engagement during the year, as the Government guideline has been to stay at home. With no AFM income receipt expected next year, it is requested that the unspent budget is carried forward to help maintain and improve recycling performance and the environment.	78	0
Comingled Recycling - Haulage and Processing Costs	811	775	(36)	The sale price achieved for some materials improved in February and March. As the processing fees are net of the income generated from the sale of the materials collected, this reduced the processing costs charged to the Council for these two months.	0	0

Budget Area	Working Budget £k	Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2021/22 £k
Comingled Recycling – Recycling Credit Income	(540)	(633)	(93)	Tonnages collected continued to be significantly higher than anticipated in the final quarter of the year. This has increased the eligible amount of recycling credit income from Hertfordshire County Council.	0	0
Temporary Accommodation	274	319	+45	The number of households placed in hotels by the Council grew from 40 at the end of December 2020 to over 60 at the end of March. This is due to the latest national lockdown and the government's continuing directive of "Everyone In", whereby local authorities have been asked to accommodate all rough sleepers due to the health risk to the individuals and the wider community (the majority of those accommodated in hotels are single people at risk of rough sleeping due to unstable housing situations). With housing benefit expenditure relating to residents in temporary accommodation not fully reimbursed by government, the increase in the numbers residing in temporary accommodation during the final quarter has increased net expenditure.	0	0
Net Housing Benefit Expenditure	309	271	(38)	The increase in the proportion of housing benefit expenditure eligible for reimbursement through housing benefit subsidy is due to the substantially reduced level of benefit overpayments identified in 2020/21, as initially highlighted in the Quarter One 2020/21 revenue monitoring report. Overpaid amounts are eligible for only 40% reimbursement by government through Housing Benefit subsidy.	0	0
Highways Treeworks	146	86	(60)	Underspend reflects the impact of Covid-19 on contractors' capacity to deliver works requested. Contractors have seen much higher demand generally for their services, while staff have at times been unavailable due to illness and / or required to self-isolate.	0	0
Highways Verge Maintenance – Contribution from HCC	(282)	(296)	(14)	Increase in income follows the new service contract agreed with Hertfordshire Highways.	0	(15)

Budget Area	Working Budget £k	Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2021/22 £k
Car Parking Lines and Signs Maintenance	23	8	(15)	Various projects have been delayed, with works deferred due to the lockdown. It is requested that the unspent budget be carried forward to fund the works deferred in the next financial year.	15	0
Parking PCN Bad Debt Provision	162	128	(34)	The lower number of Penalty Charge Notices issued in 2020/21 has contributed to a reduction in the contribution required to the corresponding bad debt provision.	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	(848)	(826)	+22	The shortfall in parking fees income reflects a slower recovery than assumed in the projection at Quarter Three. The projection had anticipated income receipts in March amounting to 60% of the original budget expectation.	0	0
Car Park Season Ticket Income	(147)	(81)	+66	The annual spike in season ticket income towards the end of the financial year, as annual tickets are renewed, did not materialise in 2020/21. With lockdown measures easing in March, the reduced demand suggests more businesses have chosen to adopt home working routines on a permanent basis. This will be kept under review and an ongoing budget adjustment may be required.	0	0
PCN Income	(343)	(371)	(28)	The working budget assumed a one third reduction in receipts during the final quarter compared to the original budget expectation. While activity at off-street car parks remained low, an increase in the level of parking offences committed on street through the easing of lockdown meant the working budget expectation was surpassed.	0	0
Total Parking Income:	(2,039)	(1,338)	+60		0	0

Budget Area	Working Budget £k	Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2021/22 £k
Covid-19 Community Grants				£150k was made available from the Special Reserve to fund grant payments awarded through the Coronavirus Community Support Fund. At the end of the year, grants totalling £86.2k have been awarded.		
Expenditure	150	86	(64)		0	0
Drawdown from Special Reserve	(150)	(86)	+64		0	0
Total of explained variances	2,341	1,558	(783)		314	(3)
Other minor balances	17,904	17,821	(83)		3	13
Overall Total	20,245	19,379	(866)		317	10

8.2. Cabinet are asked to approve the estimated impact on the 2021/22 budget, an overall increase in budget of £327k, which comprises;

- £317k of budget carry-forwards from 2020/21 to 2021/22 for projects that were not completed by the end of the financial year. These are shown in the penultimate column of table 3 above. This will take the total carry-forward to £719k, after including those reported and approved at quarter 2, month 8 and quarter 3.
- £10k increase in budget to reflect the estimated net impact in 2021/22 and beyond of variances identified at Outturn. These are shown in the final column of table 3 above.

8.3. Cabinet are also asked to approve that £50k of the underspend against the working budget is carried forward to provide cover for work pressures. This will provide absence cover (e.g. to cover for untaken holidays), enable a catch-up on work that was deprioritised to allow a focus on the pandemic and support for new essential projects (e.g. supporting the boundary commission review). This allocation will be used where good value solutions can be identified that provide positive outcomes for the Council and our staff. All requests will be approved by the Leadership Team. See recommendation 2.3.

8.4. The original approved budget for 2020/21 (and therefore working budget) included efficiencies totalling £651k, which were agreed by Council in February 2020. Progress in delivering the efficiencies identified has been monitored throughout the year and reported at each quarter. At the end of the year there is a total net underachievement of £120k, as summarised in Table 4 below.

Table 4 – Efficiency Delivery 2020/21

Efficiency	Planned Efficiency 2020/21 £k	Efficiency Achieved 2020/21 £k	Net Under / (Over) Achievement £k
Investment Interest Income	(133)	(17)	116
Town Lodge Premises Costs	(68)	(25)	43

AFM Income (receipt in 2020/21 relates to 2019/20 performance)	(156)	(177)	(21)
Document Centre Closure	(107)	(125)	(18)
All other efficiencies	(187)	(187)	0
Total	(651)	(531)	120

- 8.5. 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 Three it was forecast that £222k of the total carried forward would not be spent in 2020/21. At the end of the year, a total of £256k has not been spent in 2020/21, of which £253k has been requested to be carried forward again into 2021/22. The increase in the final quarter relates to the Strategic Priorities Fund and the budget for Commercial Consultants, as itemised and explained in table 3 above.
- 8.6. There are 4 key corporate 'financial health' indicators identified in relation to key sources of income for the Council. Table 5 below shows the performance for the year. A comparison is made to the original budget to give the complete picture for the year. Each indicator is given a status of red, amber or green. A green indicator means that income recorded matched or exceeded the budgeted level of income. A red indicator means that the outturn has not met the budgeted level of income. An amber indicator is only used during the year to highlight that there is a risk that the budgeted level of income may not be met.
- 8.7. At the end of the year, all four indicators are red. The red indicators for Land Charges, Car Parking Fees and Parking Penalty Charge Notices income were initially highlighted and explained at Quarter One, while the amber indicator at Quarters 1 and 2 in respect of planning income was amended to red at Quarter 3. The only significant changes at Outturn from that forecast at Quarter 3, relating to parking fees and parking PCN income, are highlighted and explained in table 3 above.

Table 5 - Corporate financial health indicators

Indicator	Status	Original Budget £k	Outturn £k	Variance £k
Planning Application Fees (including fees for pre-application advice)	Red	(950)	(822)	128
Land Charges	Red	(164)	(142)	22
Car Parking Fees	Red	(1,936)	(826)	1,110
Parking Penalty Charge Notices	Red	(573)	(371)	202

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. For 2020/21 the Council has also used Covid-19 grant funding and made use of reserves.
- 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. As statute requires that Collection Fund income amounts chargeable to the General Fund in year must be those estimates prepared around the time of setting the budget for the year, Collection Fund surpluses or deficits do not impact the 2020/21 funding total / projected general fund balance shown in table 7.
- 8.10. At the end of the year, there is a deficit on the NHDC share of the Council Tax Collection Fund of £313k. This is an increase of £128k on the estimate for the year declared in January 2021 of £185k. The increase in the deficit is primarily due to a change in methodology in the calculation of the bad debt provision required for outstanding Council Tax debt. In previous years, no provision was made for Council tax amounts outstanding in respect of the current year. This year, with current year debt much higher than in previous years due to the impact of Covid-19, it was prudent to make provision for all debt outstanding, with overall collection rates used to estimate the level of provision required, based on the experience of the previous ten years. While the increase in the deficit of £128k does not change the Council Tax funding available in 2021/22, it will impact the level of funding from Council Tax in 2022/23.
- 8.11. As explained in the Revenue Budget Report 2021/22, due to Covid-19 related legislation, the estimated in-year deficit for 2020/21 declared in January is spread over three years from 2021/22, rather than full repayment in 2021/22 (as would have been required under the previous legislation). Of the total £185k deficit declared in January 2021, £23k related to the deterioration in the Collection Fund position in the final quarter of 2019/20. This amount must be repaid in full in 2021/22. The remainder (£162k) was the estimated deficit occurring in the current year and it is the repayment of this amount that will be spread equally over the next three years, as reflected in the budget estimates.
- 8.12. As highlighted in the Revenue Budget Report 2021/22 and at Quarter 3, the reported deficit on the Council Tax Collection Fund is subject to the Local Tax Income Guarantee for 2020/21. With the cash receipt anticipated in the next financial year, the accrued benefit to the Council's General Fund in 2020/21 has been calculated as £141k (as shown in table 7 below). This is a marginal decrease of £9k on the £150k total estimated at Quarter 3. It should be noted that the movement in the Council Tax bad debt provision, which is included in the total reported deficit, is excluded from the calculation of the eligible income amount.

- 8.13. The Council's share of the deficit on the Business Rates Collection Fund at the end of 2020/21 is £10.39m. This is an increase of £1.64m on the £8.75m deficit forecast in the return submitted to Central Government in January 2021 and indicated at Quarter Three. The main reason for the increase in the deficit is an increase in the provisions made for both bad debts (£700k increase) and the cost of successful business rates appeals (£735k increase), following a review by external consultants. The increase in the appeals provision follows a change to the previous assumption that all appeals would by now have been lodged, given the length of time that has elapsed since the 2017 revaluation. The consultants advised that, based on their analysis of the timing of appeals submitted following previous revaluations, for example in 2010 and 2005, this may well not be the case. The revised calculation assumes that the cost of appeals against the 2017 listing will ultimately be in line with the initial assessment by MHCLG, with the total provision required based on an annual cost of appeals equivalent to 4.7% of collectable rates income. The consultant review also prompted a revised calculation of the bad debt provision, similar to that described for Council Tax in 8.10 above, with provision now made for outstanding debt relating to the current year based on collection rates for previous years.
- 8.14. The overall size of the deficit 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 is eligible to receive total compensation of £10.04m for reliefs in 2020/21, which includes £7.82m 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 was used in 20/21 to fund the repayment to the Collection Fund of the deficit originally estimated for 2019/20, as shown in table 7.
- 8.15. The Business Rates Collection Fund deficit for 2020/21, after adjusting for business rate reliefs, is £2.57m (£10.39m total deficit less £7.82m relating to additional reliefs). This amount is also subject to the Local Tax Income Guarantee for 2020/21. The accrued value of the Income Guarantee in 2020/21 is £1.232m. This amount has been transferred to the Grant reserve and will be used to fund the repayment of the deficit next year. The increases to provisions for bad debts and appeals at the end of the year increased the compensation amount by approximately £800k.
- 8.16. The spread over the next three years of the repayment of the Business Rates Collection Fund deficit for 2020/21 is based on the estimates prepared in January 2021 and therefore the impact remains unchanged from that detailed at Quarter 3. The element of the deficit relating to the additional reliefs, declared in January as £7.5m, is required to be repaid in full in the following financial year. The repayment of the remainder of the deficit, estimated in January to be 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.

- 8.17. 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. The £1.64m difference between the £8.75m deficit estimated in January and the £10.39m recorded at the end of the year will be incorporated in the calculation of the surplus/ deficit for 2021/22, with the additional contribution to the Collection Fund made in 2022/23. The contributions required to the Collection Fund will be funded from the grant held in reserve.
- 8.18. The Council is also subject to a business rates levy from Central Government as NHDC collects more in business rates than the baseline need determined by Central Government. In 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. At the time of writing Hertfordshire County Council, the Pool lead authority, has not yet notified NHDC of the final outcome for 2020/21. The contribution required to the Pool to meet the total levy payable for the pooled authorities will be funded from the grant held in reserve.
- 8.19. The timing of the impact on the General Fund of the detail in paragraphs 8.8 to 8.16 is summarised below. The amounts in relation to Business Rates will be held in a reserve to smooth the impact on the General Fund balance. The overall income position for Business Rates reflects that the Council budget based on the baseline. This amount will be reduced by any levy payable, and will also be impacted by business closures, which could result in the recovery of s31 grants.

General Fund impact by year (£000)	2020/21	2021/22	2022/23	2023/24	Overall impact
Council Tax deficit declared in January spread over 3 years	0	77	54	54	185
Additional Council Tax deficit at end of year	0	0	128	0	128
Tax guarantee scheme – Council Tax	(141)	0	0	0	(141)
Council Tax Impact	(141)	77	182	54	172
Compensation for Business Rate Reliefs – held in reserve (s31 grants)	(10,040)	0	0	0	(10,040)
Tax guarantee scheme – Business Rates	(1,232)	0	0	0	(1,232)
Business Rates deficit declared in January due to reliefs	0	7,500	0	0	7,500
Business Rates deficit declared in January – remainder	0	416	417	417	1,250
Additional deficit at end of year	0	0	1,640	0	1,640
Business Rate impact	(11,272)	7,916	2,057	417	(882)

8.20. The Council has received non-ringfenced emergency grant funding in 2020/21 from Government of £1.602m in relation to the Covid-19 pandemic. In addition, MHCLG has invited Local Authorities to apply for compensation for loss of sales, fees and charges income due to the impact of Covid-19 affecting demand. At Quarter Three the value of the income compensation was forecast to be around £1.85million. The total amount expected at the end of the year is £1.9m, of which £620k, relating to the period December 2020 to end of March 2021, has been accrued and remains subject to confirmation from MHCLG.

8.21. At Quarter Three, the overall full year net impact of Covid-19 was estimated to be around £1.65m. At the end of the year, the net direct financial impacts of Covid-19 totals £1.5m. This reduction is primarily due to the additional financial support to SLL being less than the expectation at Quarter Three, as highlighted and explained in table 3. Table 6 below breaks down by budget area the main impacts of Covid-19 and the extent to which these impacts have been compensated by additional Government funding.

Table 6 – COVID-19 Financial Impact on General Fund

Budget Area	Net Impact £k	Covered by Income guarantee *	Estimated Sales, Fees and Charges (SFC) Contribution £k	Balance not covered by SFC contribution £k
Careline Expenditure	63	No	0	63
Community Support Grants	86	No	0	86
Court Summons Income	237	No	0	237
Homeless Accommodation	205	No	0	205
HTH/ Museum Income	138	Yes	95	43
Investment Income	116	No	0	116
Land Charges Income	22	Yes	10	12
Leisure Centres	1,899	Part- as majority relates to expenditure	576	1,323
Parking Income	1,590	Yes	1,079	512
Planning Income	128	Yes	54	74
Sales Ledger Bad Debt Provision	62	No	0	62
Trade Waste and Recycling	151	Yes	72	79
Waste and Recycling	524	No	0	524
Other	143	Part- as mix of income and expenditure	13	130
Total	5,364		1,899	3,465
Less: non-ringfenced grant funding				(1,602)
Less: New Burdens Funding				(270)
Less: Funding from Special Reserve				(86)

Budget Area	Net Impact £k	Covered by Income guarantee *	Estimated Sales, Fees and Charges (SFC) Contribution £k	Balance not covered by SFC contribution £k
Net General Fund impact				1,507

* Support from Government covers 75% of relevant losses that are in excess of 5% of the original budget.

- 8.22. Table 7 below summarises the impact on the General Fund balance of the outturn position detailed in this report. It should however also be noted at this point that the Statement of Accounts is yet to be audited and changes to the General Fund balance may arise as a result of the final accounts audit.

Table 7 – General Fund impact

	Working Budget	Outturn	Difference
	£k	£k	£k
Brought Forward balance (1st April 2020)	(9,378)	(9,378)	-
Net Expenditure	20,245	19,379	(866)
Funding (Council Tax, Business Rates, NHB)	(15,576)	(15,571)	5
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
Government Compensation for Covid-19 related income losses (Working budget= compensation applied at quarter 3)	(1,750)	(1,899)	(149)
2020/21 Council Tax Guarantee Income	(150)	(141)	9
Carried Forward balance (31st March 2021)	(7,882)	(8,883)	(1,001)

- 8.23. 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 at the end of the financial year a total of £882k has come to fruition. The identified risk realised in the final quarter relates to

- Usage of bed and breakfast accommodation for homeless households (as highlighted in table 3 above) - £45k.

Table 8 – Known financial risks

	£'000
Original allowance for known financial risks	1,351
Known financial risks realised in Quarter 1	(189)
Known financial risks realised in Quarter 2	(244)
Known financial risks realised in Quarter 3	(404)
Known financial risks realised in Quarter 3	(45)
Remaining allowance for known financial risks	469

EARMARKED RESERVES

- 8.24. The Council has a number of earmarked reserves, which can be used to fund revenue expenditure. These are detailed in Table 9 below. A total of £13.599million has been contributed to the reserves in 2020/21 and a total of £2.135million has been transferred out of the reserves to the General Fund. The level of contribution to reserves is mainly due to the transfer of compensation (Section 31 grants) received for business rate reliefs introduced in the year, as explained in paragraph 8.14.
- 8.25. Cabinet are therefore asked to recommend to Council that the net contribution to reserves of £11.464million be approved (recommendation 2.4), which leaves a total balance in earmarked reserves at 31 March 2021 of £20.808million.

Table 9 – Earmarked Reserves

	Balance at 1 April 2020	Contributions to reserve	Transfers out of reserves	Balance at 31 March 2021
	£'000	£'000	£'000	£'000
Cemetery Mausoleum Reserve	167	10	(2)	175
Childrens Services Reserve	57	43	(9)	91
Climate Change Grant Reserve	26	0	(1)	25
Funding Equalisation Reserve	68	329	0	397
Growth Area Fund Reserve	53	0	0	53
Homelessness Grants Reserve	413	276	(208)	481
Housing & Planning Delivery Reserve	1,069	54	(101)	1,022
Information Technology Reserve	78	0	(20)	58
Insurance Reserve	34	0	0	34
Land Charges Reserve	94	0	(28)	66
Leisure Management Maintenance Reserve	77	0	(51)	26
MHCLG Grants Reserve	3,741	11,725	(1,118)	14,348
Museum Exhibits Reserve	13	1	0	14
Neighbourhood Plan Reserve	78	20	0	98
Paintings Conservation Reserve	11	0	0	11
S106 Monitoring Reserve	19	0	(19)	0
Special Reserve	1,175	0	(432)	743
Street Name Plates	16	0	0	16

	Balance at 1 April 2020	Contributions to reserve	Transfers out of reserves	Balance at 31 March 2021
	£'000	£'000	£'000	£'000
Syrian Refugee Project	272	194	(16)	450
Taxi Licences Reserve	15	0	(8)	7
Town Centre Maintenance	53	8	0	61
Traffic Regulation Orders	346	40	0	386
Waste Reserve	730	19	0	749
Waste Vehicles Reserve	554	359	0	913
Total Revenue Reserves	9,344	13,599	(2,135)	20,808

COVID-19: PAYMENTS TO BUSINESSES AND ISOLATING INDIVIDUALS

- 8.26. 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. Table 10 below confirms the amounts that have been distributed as at the time of writing this report (as at 6th June 2021).

Table 10 – Covid-19 Financial Support to Businesses and Individuals

Support Schemes	Payments	
	Number	Value (£)
Small Business Grant Fund and Retail, Hospitality and Leisure Businesses Grant Fund (First National Lockdown)	2,077	26,125,000
Local Authority Discretionary Grant Fund (First National Lockdown)	220	1,445,600
Local Restrictions Support Grant (November 2020 National Lockdown)	785	1,299,334
Additional Restrictions Discretionary Grant (Ongoing from November 2020)	1,455	3,124,738
Local Restrictions Support Grant (Hertfordshire in Tier 2)	447	314,412
Local Restrictions Support Grant (Hertfordshire in Tier 4)	739	734,230
Wet Pub Christmas Grants	70	70,000
Business Support Packages (4 th January – 15 th February 2021)	806	5,939,097
Local Restrictions Support Grant (16 th February – 31 st March 2021)	794	2,051,644
Restart Grants (Non-Essential Retail and Hospitality, Leisure, Personal Care & Gyms)	683	5,147,387
Total Payments to Businesses	8,076	46,251,442
Track & Trace Payments to Isolating Individuals	310	155,000

* 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.
- 9.2. The Accounts and Audit Regulations 2015 require that the Annual Statement of Accounts be approved and published.
- 9.3. The requirement for financial reserves is acknowledged in statute. Sections 31A, 32 42A and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
- 9.4. The Council must ensure sufficient flexibility to avoid going into deficit at any point during the financial year. The Chief Financial Officer is required to report on the robustness of the proposed financial reserves, under Section 25 of the Local Government Act 2003.
- 9.5. Section 151 of the Local Government Act 1972 requires every local authority to 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. The level of the general reserve is a matter for the Council to determine having had regard to the advice of the S151 Officer.
- 9.6. This is a requirement of the Council Procedure Rules as set out in Part 4.4.1 (b) and 4.4.1 (k) of the Council's Constitution.

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.
- 10.2. The General Fund balance of £8.883million (table 7) meets the recommended minimum balance of General Fund reserves agreed when the budget was set. The Statement of Accounts is however yet to be audited and changes to the General Fund balance may arise as a result of the final audit. As the Housing Benefit claim is also yet to be audited, the relevant values included in the reported outturn are based on un-audited figures.

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

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18. BACKGROUND PAPERS

18.1. None.

**CABINET
29 JUNE 2021**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: INVESTMENT STRATEGY (CAPITAL AD TREASURY) END OF YEAR REVIEW 2020/21

REPORT OF THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: FINANCE AND I.T.

CURRENT COUNCIL PRIORITY: RESPONSIVE AND EFFICIENT

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

1 EXECUTIVE SUMMARY

- 1.1 As at the end of financial year 2020/21, there is a reduction in Capital spend compared to quarter 3 of **£0.521million**. The majority of this change is due to revisions to the profile of planned project spend, with **£0.527million** that will now instead be incurred in 2021/22.
- 1.2 During the year the Council has generated **£0.184million** of interest from its investments. This is slightly below the budgeted total of £0.185million. The Council continued to invest in smaller Building Societies (subject to checks that compare the size of the Society with that of the investment).
- 1.3 The Council has repaid £0.018million of borrowing during the year as it has matured. The Council has £0.405million of remaining borrowing. This borrowing is at a fixed rate for a fixed period. The premium incurred from repaying this borrowing early means that it is not worthwhile to do so.
- 1.4 The Council complied with its legislative and regulatory requirements throughout the year.
- 1.5 The forecast for 2021/22 is that investment income will continue to reduce due to market conditions and the use of cash balances to fund the capital programme. To attempt to offset the reduction in interest received from short fixed term investments, the Council is looking at options to diversify its portfolio by investing in longer term, Property Funds and Multi Asset Income Funds. Paragraph 8.20 refers.

2. RECOMMENDATIONS

- 2.1 That Cabinet notes expenditure of **£1.883million** in 2020/21 on the capital programme, paragraph 8.3 refers, and in particular the changes detailed in table 3 which resulted in a net increase on the working estimate of **£0.001million**.
- 2.2 That Cabinet approves the adjustments to the capital programme for 2020/21 as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend in 2021/22 by **£0.522million** (£0.527million re-profiled from 2020/21 and £0.005million from 2021/22 re-profiled into 2020/21).
- 2.3 That Cabinet notes the position of the availability of capital resources, as detailed in table 4 paragraph 8.8 and the requirement to keep the capital programme under review for affordability.
- 2.4 That Cabinet approves the application of **£1.224million** of capital receipts towards the 2020/21 capital programme and the drawdown of £0.417million from set aside receipts, paragraph 8.8 refers.
- 2.5 Cabinet is asked to note the position of Treasury Management activity as at the end of March 2021.
- 2.6 Cabinet is asked to recommend this report to Council and ask Council to:
 - 1) Approve the actual 2020/21 prudential and treasury indicators.
 - 2) Note the annual Treasury Report for 2020/21.

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.
- 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 £129.0 million of capital assets that it currently owns. This has increased from £117.0 million as at 31 March 2020. 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 actual spend from 2020/21 to 2030/31 and the funding source for each capital scheme.
- 8.3 The Outturn Capital expenditure for 2020/21 is **£1.883million**. This is a reduction of **£0.521million** on that reported at the end of the third quarter. The decrease in spend is largely due to re-profiling spend into future years and underspend on projects. Table 1 below details the changes from what was reported at Quarter 3.

Table 1- Current Capital Estimates

	2020/21 £M	2021/22 £M	2022/23 to 2030/31 £M
Original Estimates approved by Full Council February 2020	9.357	5.405	26.650
Changes approved by Cabinet in 3rd Qrt 2019/20	3.801	0	0
Changes approved by Cabinet in 2019/20 Capital Outturn report	0.277	0	0
Revised Capital estimates at start of (2020/21)	13.435	5.405	26.650
Changes approved by Cabinet in Covid-19 Financial Impacts report 21/07/20	-2.809	1.713	1.096
Executive Member – Finance and I.T. approved additional Expenditure on 4 schemes	0.180	0	0
Changes at Q1	-0.287	0.296	0
Executive Member – Finance and I.T. approved additional Expenditure on 3 schemes	0.108	0	0
Changes approved by Council in Covid-19 Financial Impacts report 24/09/20	0.350	0	0
Changes at Q2	-7.040	7.022	0
Changes approved by Council 11/02/21	0.071	0.283	1.287
Changes at Q3	-1.604	1.052	0.537

	2020/21 £M	2021/22 £M	2022/23 to 2030/31 £M
Changes since Q3 (as detailed in this report)	-0.521	0.522	0
Outturn 2021/21	1.883	16.293	29.570

- 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)

Scheme	2020/21 Working Budget £'000	2020/21 Outturn £'000	Difference £'000	Reason for Difference	Estimated impact on 2021/22 onwards £'000
Provide Hsg at Market Rents	350	225	-125	Due to the refurbishment of Harkness Court taking longer than originally anticipated, the remaining money will be spent in 2021/22. The estimate completion date is June 2021.	125
Renovate Howard Park Play Area	75	0	-75	Delay was due to supply issues with the new equipment from Europe. If we had gone ahead it would have meant that the play area would be closed for the renovation at the potentially busiest part of the year as the splash pads open on the 1st May. We have therefore decided to hold back the works until September when the splash parks close and the schools have returned.	75
Email Encryption Software	45	4	-41	This piece of work has been delayed while alternative options for enhanced email encryption are explored, this will be reviewed in Q3/Q4 once our services have migrated to the cloud. As part of this review we are also seeking input from our auditors (BDO) on encrypting data in the cloud.	41

Scheme	2020/21 Working Budget £'000	2020/21 Outtrun £'000	Difference £'000	Reason for Difference	Estimated impact on 2021/22 onwards £'000
NH Museum Platform Lift	40	0	-40	A potential low cost solution has been found to repairing the lifts (revenue spend) before spending this budget on completely new lifts. We are exploring this option currently, but if this proves unsuccessful we will still require the budget to invest in new lifts.	40
Private Sector Grants	60	30	-30	Spend on this budget is demand led. Due to last year's lock down restrictions and the fact that those residents who qualify for these grants are in the main from the vulnerable groups, a number of cases were cancelled by the residents as they did not wish people inspecting their properties during the Covid crisis. As part of the process the required works and residents' financial situation must be diligently verified before a grant is approve. As a result of a number of cancellations we did not manage to process the projected number of cases	30
Total Minor (under £25k) slippage on other projects	938	727	-211		211
Total Revision to Budget Profile			-522		522

- 8.5 The Council received £750k grant for improving the energy performance of park homes. The BEIS average cap per unit is £10k. Following Grenfell, the fire officer advice is we use a mineral core to external cladding rather than an expanded polystyrene core. This pushes the cost above £10k per unit so it is proposed that the £30K slippage from the Private Sector Grants is used to finance the expenditure that is not covered by the grant. This is covered by the proposed 2021/22 spend detailed in the table above.

- 8.6 There are also changes to the overall costs of schemes in 2020/21. These changes total a net increase of £0.001million and are detailed in Table 3.

Table 3: Changes to Capital Schemes Commencing in 2020/21:

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

Scheme	202/21 Working Budget £'000	2020/21 Spend £'000	Difference £'000	Comments
Section 106 Project – All weather Hockey pitch at Royston	129	0	-129	The £129K budget is for the provision of an All Weather Hockey Pitch on the Heath, Royston. As the Heath is a public open space permission will not be granted to create an enclosed area on the Heath. Officers are looking to see if the S106 funds can be used at an alternative location in Royston. Also in order for the scheme to go ahead additional external funding is still to be secured.
Disabled Facilities Grants	50	82	32	In 2019/20 the Council spent 100% of its allocated Disabled Facilities Grant. In 2020/2021, a discretionary payment was made to allow a specific project to be undertaken in consultation with the Executive Member. There has also been continued pressure on the budget from high demand for adaptations such as stairlifts and accessible bathrooms. Additional funding was provided by the Council to the Herts Home Improvement Agency (HCC) to ensure these works were able to be undertaken within the financial year. This funding came from amounts set aside from previous underspends against the grant. On the face of it this level of overspend is a contravention of financial regulations, as prior approval should have been sought from Cabinet. However, the level of overspend should be viewed in the context of the overall funding available, the vast majority of which is the DFG (£840k) that is received directly

Scheme	202/21 Working Budget £'000	2020/21 Spend £'000	Difference £'000	Comments
				by HCC on our behalf. Extra reporting will be put in place to monitor spend in 21/22 will be monitored as the Council's ability to further top up the grant is becoming limited and a policy approach to applications may be required.
Other minor changes			98	
Total revision to scheme spend			1	

8.7 The following capital schemes have been completed during 2020/21:

- NHLC Gym Members Changing Room
- NHLC Circulation Pipework
- Norton Common Wheeled Sports Facility
- Walsworth Common Pitch Improvements
- Bancroft Recreation MUGA
- Land Purchase adjacent to Grange Community Centre
- Various IT Projects

Capital Programme 2020/21 Funding onwards

8.8 Table 4 below shows how the Council will fund the 2020/21 capital programme.

Table 4: Funding the Capital Programme:

	2020/21 Balance at start of year £M	2020/21 Additions £M	2020/21 Funding Used £M	2020/21 Balance at end of year £M
Useable Capital Receipts and Set-aside Receipts	7.455	0.712	(1.641)	6.526
S106 receipts			(0.122)	
Other third party grants and contributions			(0.120)	
Planned Borrowing			0	
Total			(1.883)	

8.9 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.

- 8.10 The Council's Capital Financing Requirement (CFR) at 31st March 2021 was negative £5.180 million (negative £5.60 million 31st March 2020). As the CFR is negative the Council does not have a need to borrow to fund capital spend. However, should the Capital programme be fully spent in 21/22 there will be a potential need to borrow £5.2M, which will have an impact on the General Fund by way of a Minimum Revenue Provision (MRP) and interest payments. This need to borrow will mainly be dependent on spend in line with the property acquisition and development strategy. It is expected that any such spend will generate income that will exceed the cost of capital.

Treasury Management 2020/21

- 8.11 The Council has operated both within the treasury and prudential indicators set out in the Treasury Management Strategy Statement and in compliance with the Treasury Management Practices. The £5 million limit on the Council's current account was exceeded during the 1st quarter to ensure the Council had sufficient funds to pay Business Support Grants and to ensure that cash was available to respond more generally to the implications of Covid-19. The Chief Executive made an urgent decision on the 9th April to temporarily remove the limit on amounts held in the Council's current account to facilitate the grant payments. The current account limit of £5m has since been reinstated. The approved investment limits within the Investment Strategy were breached during October 2020. The limit on investments placed with Building Societies was exceeded by £2.0 million for 19 days in October and was reported to Members in the Third Quarter report.
- 8.12 The Council generated £0.184M of interest during 2020/21. The average interest rate agreed on new deals during the year was 0.17%. The average interest rate on all outstanding investments at the 31st March was 0.41%.
- 8.13 The Council's activities expose it to a variety of risks (credit, liquidity and market). The Treasury Strategy sets out the Authority's appetite for the level of exposure to these risks.
- 8.14 **Security Risk** – The possibility that other parties fail to pay amounts due to the Authority.
- The Council's counterparty list comprises UK building societies and UK banks with a Fitch (a credit rating agency) credit rating greater than BBB, non-UK banks with a credit rating greater than AA- with a AAA Country rating, other Local Authorities and Public Corporations. It also includes smaller Building Societies that do not have a credit rating.
- 8.15 **Liquidity Risk** – the possibility that the Authority may not have funds available to meet its commitments to make payments.

- 8.16 **Market Risk** - the possibility that financial loss might arise as a result of changes in interest rates.

Investing long term (greater than one year) currently achieves higher interest rates than short term deals. The risks of long term deals are:

- (i) The longer the time period the longer the investment is exposed to default.
- (ii) If the investment has a fixed interest rate, interest rates could rise and the potential to invest at a higher rate will be lost until the investment matures.

- 8.17 Members have indicated that they are prepared to accept this risk within the limits expressed in the Treasury Strategy, which allows no more than £12M of outstanding investments to be invested for longer than 365 days at any one time. At the end of the year the Council didn't have any investments invested for longer than 365 days.

- 8.18 **Interest (Yield)** - This year has continued to prove challenging to find counterparties willing to pay a reasonable return on cash investments, either long or short term. The uncertainty around interest rate changes has continued in 20/21, with the latest predictions indicating that there will be no increase in base rate during 2021/22.

- 8.19 The investments outstanding at the 31 March 2021 were £42.5million. This compares to a balance of £29.5million at 31 March 2020. Investment in capital projects will continue during 2021/22 and combined with declining returns for new investments, means that the estimated investment interest for 2021/22 was set at £0.103million.

- 8.20 To try and limit the reduction of investment income from short fixed term investments in 2021/22, the Council will seek to invest in Property Funds and Multi Asset Income Funds. These type of funds are most effective over the longer term with a minimum investment period of five years. A maximum of £4.0M will be invested across the two investment types. Work has begun in collaboration with the Council's Treasury advisors, Link, to select the most appropriate funds for the Council to invest in.

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 £4.113million higher than the budgeted £45.833million.

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 (0.1%). 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 2021 was negative £5.18million. 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).

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.

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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>

		Spend / Forecast Spend							Funding				
		2020/21 Funding £	2021/22 Funding £	2022/23 Funding £	2023/24 Funding £	2024/25 Funding £	2025/26 Funding £	2026/27 - 2030/31 Funding £					
Project	Service Directorate								Funded from Other Grants	Funded from Government Grant	Funded from s106 contributions	Funded from Revenue / IT Reserve	Balance funded from Capital Receipts/ Set- aside receipts/ Borrowing
40 KVA UPS Device or Battery Replacement	Customers	2,900	15,000	0	12,000	0	14,000	16,000	0	0	0	0	59,900
Access Burymean Road	Commercial	66,700	5,300	0	0	0	0	0	0	0	0	0	72,000
Acquisition of Property Investments	Commercial	0	8,000,000	4,000,000	4,000,000	4,000,000	0	0	0	0	0	0	20,000,000
Additional PC's - Support Home Working/OAP	Customers	10,300	0	0	0	0	0	0	0	0	0	0	10,300
Allotments Water Supply Improvements	Place	0	0	10,000	0	0	0	0	0	0	0	0	10,000
Alteration & improvement to underground drainage at Coombes Community Centre, Royston	Commercial	0	25,000	0	0	0	0	0	0	0	0	0	25,000
Alternative to safeword tokens for staff/members working remotely	Customers	14,100	1,900	12,000	0	18,000	0	33,000	0	0	0	0	79,000
Avenue Park Splash Park	Place	0	0	0	70,000	0	0	0	0	0	0	0	70,000
Back-up Diesel 40 KVA Generator (DCO)	Customers	0	0	0	25,000	0	0	0	0	0	0	0	25,000
Baldock Town Hall project	Legal and Community	31,200	17,600	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	45,000
Bancroft & Priory Splash Pads	Place	0	0	0	0	35,000	0	0	0	0	0	0	35,000
Bancroft Recreation Ground, Hitchin, Multi Use Games Area (MUGA)	Place	3,100	0	0	0	0	0	0	0	0	0	0	3,100
Cabinet Switches - 4 Floors	Customers	0	18,000	0	0	18,000	0	18,000	0	0	0	0	54,000
Cadcom Local Knowledge & Notice Board Software	Customers	0	5,400	0	0	0	0	0	0	0	0	200	5,200
CCTV at DCO & Hitchin Town Hall	Customers	0	15,000	0	15,000	0	0	0	0	0	0	0	30,000
Conference Calling Solutions in Large Meeting Rooms - District Council Offices	Customers	0	35,000	0	0	0	0	0	0	0	0	0	35,000
Council Chamber	Customers	18,600	2,400	0	0	0	0	0	0	0	0	0	21,000
Council property improvements following condition survey	Resources	50,500	139,500	537,200	0	0	0	0	0	0	0	0	727,200
Cyber Attacks - Events Monitoring Software Solution	Customers	5,700	24,300	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
Data Switch Upgrade	Customers	0	0	15,000	0	18,000	0	41,000	0	0	0	0	74,000
Decommissioning of Play Areas	Place	2,600	0	0	0	0	0	0	0	0	0	0	2,600
Disabled Facilities Grant	Regulatory	81,600	0	0	0	0	0	0	0	81,600	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	115,000
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	39,000
Email Encryption Software Solution	Customers	4,600	40,400	0	0	0	0	0	0	0	0	0	45,000
Energy efficiency measures	Resources	3,100	5,400	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	15,000
Great Ashby District Park safety and security	Place	0	20,000	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
Hitchin Lairage car park - cosmetic coating to four stairwells and replacement windows and doors	Resources	0	75,000	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
Hitchin Swim Centre Future Refurbishment	Place	0	0	0	0	0	300,000	605,000	0	0	0	0	905,000
Hitchin Swim Centre Outdoor Pool Boiler Replacement	Place	0	40,000	0	40,000	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	30,000
Hitchin Swim Centre Replacement of Domestic Hot Water Calorifer	Place	0	25,000	0	0	0	0	0	0	0	0	0	25,000

Project	Service Directorate	Spend / Forecast Spend							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 Other Grants	Funded from Government Grant	Funded from s106 contributions	Funded from Revenue / IT Reserve	Balance funded from Capital Receipts/ Set- aside receipts/ Borrowing
Hitchin Town Hall Additional Bar & Glassware Infrastructure	Commercial	19,700	5,300	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	75,000
Howard Gardens Splashpad	Place	0	0	35,000	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	50,000
Infrastructure Hardware	Customers	297,800	2,200	28,000	0	278,000	25,000	348,000	0	0	0	0	979,000
Installation of trial on-street charging (GAF)	Regulatory	0	50,000	0	0	0	0	0	0	50,000	0	0	0
Ivel Springs Footpaths	Place	0	0	10,000	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	825,600
Lairage Multi-Storey Car Par - Structural wall repairs	Resources	3,500	117,200	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	20,000
Laptop Purchases for Officers	Customers	0	55,000	0	0	55,000	0	110,000	0	0	0	0	220,000
Laptops - Refresh Programme	Customers	92,700	46,900	7,000	7,000	80,000	5,000	70,000	0	0	0	0	308,600
Leisure Condition Survey Enhancements	Place	5,000	82,000	0	107,000	0	0	0	0	0	0	0	194,000
Letchworth Multi-storey Car Park - parapet walls, soffit & decoration	Resources	4,800	129,000	0	0	0	0	0	0	0	0	0	133,800
Letchworth multi-storey car park - lighting	Resources	4,400	13,600	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	80,000
Match Funding for Electric Vehicle charging	Regulatory	0	100,000	0	0	0	0	0	0	50,000	0	0	50,000
Members Laptops Refresh Programme	Customers	0	0	0	60,000	0	0	120,000	0	0	0	0	180,000
Microsoft Enterprise Software Assurance	Customers	14,900	0	390,000	0	0	426,000	462,000	0	0	0	0	1,292,900
Mrs Howard Hall Replacement Boiler & Windows	Resources	0	63,000	0	0	0	0	0	0	0	0	0	63,000
Museum Storage Solution	Commercial	7,300	1,192,700	0	0	0	0	0	0	0	0	0	1,200,000
Newmarket Road Royston Skatepark & Access	Place	0	0	0	90,000	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
NH Museum Platform Lift Solutions	Commercial	0	40,000	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	200,000
NHLC Dryside Changing Area	Place	0	0	100,000	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
NHLC Pool Flume Replacement	Place	0	0	0	0	0	0	150,000	0	0	0	0	150,000
NHLC Reception Toilet Refurbishment	Place	0	0	30,000	0	0	0	0	0	0	0	0	30,000
NHLC Refurbish Gym Floor	Place	46,800	3,200	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	179,400
NHLC Replace Circulation Pipework	Place	58,700	0	0	0	0	0	0	0	0	0	0	58,700
NHLC Replacement of Sport Hall heating system	Place	0	30,000	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
Northern Transfer Station	Place	0	0	0	0	1,600,000	0	0	0	0	0	0	1,600,000
Norton Common Footpaths	Place	0	0	0	10,000	0	0	0	0	0	0	0	10,000
Norton Common Wheeled Sports improvements	Place	8,300	0	0	0	0	0	0	0	0	8,300	0	0
Off Street Car Parks resurfacing and enhancement	Resources	13,600	179,400	56,100	8,000	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
Park Recycling Litter Bins	Place	0	25,000	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	235,000
Parking Machines Replacement	Regulatory	0	0	0	0	0	150,000	150,000	0	0	0	0	300,000
Parking Machines Upgrade - Contactless Payment Facility Installation	Regulatory	38,500	36,000	20,000	0	0	0	0	0	81,500	0	0	13,000
PC's - Refresh Programme	Customers	39,300	13,000	8,000	7,000	13,000	7,000	34,000	0	0	0	0	121,300
Playground Renovation District Wide	Place	0	180,000	180,000	180,000	180,000	180,000	900,000	0	0	0	0	1,800,000

Project	Service Directorate	Spend / Forecast Spend							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 Other Grants	Funded from Government Grant	Funded from s106 contributions	Funded from Revenue / IT Reserve	Balance funded from Capital Receipts/ Set- aside receipts/ Borrowing
Polling Booths for Elections	Legal and Community	0	27,000	0	0	0	0	0	0	0	0	0	27,000
Private Sector Grants	Regulatory	29,400	90,600	60,000	60,000	60,000	60,000	300,000	0	0	0	0	660,000
Provide housing at market rents.	Commercial	224,900	2,751,800	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	30,000
Refurbishment and improvement of community facilities	Legal and Community	257,600	265,300	0	0	0	0	0	0	0	0	0	522,900
Refurbishment of lifts at Lairage Car Park	Resources	6,000	353,300	0	0	0	0	0	0	0	0	0	359,300
Renovate play area Howard Park, Letchworth	Place	0	75,000	0	0	0	0	0	0	0	0	0	75,000
Renovate play area King George V Recreation Ground, Hitchin	Place	1,000	0	0	0	0	0	0	0	0	0	0	1,000
Replace and enhance lighting at St Mary's Car Park	Resources	0	60,000	0	0	0	0	0	0	0	0	0	60,000
Replace items of play equipment Holroyd Cres, Baldock	Place	0	10,000	0	0	0	0	0	0	0	0	0	10,000
Replace items of play equipment Wilbury Recreation Ground, Letchworth	Place	0	10,000	0	0	0	0	0	0	0	0	0	10,000
Replacement of Newark Close, Royston	Commercial	0	65,000	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	350,000
Royston Leisure Centre extension	Place	0	0	1,000,000	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	225,000
Royston Leisure Centre Dry Side Toilet Refurbishment	Place	0	0	30,000	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
Royston Leisure Centre Members Changing Refurbishment	Place	0	0	0	0	150,000	0	0	0	0	0	0	150,000
Royston Leisure Centre Solar Thermal Installation	Place	0	50,000	0	0	0	0	0	0	0	0	0	50,000
S106 Projects	Various	93,300	0	0	0	0	0	0	0	0	93,300	0	0
Security - Firewalls	Customers	3,200	10,800	14,000	0	16,000	0	36,000	0	0	0	0	80,000
St Johns Cemetery Footpath	Place	10,000	0	0	0	40,000	0	0	0	0	0	0	50,000
Tablets - Android Devices	Customers	9,000	18,900	18,000	12,000	17,000	17,000	56,000	0	0	0	0	147,900
Telephony system	Customers	0	10,600	0	0	0	0	0	0	0	0	0	10,600
Thomas Bellamy House, Hitchin	Commercial	0	65,000	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
Voice Recorders Careline	Customers	21,900	6,600	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	13,000
Walsworth Common Pitch Improvements	Place	20,000	0	0	0	0	0	0	0	0	20,000	0	0
Waste and Street Cleansing Vehicles	Place	0	0	0	0	0	4,000,000	0	0	0	0	4,000,000	0
Weston Hills LNR Footpath Renovation	Place	0	0	20,000	0	0	0	0	0	0	0	0	20,000
Wilbury Hills Cemetery Footpaths	Place	5,600	14,400	0	10,000	10,000	0	30,000	0	0	0	0	70,000
WiFi Upgrade	Customers	0	0	0	0	0	40,000	0	0	0	0	0	40,000
WiFi Upgrades for DCO & Hitchin Town Hall	Customers	35,100	0	0	0	0	0	0	0	0	0	0	35,100
		1,882,200	16,292,800	8,456,300	5,143,000	6,788,000	5,224,000	3,959,000	298,300	976,100	429,000	4,000,200	42,041,700

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Annual Treasury Management Review 2020/21

North Hertfordshire District Council
April 2021

Annual Treasury Management Review 2020/21

1. Introduction

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2020/21. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

During 2020/21 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 06/02/2020)
- a mid-year treasury update report (Council 21/01/2021)
- an annual review following the end of the year describing the activity compared to the strategy (this report)

In addition, Cabinet and the Finance, Audit and Risk (FAR) Committee have received quarterly treasury management update reports.

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Finance, Audit and Risk Committee before they were reported to the full Council.

2. The Council's Capital Expenditure and Financing

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

	19/20 Actual £'000	20/21 Original Budget £'000	20/21 Actual £'000
Capital expenditure	1,473	9,357	1,883
Financed in year	1,076	3,229	1,466
Unfinanced capital expenditure	397	6,128	417

The Unfinanced expenditure is the use of set aside receipts.

3. The Council's Overall Borrowing Need

The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2020/21 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies, (such as the Government, through the Public Works Loan Board [PWLb], or the money markets), or utilising temporary cash resources within the Council.

	31 March 2020 Actual £'000	2020/21 Original Budget £'000	31 March 2021 Actual £'000
Opening Balance	-5,996	-2,411*	-5,599
Add unfinanced capital expenditure (as above)	397	6,128	417
Closing Balance	-5,599	3,717	-5,182

*The 20/21 Original Budget was prepared before the final outturn figures for 19/20 were complete. The figure is considerably less due to slippage on the Capital Programme in 19/20 resulting in less expenditure to finance.

The negative closing balances mean that the Council does not have a need to borrow.

Gross borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2020/21) plus the estimates of any additional capital financing requirement for the current (2021/22) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allows the Council some flexibility to borrow to meet its planned capital needs. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator, as all borrowing is historic.

	31 March 2020 Actual £'000	31 March 2021 Original Budget £'000	31 March 2021 Actual £'000
Gross borrowing position	423	405	405
CFR	-5,599	3,717	-5,182

The authorised limit - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2020/21 the Council has maintained gross borrowing within its authorised limit.

The operational boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

Actual financing costs as a proportion of net revenue stream - this indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream.

	2020/21
Authorised limit	£10.0m
Maximum gross borrowing position during the year	£0.423m
Operational boundary	£4.0m
Average gross borrowing position	£0.416m
Financing costs as a proportion of net revenue stream	-0.74%

4. Treasury Position as at 31st March 2021

At the beginning and the end of 2020/21 the Council’s treasury position was as follows:

DEBT PORTFOLIO	31.3.20 Principal £'000	Average Rate/ Return	Average Life yrs	31.3.21 Principal	Average Rate/ Return
Fixed rate funding:					
-PWLb	423	9.82%		405	9.96%
-Market	0			0	
Variable rate funding:					
-PWLb	0			0	
-Market	0			0	
Total debt	423	9.82%		405	9.96%
CFR	-5,599			-5,182	
Over / (under) borrowing	6,022			5,587	
Total investments	29,500	1.18%		42,500	0.41%

The change in average rate reflects the repayment of debt over the year and the balance of loans at different fixed interest rates. The Council does not have any variable rate borrowing.

The maturity structure of the debt portfolio was as follows

	31.3.20 Actual £'000	31.3.21 Actual £'000
Under 12 months	18	18
12 months and within 24 months	18	19
24 months and within 5 years	61	63
5 years and within 10 years	69	55
10 years and above	257	250

The table below summarises where investments were held at 31 March:

INVESTMENT PORTFOLIO	31.3.20 Actual £000	31.3.20 Actual %	31.3.21 Actual £000	31.3.21 Actual %
Treasury investments				
Banks	2,000	7	0	
Building Societies	9,500	32	10,500	25
Local authorities	16,000	54	20,000	47
Debt Management Account Deposit Facility (H M Treasury)	2,000	7	12,000	28
TOTAL TREASURY INVESTMENTS	29,500	100	42,500	100
Council's Current Account	8,072		4,056	

The maturity structure of the investment portfolio was as follows:

	31 March 2020 Actual £000	31 March 2021 Actual £000
Investments Longer than 1 Year	1,000	0
Investments Up to 1 Year	28,500	42,500
Total	29,500	42,500

The increase in cash balances as at the end of 2020/21 (compared with 2019/20) is mainly due to the balances that the Council is holding in relation to Business Grants and s31 Business Rate relief funding.

5. The Strategy for 2020/21

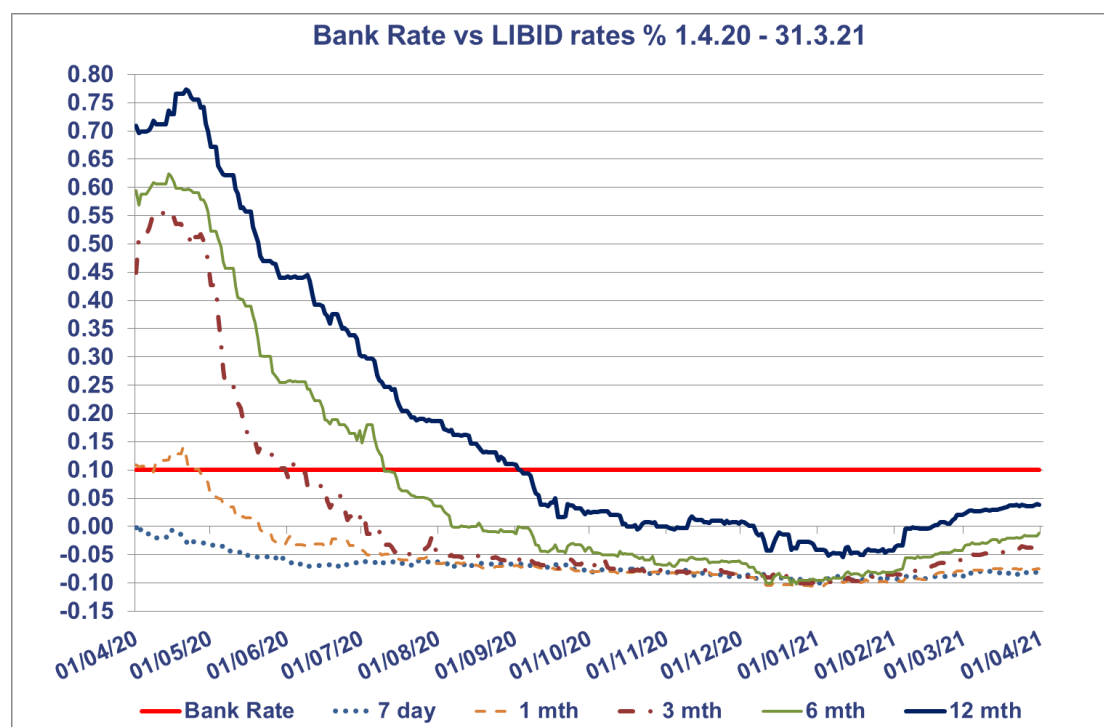
The strategy in 2020/21 was to continue lending to UK banks, building societies, money market funds, Local Authorities and property funds and allow investments with non-UK banks with a credit rating greater than AA- with a AAA Country rating. Only UK banks with a credit rating, for longer term deals, greater than "BBB" and F3 or above for short term credit ratings were on the Council's lending list. (These are Fitch definitions of ratings). Not all building societies are credit rated but this did not preclude them from the lending list as lending to a building society was dependant on their asset size. Where a society did have a rating, this was considered at the time of the deal taking into account the amount of investment and the length of the deal.

Change in strategy during the year – the strategy adopted in the original Treasury Management Strategy Report for 2020/21 was approved by the Council on 06/02/2020. The £5 million limit on the Council's current account was exceeded during the 1st quarter to ensure the Council had sufficient funds to pay Business Support Grants and to ensure that cash was available to respond more generally to the implications of Covid-19. The Chief Executive made an urgent decision on the 9th April to temporarily remove the limit on amounts held in the Council's current account to facilitate the grant payments. The current account limit of £5m has since been reinstated.

5.1 Investment strategy and control of interest rate risk

Investment returns which had been low during 2019/20, plunged during 2020/21 to near zero or even into negative territory. The expectation for interest rates within the treasury management strategy for 2020/21 was that Bank Rate would continue at the start of the year at 0.75 % before rising to end 2022/23 at 1.25%. This forecast was invalidated by the Covid-19 pandemic bursting onto the scene in March 2020 which caused the Monetary Policy Committee to cut Bank Rate in March, first to 0.25% and then to 0.10%, in order to counter the hugely negative impact of the national lockdown on large swathes of the economy. The Bank of England and the Government also introduced new programmes of supplying the banking system and the economy with massive amounts of cheap credit so that banks could help cash-starved businesses to survive the lockdown. The Government also supplied huge amounts of finance to local authorities to pass on to businesses. This meant that for most of the year there was much more liquidity in financial markets than there was demand to borrow, with the consequent effect that investment earnings rates plummeted.

While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.



6. Borrowing Outturn

Borrowing

No new borrowing was undertaken during the year.

Borrowing in advance of need

The Council has not borrowed more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

Rescheduling

No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

Repayments

£18K of PWLB loans were repaid during the year, as they became due.

7. Investment Outturn

Investment Policy – the Council’s investment policy is governed by MHCLG investment guidance, which has been implemented in the annual investment strategy approved by the Council on 06/02/20. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the Fitch credit rating agency for banks and asset size for building societies.

The investment activity during the year mostly conformed to the approved strategy although the limit on investments placed with Building Societies was exceeded by £2.0 million for 19 days in October and was reported to Members in the 3rd quarter monitoring report.

Investments placed by Cash Managers – the Council used an external cash manager to invest some of its longer term cash balances, where the rate achieved (after fees) was better than could be obtained by the Council directly. At the start of the year, Tradition had £8.5m of outstanding investments. This had reduced to £4.5m in June and then remained at that level throughout the rest of the year. The performance of the Tradition against the benchmark return was:

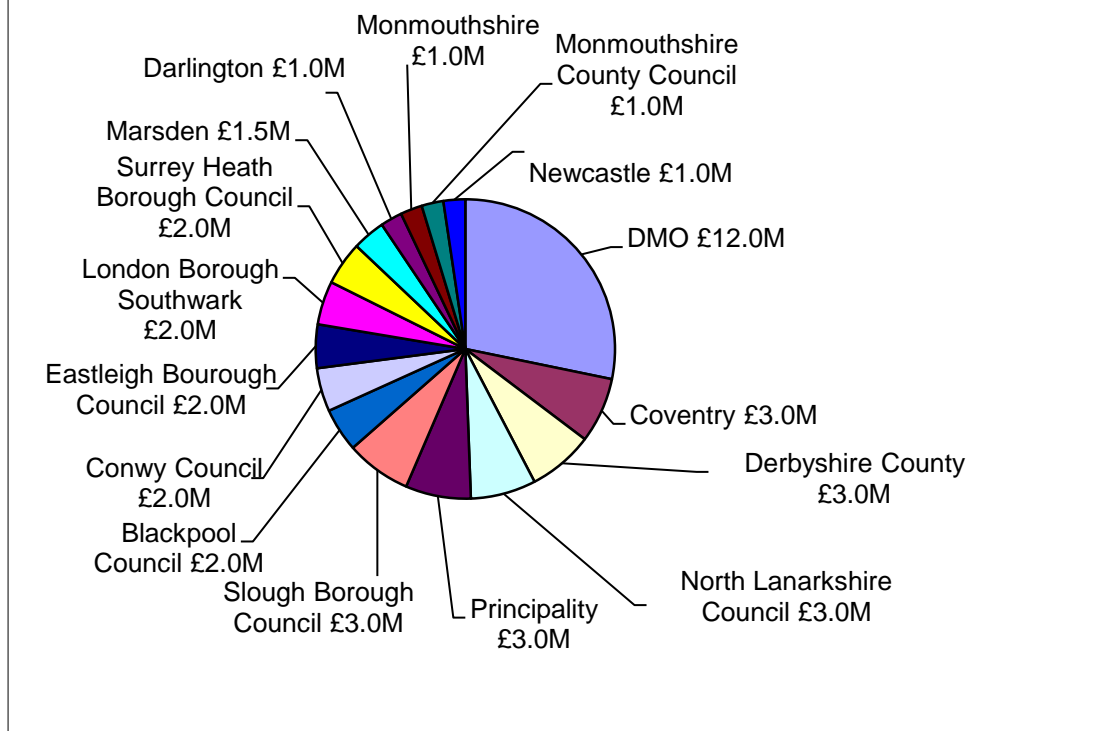
Cash Manager	Investments Placed	Interest	Return	Benchmark*
Tradition	£8.5M - £4.5M	£0.059M	1.20%	0.55%

* Ave 7 days notice Rate 0.55%

This compares with an original budget of £0.985M.

The pie chart below shows the spread of investment balances as at 31 March 2021 (excluding money held in our Current Account). This is a snapshot in time that demonstrates the diversification of investments.

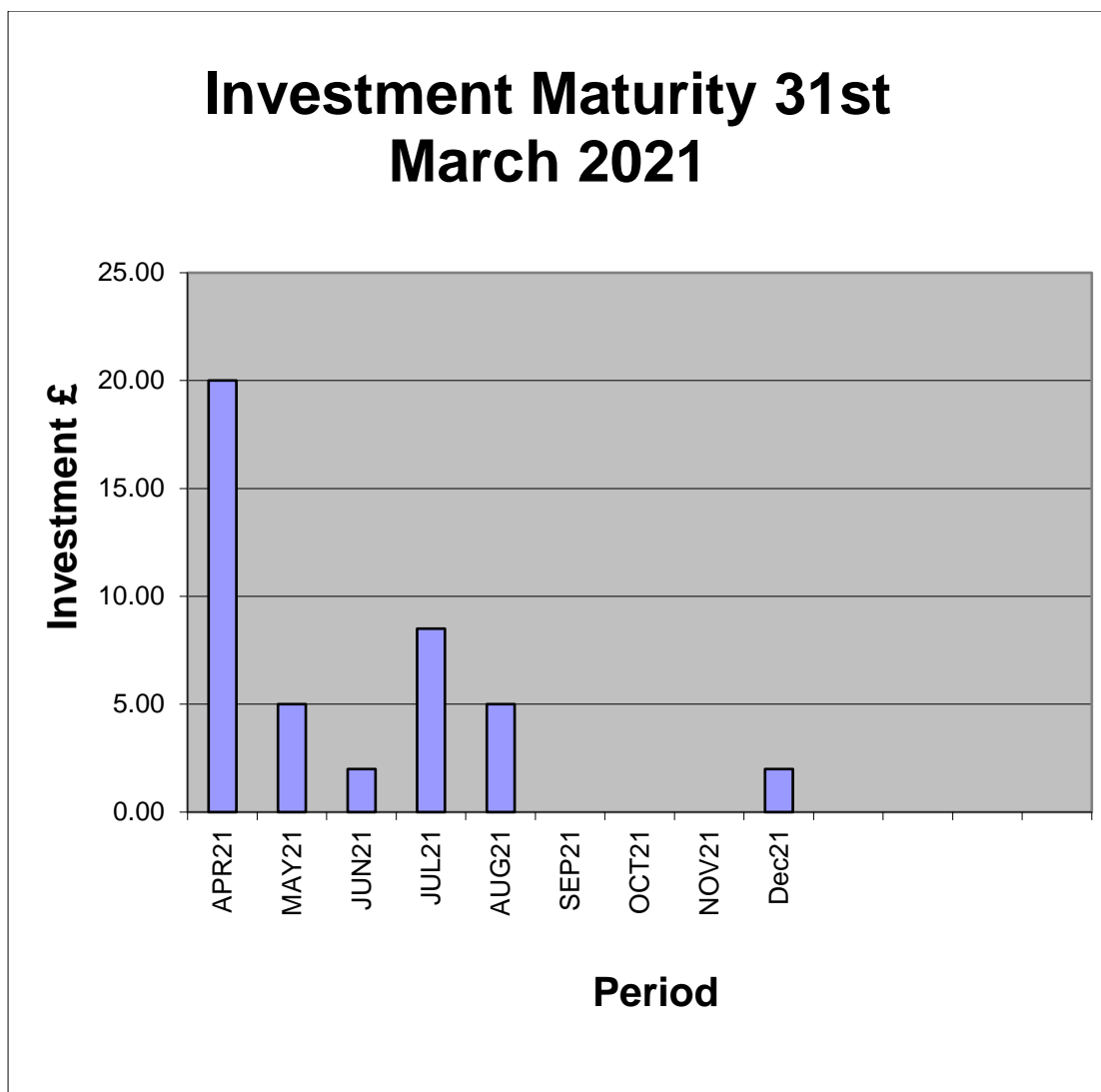
Placement of Investments 31st March 2021



The average daily balance of investments was £46.6m with balances varying between £34.5m and £69.0m.

£0.184m of interest was generated from investments during the year. This is slightly less than the estimated interest of £0.185m (as per Quarter 3 forecast). It is significantly below the Original Budget (£0.300m) that was set prior to Covid-19.

The graph below shows the maturity profile of investments at 31st March 2021 (excluding money held in our Current Account which is instant access).



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 March. The most risky investment still has a historic risk of default of below 1%. It should also be noted that in general the interest rate received is correlated to the risk, so the interest income received would be less if it took on less risk. All investments have been made in accordance with the Investment Strategy.

Borrower	Interest Rate %	Principal	Days to Maturity from 31/03/20	Historic Risk of Default %	Risk of Default %
DMO	-0.01	4,000,000	1	0.002	0.000
COVENTRY	0.02	3,000,000	6	0.050	0.001
CONWYN COUNTY BOROUGH COUNCIL	0.08	2,000,000	20	0.002	0.001
DMO	0.00	8,000,000	20	0.002	0.000
PRINCIPALITY BUILDING SOCIETY	0.06	2,000,000	20	0.140	0.008
PRINCIPLAITY BUILDING SOCIETY	0.06	1,000,000	30	0.140	0.012
EASTLEIGH BOROUGH COUNCIL	0.05	2,000,000	47	0.002	0.003
MOMMOUTHSHIRE BUILDING SOCIETY	1.50	1,000,000	58	0.140	0.022
SLOUGH BOROUGH COUNCIL	1.00	2,000,000	58	0.002	0.004
SLOUGH BOROUGH COUNCIL	0.10	1,000,000	62	0.002	0.004
MONMOUTHSHIRE COUNTY COUNCIL	0.25	1,000,000	79	0.002	0.005
DERBYSHIRE COUNTY COUNCIL	0.10	3,000,000	96	0.002	0.006
DARLINGTON BUILDING SOCIETY	0.35	1,000,000	99	0.140	0.038
NORTH LANARKSHIRE COUNCIL	0.05	3,000,000	110	0.002	0.007
MARSDEN BUILDING SOCIETY	0.30	1,500,000	112	0.140	0.043
LONDON BOROUGH OF SOUTHWARK	0.20	2,000,000	127	0.002	0.008
NEWCASTLE BUILDING SOCIETY	0.20	1,000,000	149	0.140	0.057
SURREY HEATH BOROUGH COUNCIL	0.04	2,000,000	153	0.002	0.010
BLACKPOOL COUNCIL	0.32	2,000,000	257	0.002	0.016

Resources – the Council's cash balances comprise revenue and capital resources and cash flow monies. The Council's core cash resources comprised as follows:

Balance Sheet Resources (£m)	31 March 20 £'000	31 March 21 £'000
Balances	9,332	8,895
Earmarked reserves	9,271	20,808
Provisions	2,446	2,783
Usable capital receipts	1,941	1,430
Total	22,990	33,916

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CABINET
29 June 2021

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: RISK MANAGEMENT UPDATE

REPORT OF: THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: FINANCE AND IT

COUNCIL PRIORITY: BE A MORE WELCOMING INCLUSIVE AND EFFICIENT 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 provide Cabinet with an update on the Corporate risks and the proposed changes to these risks.

2. RECOMMENDATIONS

2.1. That Cabinet notes the reviews of the Corporate Risks for the quarter, namely

- The review of the Cyber risks with no change to the Current risk score of 8 and a Target Risk score of 6.
- The review of the Brexit (EU Transition) Risk with a decrease in the Current risk score from a 7 to a 5, and a Target risk score of 3.

2.2 That Cabinet notes and refers the Annual report on Risk Management to Full Council.

3. REASONS FOR RECOMMENDATIONS

3.1. The responsibility for ensuring the management of risks is that of Cabinet.

3.2. This Committee has responsibility to monitor the effective development and operation of Risk Management.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1. There are no alternative options that are applicable.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

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

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision first notified on the Forward Plan on the 5 February 2021.

7. BACKGROUND

At the March meeting, the Committee noted

- The review of the Corporate Planning risks with no change to the risk score.
- The review of the Increased Homelessness Corporate risk with an increase in the risk score from 5 to 7 and a target risk score of 6.
- The review of the Waste Corporate risks with no change to the risk score.
- The proposal to archive the Workforce Planning Corporate Risk with an original risk score of 5 and a final risk score of 5.

The FARC recommended the changes, and these were referred on to Cabinet and approved.

8. RELEVANT CONSIDERATIONS

- 8.1. The Corporate risks summarised in Table 1 have been reviewed and agreed by SMT. Members are able to view the current risk descriptions on Pentana, the Council's performance and risk management software. Guest Login details can be found at the link below.

<https://intranet.north-herts.gov.uk/search/node/pentana%20quest%20login>

Table 1: Draft Risk and Opportunities Matrix

The dates specified relate to the date that officers last reviewed the risk.

Risks that officers have reviewed since the last meeting have been given a direction of travel arrow.

Likelihood	3 High	4	7 • Impact of Anti-Social Behaviour on Council Facilities (07.05.21) ↔ • Income Generation (10.05.21) ↔ • Increased Homelessness (01.02.21) • National and Regional Planning Issues (08.02.21)	9 • Local Plan (08.02.21) • Managing the Council's Finances (07.05.21) ↔ • Novel Coronavirus (Covid-19) (23.03.21) ↔ • Covid-19 - Leisure Management Contracts (22.04.21) ↔
	2 Medium	2	5 • Brexit (EU Transition) (08.04.21) ↓	8 • Cyber Risks (22.04.21) ↔ • Delivery of the Waste Collection and Street Cleansing Services Contract (21.04.21) ↔ • Sustainable Development - Neighbouring Authorities (08.02.21)
	1 Low	1	3	6 • External Factors Affecting the Future Provision of Waste Services (18.01.21)
		1 Low	2 Medium	3 High
		Impact		

- 8.2. At the Risk Management Group (RMG) on the 19 May, the Group received a detailed update on the Cyber Risks Corporate risk. (Appendix A) Discussion centred around the ongoing threats and the level of actions which could be taken. It was accepted that there was a need to avoid complacency and ensure that attention is focussed on the continuing management of the ever- evolving threats. The Group agreed that the current risk score of 8 and the target risk score of 6 was appropriate and should be retained at this time. The ongoing work included an important action in relation contracting an external Cyber Security Specialist to assess our systems. This can not take place until we are back to operating in a more normal way. If this assessment is successful then that would be a

key aspect of reducing down to the target risk score. It must be noted that no actions will eliminate the possibility of a cyber attack, but should reduce the chance of an attack that has a high impact. The biggest issue is always likely to be user error (e.g. clicking on an unsafe weblink) and communications with Officers and Councillors will continue to focus on that.

- 8.3. The RMG reviewed a comprehensive update on the Brexit (EU Transition) risk (Appendix B). The service area proposed a decrease in the Risk Score from 7 to 5. The Group agreed with the lowering of the risk score. The risk entry demonstrates the complexity of the EU transition and that NHDC is dealing with the remaining associated issues in an effective way.

- 8.4 The Group discussed the Annual Risk Management Report to be reported to FARC, Cabinet and Council, providing a summary of the Risk Management activity already reported throughout the 20/21 year. (Appendix C) The report covers significant changes to Corporate Risks, the annual review of the Risk Management Framework, as well as an Insurance, Health and Safety and Business Continuity updates for the year. Key actions to be taken forward for the 21/22 year include increased roll out of the Risk Management e-learning and working with Officers and Members on the risk appetite of the Council, ensuring that actions reflect the target. The Group agreed that members of FARC should also undertake the risk management e-learning module as well as Officers.

9. LEGAL IMPLICATIONS

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

10. FINANCIAL IMPLICATIONS

- 10.1 There are no direct financial implications arising from this report. However, it should be noted that there is a separate Corporate risk relating to Managing the Councils Finances.

11. RISK IMPLICATIONS

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

12. EQUALITIES IMPLICATIONS

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

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and "go local" 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

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

16. APPENDICES

- 16.1. Appendix A – Cyber Risks
Appendix B – Brexit (EU Transition)
Appendix C – Annual report on Risk Management

17. CONTACT OFFICERS

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

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

18. BACKGROUND PAPERS

- 18.1. The risks held on Pentana, the Councils Performance and Risk Management software.

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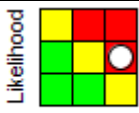
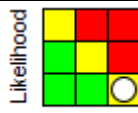
Cyber Risks

Generated on: 24 May 2021



Risk Code	CR62	Risk Title	Cyber Risks
Risk Owner	Jo Dufficy	Updated By	Vic Godfrey
Year Identified	2014	Council Objective	Be a welcoming, inclusive, and efficient council
Risk Description	<p>As a result of:</p> <ul style="list-style-type: none"> - Computer virus - Malware - Ransomware - Computer hacking - Action by Staff/Member (e.g. opening a malicious link) - Malicious tampering of computer records - Information being sent to the wrong recipient - Loss or damage to server room <p>There is a risk of:</p> <ul style="list-style-type: none"> - Systems being interrupted or damaged - Data being corrupted or erased - Personal data being stolen - Breach of the Data Protection Act 2018 		
Opportunities	- Safe and effective use of Information Technology		
Consequences	<p>The consequences of these risks include:</p> <ul style="list-style-type: none"> - Loss of reputation - Ability to provide services is disrupted - Revenue streams are reduced - Additional costs to investigate and test following repair/restoration - Claims for compensation if a third party suffers a financial loss - Fines from the Information Commissioner 		
Work Completed	<ul style="list-style-type: none"> - Information Security policy in place, which applies to staff and Members use of IT systems - Email encryption software (EGress) implemented - Introduced new software (Clearswift and Bloggs) to enhance the checking of threats attempting to attack via the firewall - All data centres have fire suppressing systems and are located in secure areas - Disaster recovery in place at a remote site (Unit 3) - Basic computer insurance provides limited cover for damage to equipment and reinstatement of data (although it does not cover payment of any fines or compensation to third parties) - Business Continuity Plans in place - Ransomware attack resulting in the write-off of IT hardware and infrastructure identified as a financial risk for 2019/20 and 2020/21 (Low/£200k) - Data Protection/FOI SIAS internal audit - Controls in place to ensure any third party providers adhere to NHDC security requirements - Annual PEN Test completed autumn 2018 and PSN Accreditation renewed January 2019 - SIAS audit of Cyber Security (March 2018) provided Moderate overall assurance - Implemented specific cyber roles/responsibilities within the ICT team to strengthen resources and approach (September 2018) - Implemented the recommendations from the SIAS audit of Cyber Security - Reviewed findings of the 2018 penetration test and worked through the minor improvements identified - In 2019, the requirement for Members to be registered as Data Controllers with the ICO was removed 		

Cyber Risks

	<ul style="list-style-type: none"> - SIAS audit of Cyber Security (August 2019) provided Satisfactory overall assurance and the report made five recommendations (four medium priority and one low priority) - NHDC PSN submission was sent to the Cabinet Office on 19 April 2020 - NHDC received its PSN Compliance certificate in September 2020 - All security patches for Firewalls reviewed and updated, and an in-house penetration test carried out to ensure all links into the corporate network are secure - ICT Manager attended a Cyber Fraud webinar hosted by the London Fraud Forum on 22 April 2021 		
Ongoing Work	<p><u>Business-as-Usual Activities</u></p> <ul style="list-style-type: none"> - Anti-virus/malware software in place and automatic updates are performed to servers and all PCs/laptops/tablets - Email Filter monitoring - Web Filter monitoring - Firewalls continually reviewed and updated - Reviewing firewall log files - Continuing to ensure the latest software security packages are installed and deployed across all firewalls - Microsoft patches kept up to date - Software patches continue to be applied to ensure we are on the latest versions and that security is at the highest levels possible - Annual Penetration (PEN) Tests undertaken and PSN Accreditation renewed to ensure security is at the highest levels - Regular advice and reminders issued to users - LMS training available (e.g. annual DPA 2018) - Control/security systems enable potential threats to be identified, investigated and managed accordingly - Regular reminders to all staff and Members are sent by the Service Director - Customers about the need to be vigilant about opening emails from unknown sources - Attending MHCLG Cyber Pathfinder Training Scheme events (currently being delivered online) - <u>Two Officers with specific cyber security responsibilities, which was implemented following a SIAS audit recommendation</u> <p><u>Specific (SMART) Actions</u></p> <ul style="list-style-type: none"> - Implementing the recommendations from the SIAS audit of Cyber Security (August 2019), including the forthcoming release of a new Cyber Security mandatory training package (review of the training package has taken place and the ICT Manager is working with the L&D Team to get this launched via the Learning Management System (LMS) - <u>estimated launch date September 2021</u>) Implementation of recommendations and date of training launch to be confirmed with VG on 17 May 2021 - NHDC has met and will be inviting an external Cyber Security Specialist in to carry out Cyber Essentials and then Cyber Essentials Plus, which cannot happen until we return to normal day-to-day working and into the offices (estimated date for this will be late summer 2021) 		
Current Overall Risk Score	8		
Current Impact Score	3	Current Likelihood Score	2
Current Risk Matrix		Target Risk Matrix	
Date Reviewed	22-Apr-2021	Next Review Date	22-Jul-2021
Latest Notes	<u>24-May-2021 On 19 May 2021, the Risk Management Group agreed that the current risk score of 8 was appropriate and the current target score of 6 should be retained at this time.</u>		
	13-May-2021 Risk reviewed and updated by Vic Godfrey on 22 April 2021. No change made to the risk score. Target risk score (currently 6) to be discussed further with Vic Godfrey on 17 May 2021 prior to May's Risk Management Group meeting.		

Brexit (EU Transition)



Generated on: 07 May 2021



Risk Code	CR64	Risk Title	Brexit (EU Transition)
Risk Owner	Jeanette Thompson	Updated By	Jeanette Thompson
Year Identified	2018	Council Objective	Enable an enterprising and co-operative economy
Risk Description	<p>The EU-UK Trade and Cooperation Agreement (TCA) was agreed on 24 December 2020. The European Union (Future Relationship) Bill was introduced in Parliament on 29 December 2020 to implement the provisions of the TCA, and this received Royal assent on 30 December 2020. The EU Transition period ended on 31 December 2020.</p> <p>There has been and remains ongoing uncertainty following the identification of the risk. Because of the uncertainty regarding the transition (exacerbated by the Covid-19 situation and consequential delays over negotiations), the Council could face the following risks:</p> <p><u>Service Specific</u></p> <ul style="list-style-type: none"> - Environmental and Food - insufficient staffing to cover Environmental and Food inspection issues/training post-Brexit (potential new duties to deal with soft/internal borders for import and export). - Community Engagement/Finance - likely increased financial pressures on low income/unemployed individuals and families, due to both Covid-19 and any tariffs that apply. Further reliance on food banks and assistance from the Council. <p><u>General</u></p> <ul style="list-style-type: none"> - There is a change in the demand for services, e.g. due to lower living standards. - The price of essential equipment/goods required to deliver services increases and/or the items become more difficult to obtain. If no trade agreement, tariffs will apply to imported goods and parts (likely 20%) with associated impacts for any related goods or services the Council procures or residents have to rely on, such as food. - There is a reduction in income and funding due to a decline in the demand for new housing. - The Council or contractors lose employees from EU27 countries. - Contractors fail to maintain the required level of service provision, e.g. due to the reduced availability of labour and/or equipment. - The potential for increased contract costs purely because of a change of law. - There is a reduction in income and an increase in bad debts due to a downturn in the economy. - Access to current EU funding programmes is lost. - Returns from investments reduce, although this could also mean a reduction in the rates for borrow to invest opportunities. - Electoral roll/elections issues (inaccuracies). - Workload increases to prepare for and deal with any issues, although this also provides an opportunity to identify areas of good practice and improve partnership working. - The price received for recyclable materials or the ability to dispose of recyclable materials is reduced. - Incidents of civil disorder occur. - Returning citizen service demand (health, wellbeing and other services). - UK legislation transfer to UK law and risk that constitution/delegations and authorisations not viable. - Potential data protection issues with retention and transfer of data as third country post-Brexit. At 11 January 2021, the EU had still not assessed the UK's arrangements as adequate. However, under the EU-UK Trade and Cooperation Agreement (the "Agreement") concluded on 24 December 2020, a "grace period" during which the transfers of personal data from EEA Member States to the UK will not be considered a "third country" transfer under the GDPR was agreed. The Agreement provides that the specified period will last for no longer than six months from 31 December 2020. This is subject to an important caveat: if, during this period, the United Kingdom amends the data protection laws it has in place on 31 December 2020, or exercises 		

	<i>certain powers under the Data Protection Act 2018 or the UK GDPR without the agreement of the EU Partnership Council, the specified period shall automatically end.</i>
Opportunities	<ul style="list-style-type: none"> - Potential investment opportunities, e.g. linked to lower interest rates or property prices. - Preparations identify areas of good practice and improve partnership working. - The Council becomes generally more resilient, not just in relation to Brexit - <i>although very difficult to assess if this is at all realistic in the current Covid-19 situation.</i>
Consequences	<ul style="list-style-type: none"> - Quality of service provision deteriorates. - Projects fail to be delivered. - Failure to respond effectively to an increased demand for services, which negatively affects residents. - Damage to reputation. - Increased pressure on staff.
Work Completed	<ul style="list-style-type: none"> - Senior Policy Officer developed an Impact Log at the time to chart potential impacts of Brexit to North Hertfordshire. - Brexit Impact Log reported to SMT in December 2018 (this was subsequently used by Project Board, Service Director - Legal & Community and leadership team to manage the risks and associated preparations). - Preparedness document reported to SMT in March 2019 (pre-first proposed leave date) and updated in June 2019. - Hertfordshire Local Resilience Forum implemented a Strategic Co-ordinating Group for Brexit. - Food Safety lead officers attending Food Resilience Forum and training regionally. - Ministry of Housing, Communities and Local Government (MHCLG) put in place intelligence gathering arrangements to collate the regional impact and preparations for Brexit. - MHCLG announced additional funding for local government to prepare for Brexit (£35K to NHDC). - e-tendering system able to transmit to the new government e-procurement system in the event of a no-deal Brexit. - Risk entry presented to the Finance, Audit and Risk Committee on 21 March 2019 (following a review by the Risk Management Group and SMT) and the committee recommended to Cabinet that the risk be introduced as a Corporate Risk with a risk score of "9", due to the current level of uncertainty. - Service Director Legal & Community co-ordinating from March 2019. - Additional new burdens distribution of funding of £17,484 for 2019/20. - Officer Project group established April 2019. - EU elections Project Board established, and elections undertaken in May 2019. - Brexit Project Board first meeting 29 July 2019 with Leader as Member. - Brexit Preparedness web page set up and link added to electronic orders sent to suppliers. - Brexit added to project monitoring reports sent to Overview and Scrutiny on a quarterly basis. - Regular Member updates provided. - 31 October 2019 Preparation work stood down due to the Parliamentary election due on 12 December 2019. - Brexit Officer Herts group and other local authority/central government activities stood down, other than exception reporting to EELGA. - New Brexit date of 31 January 2020 approved by the EU. - Parliamentary election undertaken on 12 December 2019. - Drafted contract clause to cover data transfer – use of change of law provision to impose. - Worked with LLG and MHCLG on process mapping for governance/secondary legislation process mapping. - Constitution/delegation and warrant checks undertaken. - Relevant managers checked policies for compliance and enforcement post Brexit issues. - European Union (Withdrawal Agreement) Act Bill received Royal Assent on 23 January 2020, the UK left the EU on 31 January 2020, with a transition period to 31 December 2020. - Lead Officer attended further meetings on the Settlement Scheme (county level and central) in January 2020. - EU Transition web page live and kept under review (Communications team has this as a standing item for their bi-monthly meetings). Tab on website re-instated to go to relevant page on web. - Global Brexit Update circulated to all staff and councillors on 31 January 2020.

- Jo Dufficy attended the EU Settlement Scheme National Conference on 10 February 2020.
- Project Board updates provided monthly from March 2020. These highlighted the issues faced nationally, which have been exacerbated by the Covid-19 pandemic. Virtual meetings recommended in October 2020.
- Emergency Planning Officer and Information Communication Technology Manager proposed extending the fuel storage at the DCO, although no resource to take this forward at this time. Project Board to consider whether this is required at this stage.
- EU Transition Officers met on 18 June 2020 to discuss planning for managing impacts at the strategic level in Hertfordshire (group subsequently subsumed into a new EU Transition Tactical Co-ordination Group).
- Hertfordshire EU Transition Tactical Co-ordination Group established in July 2020 and commenced meetings on 24 September 2020.
- Brexit working group meeting took place on 17 July 2020 (HCC, the Growth Hub, Herts LEP, the Chamber of Commerce and Frank Harrison attending from NHDC); although there have been national announcements on new border arrangements, there was frustration regarding the lack of detail as to how this will work.
- Countywide EU Settlement meeting on 21 July 2020, with confirmation that there are differing approaches to this, with some being effectively mothballed due to Covid-19.
- Defra readiness assessment.
- Careline stockpiled essential equipment.
- Weekly exceptions and tension monitoring reports sent and received.
- Liaised with Businesses/BIDs/LEP and Chamber of Commerce directly or via the Herts group. Herts Economic Development Officers Group (HEDOG) meetings cover this issue.
- Signposted businesses looking for guidance to the Growth Hub, Wenta, Better Business for All and to the LEP schemes (the LEP ran a series of Brexit webinars and workshops pre Covid-19). Circulated various preparation toolkits and webinars via a new Herts LEP & Growth Hub page (which NHDC has links to).
- Posters for the Settlement Scheme put up in the DCO and sent to local minority groups, libraries and Member surgeries. Assistance offered by Customer Services via We Are Digital referral from government.
- Use of MHCLG communications toolkits to roll out signposting information.
- Used funding to procure for three years specific software for regulatory issues for imports/exports.
- All Service Directors asked to review their delegations based on the updated wording re EU transition (and Covid regulations) and completed in December 2020.
- Worked with strategically important contractors to understand the risks they would face and to ensure plans were being taken to mitigate those risks. Legal contacted the big four and Controls, Risk and Performance contacted Capita for further updates in December 2020. Contract Managers reminded in December 2020 to contact key suppliers.
- The EU-UK Trade and Cooperation Agreement (TCA) was agreed on 24 December 2020. The European Union (Future Relationship) Bill was introduced in Parliament on 29 December 2020 to implement the provisions of the TCA, and this received Royal assent on 30 December 2020.
- The EU Transition period ended on 31 December 2020.
- The majority of corporate monitoring of the process, including associated risks, was undertaken by the Project Board through an established PESTLE risk plan. The lead officer was also part of a countywide group that devised a risk plan based on wider planning assumptions, which was presented to the Strategic Co-ordination Group and all Chief Executives, and where appropriate, these were fed through into the NHDC risk plan and actions.
- The Hertfordshire EU Tactical Co-ordination Group meetings continued in January 2021, being closed, with a debrief assessment in February 2021. The situation continued to be monitored. This and updates on issues/actions were reported through to the Brexit/EU Transition Project Board.
- Completed project to extend fuel storage at the DCO on 28 March 2021. Expenditure was authorised by the Project Board.
- The final Project Board took place on 8 April 2021 and having considered the outstanding issues being outside of the Council's control, have moved these for any relevant monitoring to the Response and Recovery Board (namely issues that may arise in terms of borders, inland borders and Environmental staffing resilience). Remaining uncommitted new burdens funding to be considered in the round of other available funding for local businesses/residents.

Ongoing Work	<ul style="list-style-type: none"> - Service Director - Legal & Community monitoring the latest EU transition developments (national and local) and providing regular updates to SMT. - Updates provided to Senior Managers, Staff and Members, e.g. via MIS and Insight. - Feeding up and down from county, regional and national liaison groups on a frequent basis. - Follow up actions of Council motion of 12 September 2019 – communication of no deal to residents/positive steps to highlight applying for settled status, local events and surgery support for EU nationals wanting to secure settled status. The Project Board acknowledged the actions taken so far. Will maintain NHDC's 'Brexit and Beyond' page – with relevant links for the foreseeable future – which links through to settled status application. Continue to push out relevant information via social media. - Various environmental/food related residual risks: inland borders; lack of competent food enforcement officers available to deal with these issues (and Covid); Food Standards Agency clarification and guidance. Herts County Food Resilience Group/Environmental Group monitoring these regularly, requesting information/updates from the Food Standards Agency and Government. To the extent required, this will be monitored by the Response and Recovery Board and be part of business-as-usual. - Remaining uncommitted new burdens funding of £32,300. Officer/Member group to consider this with other appropriate funding available (three current strands) and a joined-up response/use to be monitored through the Response and Recovery Board as appropriate. <p><u>SMART Actions</u></p> <p>Officers are working hard to keep up to date with the constantly evolving situation and to communicate this across the authority, including undertaking the ongoing, recurring activities listed above. At this time, however, the Council has limited ability to further mitigate the level of risk, as this is dependent on significant issues being determined/resolved at a national/EU level. Therefore, we are unable to set SMART actions for this risk as most of this will be outside of NHDC control.</p> <p>As referenced above, relevant monitoring transferred to the Response and Recovery Board (namely issues that may arise in terms of borders, inland borders, Environmental staffing resilience and use of remaining uncommitted new burdens funding).</p>		
Current Overall Risk Score	5		
Current Impact Score	2	Current Likelihood Score	2
Current Risk Matrix		Target Risk Matrix	
Date Reviewed	08-Apr-2021	Next Review Date	08-Oct-2021
Latest Note	<p>14-Apr-2021 <u>Update by Jeanette Thompson – 8 April 2021</u></p> <p>Various actions have taken place since the last review in January 2021. Hertfordshire EU TCG monitored the ports, flow of goods and highways issues. As reported through various resilience sub-groups or partner organisations, nothing of significance arose during that time in terms of delays or hold ups. No rise in public tension or cultural infighting was noted. The Met stood down its arrangements to focus on Covid. Whilst it was noted that some of this may be due to the delay in implementing full controls until June 2021, the EU TCG was stood down at the end of January 2021, a debrief review undertaken of the actions/outcomes of the group and the debrief recommendations fed through to the overall Strategic Coordination Group (which were approved and now feed into LRF Major Incident Framework). This has also been considered at the Project Board mentioned below.</p> <p>The NHDC Project Board met on 8 April 2021 to consider the outstanding issues/actions. For those that had not been closed, the following was agreed:</p> <ul style="list-style-type: none"> - Various environmental/food related: inland borders; lack of competent food enforcement officers available to deal with these issues (and Covid); Food Standards Agency clarification and guidance. <i>To the extent required, this will be monitored by the Response and Recovery Board and be part of business-as-usual.</i> 		

	<p>- Remaining uncommitted new burdens funding of £32,300. <i>Officer/Member group to consider this with other appropriate funding available (3 current strands) and a joined-up response/use to be monitored through the Response and Recovery Board as appropriate.</i></p> <p>- Follow up actions of Council motion of 12 September 2019 – communication of no deal to residents/positive steps to highlight applying for settled status, local events and surgery support for EU nationals wanting to secure settled status. <i>The Project Board acknowledged the actions taken so far. Will maintain NHDC's 'Brexit and Beyond' [1] page – with relevant links for the foreseeable future – which links through to settled status application. Continue to push out relevant information via social media.</i></p> <p><i>Note statistical information available – last from September 2020 from Government: The total number of national applications received up to 30 September 2020 was 4,062,000.</i></p> <p>https://www.gov.uk/government/statistics/eu-settlement-scheme-quarterly-statistics-september-2020. North Hertfordshire - 4,200 applications.</p> <p>It is difficult to compare this with anticipated numbers, e.g. as against any Electoral Register (ER). Settled status is not noted on the ER. The register is a list of those wanting to register; there may be other residents who have not registered. As at 1 April 2021, we wrote to 3,146 EU Citizens on the ER, and the 4,200 <i>is likely to include dependents</i>. It is an increase from 2019, when we had 2,904 registered.</p> <p>The Project Board also considered the NHDC Corporate Risk rating. Whilst it was a matter for the Risk Management Group and Finance, Audit and Risk Committee, it thought that the impact and likelihood of the risks envisaged when the Corporate Risk was identified in 2018 had reduced. There was some certainty in respect of the TCA and Act and operations. It was, however, acknowledged that some risks were ongoing national ones in respect of Northern Ireland, challenges from the EU and border ones may yet materialise once full border controls and checks are implemented (from June 2021). Herts County Food Resilience Group/Environmental Group were monitoring these regularly, requesting information/updates from the Food Standards Agency and Government. Relevant issues can be monitored through the Response and Recovery Board as needed. A risk matrix score of 2 for likelihood and impact was mentioned, although not specifically recommended. Have currently reduced the risk rating to 2/2.</p> <p>[1] https://www.north-herts.gov.uk/home/business/brexit-and-beyond</p>
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Annual Report on Risk Management

April 2020 to March 2021

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

Annual Report on Risk Management

April 2020 to March 2021

1. Introduction
2. Recommendations
3. Overview
4. Significant Changes to Corporate Risks
5. Review of NHDC's Risk Management Framework
6. Risk Awareness and Appetite
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9. Health and Safety
10. Achieving the Key Actions for 2020/21
11. Key Actions for 2021/22
12. Conclusion
13. Definitions
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Annual Report on Risk Management

April 2020 to March 2021

1 Introduction

1.1 This report provides Council with a summary of risk management at NHDC during 2020/21. The 2019/20 report was presented to Council on 24 September 2020.

1.2 It aims to:

- Confirm the Council's commitment to managing risks and considering associated opportunities to enable the achievement of its objectives and the successful delivery of its projects, initiatives and services.
- Summarise changes to the Council's Corporate Risks.
- Summarise the progress of previously identified actions and propose additional actions for 2021/22 that will further enhance the Council's Risk Management Framework.

2 Recommendations

2.1 Council notes the development of the Risk Management Framework, which supports the overarching governance framework.

2.2 Council notes the changes to the Corporate Risks during 2020/21.

3 Overview

3.1 Throughout 2020/21, the Finance, Audit and Risk (FAR) Committee received quarterly reports on the management of Corporate Risks and associated risk issues, and where necessary, referred items to Cabinet.

3.2 The Executive Member for Finance and IT in his role as the Member Risk Management Champion was a regular attendee at the quarterly Risk Management Group (RMG) meetings. The items discussed at these meetings informed the content of the committee reports.

3.3 The RMG is chaired by the Service Director – Resources, the Officer Champion for Risk Management, who is responsible for the risk management function at a strategic and operational level. This function is delivered by the Controls, Risk and Performance Manager and the Performance and Risk Officer, including the provision of training and support to Officers and Members.

3.4 During the year, one new Corporate Risk was introduced, two were archived and two overall risk scores were changed. No Corporate Risks were re-classified as Operational Risks. Section 4 provides further details.

3.5 In November 2020, the Shared Internal Audit Service (SIAS) issued its audit report on the Risk Management Framework, which provided overall satisfactory assurance. Section 5 provides further details.

- 3.6 Hertfordshire County Council (HCC) delivers the Council's insurance services and their Risk and Insurance Manager attends RMG meetings. This enables the Council to obtain an insight into emerging risks and issues at both HCC and other Hertfordshire local authorities. The SIAS Client Audit Manager also attends RMG meetings, helping to inform the group's understanding of wider risk issues.

4 Significant Changes to Corporate Risks

- 4.1 The Corporate Risks are the responsibility of the Senior Management Team and Cabinet, with Cabinet ensuring the risks are managed appropriately and proportionately. These key risks are those that cut across the delivery of all services, relate to key projects or could significantly affect the delivery of Council objectives. They are likely to require a high level of resources to manage and need to be monitored at a strategic level.
- 4.2 The quarterly reporting of Corporate Risks to Cabinet via the FAR Committee allows details of the top risks facing the Council and how we are managing them to be approved and monitored accordingly.
- 4.3 The following paragraphs highlight significant changes to Corporate Risks reported to the FAR Committee and Cabinet last year.

Archived Corporate Risks

September 2020

4.4 Route Optimisation of Collection Rounds

In March/April 2020, the relevant committees agreed that the risk should not be archived and should be retained until further information was provided. Following this, the Service Manager for Waste and Recycling provided the information requested. This confirmed that the route optimisation of rounds was complete and collection services were operating within normal expected parameters. Rounds were completed each day and missed collections were at acceptable levels. The Performance Management Regime monitored missed collections, and this was reported to the Executive Member and recorded on Pentana. The Waste team was also working with IT to develop mapping of collection routes and this data would soon be available on the intranet. As the work had been completed and appropriate risk mitigation measures were in place, the risk was again proposed for archiving and this was recommended and approved by the relevant committees.

March 2021

4.5 Workforce Planning

The RMG proposed to archive the risk, as the actions in place to manage it were embedded into current HR practices. There were no new significant actions to be implemented and it was assessed as being at the target risk level. Over time, there will be recruitment and retention issues relating to specific service areas and these will continue to be recorded via individual service risks if appropriate. The proposal to archive the risk was recommended and approved by the relevant committees.

New Corporate Risks

September 2020

4.6 Covid-19 - Leisure Management Contracts

Following a recommendation by the RMG, officers had split the existing operational risk entry relating to the leisure management contracts into two separate risk entries, one relating to the previously recorded ongoing operational risks and the other relating to the significant risks associated with Covid-19. The proposal to introduce the "Covid-19 – Leisure Management Contracts" risk as a new Corporate Risk with a risk score of 8 was recommended and approved by the relevant committees.

Changes to Corporate Risk Scores

- 4.7 As part of the regular review process, officers re-assess the impact and likelihood scores of the Corporate Risks. Section 13 of this report details the definitions used for assessing these scores, which aim to ensure a consistent approach.

September 2020

4.8 Impact of Anti-Social Behaviour on Council Facilities

The FAR Committee considered a proposal to reduce the risk score from 7 to 5 but recommended that it be retained at the current level. The proposed change reflected the measures that had been put in place and reducing number of incidents. However, it was unclear whether the reduction in incidents was more due to the Covid-19 pandemic. Cabinet subsequently approved that the score should remain at 7. The risk entry specifically relates to anti-social behaviour around Council facilities rather than general anti-social behaviour within the district.

4.9 Novel Coronavirus (Covid-19)

The FAR Committee considered a proposal to reduce the risk score from 9 to 8 but recommended that it be retained at the current level due to the likelihood of a second wave of the pandemic. Cabinet subsequently approved this. The proposal had been based on data provided in Director of Public Health Herts reports at the time and the mitigation processes in place.

Note that this risk was put in place as a new risk via a delegated decision in March 2020, following the cancellation of the Cabinet meeting due to the Covid-19 pandemic. The FAR Committee had met just before restrictions were put in place and recommended that it was introduced.

December 2020

4.10 Covid-19 - Leisure Management Contracts

The FAR Committee recommended the proposal to increase the risk score from 8 to 9, in view of the huge financial pressures placed on Stevenage Leisure Ltd by Covid-19. Cabinet subsequently approved this.

March 2021

4.11 Increased Homelessness

The FAR Committee recommended the proposal to increase the risk score from 5 to 7, in view of the increased levels of homelessness and use of temporary accommodation. Cabinet subsequently approved this.

- 4.12 Section 14 presents a summary risk matrix, which shows the position of each Corporate Risk as at 31 March 2021.

5 Review of NHDC's Risk Management Framework

- 5.1 During the year, SIAS undertook an audit of the Risk Management Framework and the report published in November 2020 provided overall satisfactory assurance. The report contained one medium priority recommendation relating to risk reviews. There were also three low priority recommendations relating to the implementation of target risk scores and SMART actions, awareness and understanding of the Risk Management Framework and information reported to the Senior Management Team.
- 5.2 The management response to these recommendations resulted in changes to the previously agreed framework and further clarification of certain processes in framework documentation. These amendments were noted and approved by the FAR Committee and Cabinet in December 2020 and are summarised below:

Risk reviews	Risks with a red status will be reviewed every three months rather than monthly. Risks with an amber status will be reviewed every six months rather than quarterly. Frequencies changed to reflect what is achievable with available resources.
Implementation of target risk scores and SMART actions	As risks are reviewed, target risk scores will be set (where missing). SMART actions will be identified, where appropriate, to manage the risk to the target score. Actions (both business-as-usual and SMART) will be reviewed and updated, as part of the review process. Monthly Pentana Directorate overviews will ensure oversight and highlight if framework requirements are not being met.
Awareness and understanding of Risk Management Framework	The Controls, Risk and Performance Team is responsible for providing training, where required. The Team developed an e – learning module (available on GROW Zone from March 2021), which provides relevant officers with the training they need. This also provides a record of officers who have completed the training.
Information reported to SMT	New and archived operational risks will be reviewed by the Risk Management Group and SMT prior to the Pentana updates being accepted. If archiving of a risk is not accepted, the Pentana entry will be re-activated with the agreed score. Other changes to operational risks will be the responsibility of the assigned officer and should be discussed with the relevant Service Director.

6 Risk Awareness and Appetite

- 6.1 NHDC is committed to the proactive identification and management of key external and internal risks that may affect the delivery of objectives. This allows us to be risk aware, understanding that risks may increase as services evolve and more commercial opportunities are developed and undertaken.

- 6.2 NHDC's risk appetite is its willingness to accept risks to realise opportunities and achieve objectives. We must take risks to evolve and to continue to deliver services effectively, deciding what risks we want to take and what ones we want to avoid, whilst acknowledging that we cannot or should not avoid all risks. The Risk Management Framework recognises that risks accompany all new objectives and opportunities and it provides guidance on managing them appropriately.
- 6.3 NHDC will have a range of different appetites for different risks depending on the circumstances and these will vary over time. The Risk Management Framework specifies that we will actively manage and monitor risks scoring 4 or higher on the risk matrix. This includes monitoring the completion of risk management activities and assessing their effectiveness.
- 6.4 As at 31 March 2021, 13 Corporate Risks had a score of 4 or above:
- Brexit (EU Transition) - 9
 - Covid-19 (Leisure Management Contracts) - 9
 - Local Plan - 9
 - Managing the Council's Finances - 9
 - Novel Coronavirus (Covid-19) - 9
 - Cyber Risks - 8
 - Delivery of the Waste Collection and Street Cleansing Services Contract - 8
 - Sustainable Development (Neighbouring Authorities) - 8
 - Impact of Anti-Social Behaviour on Council Facilities - 7
 - Income Generation - 7
 - Increased Homelessness - 7
 - Sustainable Development (National and Regional Planning Issues) - 7
 - External Factors Affecting the Future Provision of Waste Services - 6
- 6.5 Following the Peer Review Challenge carried out in January 2020, the Action Plan agreed by Cabinet set out an action 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."
- The FAR Committee has a role in monitoring how effectively the Council delivers against its stated risk appetite.

7 Insurance Review

- 7.1 Hertfordshire County Council handles the Council's insurance arrangements under a shared service arrangement. The arrangement was subject to an internal audit review in 2019/20 and the final report gave a satisfactory overall assurance level.
- 7.2 The Council transfers some financial risks to its insurers. Public liability insurance provides the Council with insurance cover for claims made by the public for personal injury and/or property damage. These are each subject to a £10,000 excess that is charged to the responsible service area. Areas that have been subject to a claim are identified and wherever possible, action is taken to prevent future damage to property or personal injury.

- 7.3 Four claims were received from the public relating to the policy year 2020/21 as at 31 March 2021. Although claims are made, these are not always successful for the claimant, as payments of compensation are made only when there is a proven legal liability. Liability has been accepted on one of the claims for property damage and a partial payment made.
- 7.4 The Municipal Mutual Insurance (MMI) Scheme of Arrangement was triggered in 2013 and the Council now pays 25% of any new claims dating back to the period that MMI was the Council's insurer (1974 to 1993). The Council's Financial Risks make provision for any new claims and any further levy demands relating to the period that MMI were the Council's insurers. As at 31 March 2021, there was one outstanding claim with MMI.
- 7.5 From time to time, insurers make risk improvement recommendations or requirements. It had been recommended that a policy for driving Council vehicles be implemented and a new policy has recently been implemented to clarify how Council vehicles can be used. Following a remote survey on the North Herts Leisure Centre, it is a requirement that fire suppressant equipment is installed above the deep fat fryer and this is in the process of being arranged. Although not currently a requirement for Hitchin Swim Centre, a fire suppressant system for the café is also being considered.

8 Business Continuity Plans

- 8.1 Covid-19 has been keeping the Emergency Planning staff busy since December 2019 and as a result the rest of the workplan has suffered, particularly training and testing. Much of the time away from the direct response to Covid-19 has been spent dealing with its impacts, such as making sure that Emergency Reception Centres are Covid-19 secure in the event of an incident, with new guidelines, instructions and equipment.
- 8.2 The small part time team of 3 x 0.2 FTEs meanwhile has been reduced by 33% as the Herts County Council Emergency Planning expert was withdrawn back to County at a time when most needed. The two remaining officers have worked flexibly and additional hours to reduce the impact. The plan is to review the current arrangements.
- 8.3 Covid-19 has been a somewhat unusual emergency; as the team were more used to dealing with a short event such as a fire, explosion or accident and then focusing on an effective recovery. NHDC is required by law to be able to continue to function throughout a major emergency such as Covid-19 but despite this, NHDC is still performing well. Although the long-term effects of so many staff home working upon corporate effectiveness and team working is, as yet, unknown, there appears to be an increase in mental health/welfare issues.
- 8.4 As a Category 1 responder, NHDC still has legal duties to be able to respond to other emergencies. NHDC entered this pandemic with a pre-prepared emergency Recovery Response Plan which deals with both internal crisis and external emergencies. This was reviewed last year as part of the preparations for Covid-19. NHDC is also part of a countywide Recovery Group.

Business Impact

- 8.5 NHDC has already identified its Core Critical Functions which were reviewed last year during the pandemic and are still appropriate today. They are the business areas which, in the event of a catastrophic failure of all services, would be the first areas needed to be set up based upon identified risks to service delivery, safety, financial loss, performance, reputation and environment. These are:

- Burials
 - Careline
 - Emergency Planning
 - Housing – Dealing with homelessness approaches and rough sleepers
 - Customer Service
 - Communications
 - IT
 - Safeguarding – Managing alerts/concerns
 - Revenues and Benefits - Payments
 - Waste Management - Waste Contract/Loss of Buntingford Depot
 - Environmental Health response
- 8.6 SMT regularly monitor these Core Critical Functions, whilst individual Service Directors retain responsibility for lower scale risks in their areas.
- 8.7 NHDC's Business Continuity Plan structure is very comprehensive and consists of a number of Corporate Level Plans:
- Main Resilience Plan
 - Mass Staff Absence Plan
 - Recovery Plan
 - Pandemic Plan
 - IT Recovery Plan
 - Property Services - Loss of Building (currently work in progress)
 - Waste Contract - Lot 1
- 8.8 A storage facility is located at Works Road, Letchworth. This houses emergency planning equipment and IT disaster recovery, and it has suitable facilities to be converted to a secondary Incident Control Centre.
- Working in Partnership**
- 8.9 The Hertfordshire Local Resilience Forum takes a lead role in Business Continuity Planning and therefore promotes a broader understanding of issues. NHDC officers have secured good relationships with local organisations such as Churches Together, Urbaser, Pearce, Johnson Matthey and Garden Square retail. NHDC works closely with its peer authorities on other topics such as cybercrime, reception centres, managing equipment, mutual aid and formerly Brexit.
- Business Continuity Promotion**
- 8.10 In respect of Covid-19, the NHDC Communications team is part of the County Communications Group working directly to the Herts Strategic Coordinating Group tackling the Covid-19 response. This ensures clear, consistent but locally relevant messaging and signposting to the local community and businesses.
- 8.11 Business Continuity awareness work has all been focused on making sure businesses have been prepared for Brexit and promoting Government and Public Health guidelines and messages as well as signposting to help and advice.
- 8.12 There is a NHDC Resilience Planning booklet containing advice on Business Continuity. This is available on the NHDC website along with additional information and direction to Hertfordshire County Council for further guidance.

9 Health and Safety

- 9.1 A year on from the start of the pandemic, Covid-19 still dominates the health and safety work being carried out.
- 9.2 Working closely with the elections team to help provide a safe election for both staff and the public has been the recent focus. Risk assessments have been produced across the whole activity including how to manage the postal vote opening in the DCO, the distribution of the ballot boxes, and delivering a Covid safe environment for the verification and count to take place at the North Herts Leisure Centre.
- 9.3 There have been some difficult challenges in finding the best controls to manage varying risks at some very diverse venues used as polling stations including the provision of a porta cabin, providing temporary power and welfare facilities and through setting up three separate polling stations within one building. Site inspections have been undertaken in most of the polling stations to ensure all controls are suitable for the buildings and meetings with building owners to offer reassurance on how the risks will be managed.
- 9.4 Going forward, the focus will be on the return to some sort of normal. The reinstatement of meetings in the Council Chamber will be necessary, due to the lapsing of the legislation that allows remote meetings. The return of working in Council buildings will also need to be considered. With the ever changing guidance and how the Government has to manage the pandemic nationally, a flexible approach will be taken when considering the level of controls that will need to be in place but also allow for a quick reaction to any changes implemented by Government.
- 9.5 Staff have adapted well to the changes in their working arrangements in terms of managing their own risks and issues with homeworking and there has been a very good take up on the offer of loan equipment. Results of the DSE assessments that have been completed have not seen a major increase in work related H&S issues. Surprisingly, when the results are compared to the previous three years results, this past year's figures are on par with previous ones, which demonstrates how quickly and successfully staff have adapted.

10 Achieving the Key Actions for 2020/21

- 10.1 Last year's Annual Report detailed the following key actions for 2020/21, to enhance the Risk Management Framework:

Action	Due Date
Development and launch of the Risk Management e-learning module.	31/08/2020
Development and launch of the Risk Management toolkit, providing operational guidance on implementing the Risk Management Framework.	30/11/2020

- 10.2 As detailed in Section 5, the Controls, Risk and Performance Team developed an e – learning module during the year and this was available on GROW Zone from March 2021.
- 10.3 A new Risk Management Toolkit intranet page was published in January 2021. Although the initial toolkit only offers limited guidance, this will continue to be developed and enhanced during the coming year and on an ongoing basis.

11 Key Actions for 2021/22

- 11.1 The implementation of the following actions in 2021/22 will ensure the continued development of risk management at NHDC:

Action	Due Date
Ensure that 100% of Risk Owners and Risk Assignees complete the Risk Management e-learning module.	30/09/2021
Continue work with Officers and Councillors on what the Council's risk appetite is and ensuring that actions reflect that target.	31/03/2022
Ongoing development of the Risk Management toolkit.	31/03/2022
Annual review of the Risk Management Framework documents.	31/03/2022

12 Conclusion

- 12.1 NHDC continued to implement the Risk Management Framework throughout 2020/21, including reviewing and reporting key risks. This, along with the further enhancement of related processes and practices, ensures a comprehensive understanding of the risks faced. This allows us to be risk aware and to determine the most cost-effective way to manage risks and exploit opportunities.

13 Definitions

- 13.1 The following diagram highlights the definitions of likelihood and impact used in the Risk Management Framework.

4 Likelihood High (3) Impact Low (1) Chance of it happening -More than 60% Consequences - Minor	7 Likelihood High (3) Impact Medium (2) Chance of it happening - More than 60% Consequences - Noticeable effect on the Council	9 Likelihood High (3) Impact High (3) Chance of it happening - More than 60% Consequences - Significant impact on the Council
2 Likelihood Medium (2) Impact Low (1) Chance of it happening – between 20 – 60% Consequences - Minor	5 Likelihood Medium (2) Impact Medium (2) Chance of it happening – between 20 – 60% Consequences – Noticeable effect on the Council	8 Likelihood Medium (2) Impact High (3) Chance of it happening – between 20 – 60% Consequences – Significant impact on the Council
1 Likelihood Low (1) Impact Low (1) Chance of it happening – less than 20% Consequences - Minor	3 Likelihood Low (1) Impact Medium (2) Chance of it happening – less than 20% Consequences – Noticeable effect on the Council	6 Likelihood Low (1) Impact High (3) Chance of it happening – less than 20% Consequences – Significant impact on the Council

14 Summary Matrix of Corporate Risks as at 31 March 2021

14.1 As reported to and approved by the FAR Committee and Cabinet in March 2021.

Likelihood	3 High	4	7 • Impact of Anti-Social Behaviour on Council Facilities • Income Generation • Increased Homelessness • Sustainable Development - National and Regional Planning Issues	9 • Brexit - EU Transition • Covid-19 - Leisure Management Contracts • Local Plan • Managing the Council's Finances • Novel Coronavirus - Covid-19
	2 Medium	2	5	8 • Cyber Risks • Delivery of the Waste Collection and Street Cleansing Services Contract • Sustainable Development - Neighbouring Authorities
	1 Low	1	3	6 • External Factors Affecting the Future Provision of Waste Services
		1 Low	2 Medium Impact	3 High

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CABINET 29 JUNE 2021

PART 1 REPORT

TITLE OF REPORT: GROUNDS MAINTENANCE CONTRACT REVIEW

REPORT OF THE SERVICE DIRECTOR - PLACE

EXECUTIVE MEMBER: CLLR STEVE JARVIS, EXECUTIVE MEMBER FOR ENVIRONMENT AND LEISURE

COUNCIL PRIORITY: BE A MORE WELCOMING AND INCLUSIVE COUNCIL / BUILD THRIVING AND RESILIENT COMMUNITIES / RESPOND TO CHALLENGES TO THE ENVIRONMENT

1. EXECUTIVE SUMMARY

- 1.1 To make recommendations for the future delivery of the maintenance of the greenspaces within North Herts implementing the recommendations below following a contract review process with the aim of shaping the service area for the next five years or more as a result of a Project Board process.

2. RECOMMENDATIONS

- 2.1. That Cabinet consider and approve the following: -

2.1.1 The existing contract with John O'Conner Grounds Maintenance Ltd is not retendered and that the specification is varied to accommodate 2.1.2 below.

2.1.2 The contract review process has identified an annual saving, as detailed in the Part 2 report, which is implemented from the 1st April 2022 for a period of 10 years with a mutual break clause after 5 years. This will extend the current arrangements with John O'Conner Grounds Maintenance Ltd by a further 5 years up to 2032.

2.1.3 The future Greenspace Management Strategy from April 2022 - 2027 reflects the proposals that make up the savings value as identified in 2.1.2 above.

2.1.4 To adopt the proposed approach to the structure of the Greenspace Team as discussed in section 15 of the report and detailed within the Part 2 report.

3. REASONS FOR RECOMMENDATIONS

- 3.1. A contract review process has been undertaken in the lead up to an agreed possible break point (31st March 2022) within the existing contract with John O'Conner Grounds Maintenance Ltd (JOC). The review was via a series of Project Board Meetings undertaken between January 2021 and May 2021. Additionally, this is the ideal opportunity to adjust the existing contract standards to accommodate the "Wilding" agenda and the economic impacts of Covid 19 upon the authority's finances.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. The contract with JOC could be retendered to the open marketplace. The review has identified that there are no significant issues with the service being received currently and that it continues to reflect market value as known pre Covid 19. The impact of Covid 19 is unknown within the marketplace and potentially has only increased market costs. Therefore, a period of stability post Covid is required with regards the delivery of the greenspace service. This period of stability will enable new specifications to be embedded using a known contractor that already has an established working relationship with the Council. Additionally, a period of stability will allow for more predictable budgeting in the future.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. Consultation has been undertaken via the creation of a Project Board that involved the following Executive Members and Officers. Cllr Steve Jarvis, Cllr Adem Ruggiero-Cakir, Vaughan Watson Service Director Place, Ian Couper Service Director Resources,
- 5.2. In addition, the proposals have been in negotiation with John O'Conner Grounds Maintenance Ltd.

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 The contract review process was set up with a Project Board that consisted of Executive Member Cllr Steve Jarvis, Deputy Executive Member Cllr Adem Ruggiero-Cakir, Service Director Place Vaughan Watson, Service Director Resources Ian Couper, Service Manager, supported by a project team consisting of Service Manager Green Space, Andrew Mills, Greenspace Manager Thomas Ayres Contract Solicitor Ekundu Aleku with contributions made by John O'Conner Grounds Maintenance Ltd.
- 7.2 The end of the financial year 2021- 2022 is the opportunity to implement a review of the current service provision for Greenspace due to a negotiated break clause that can be applied to take effect on the 31st March 2022 which is mid-way through the existing contract term.
- 7.3 The current contract term commenced on the 1st April 2017 for a period of 10 years up to 31st March 2027, but with an agreed mutual break clause at the halfway point at 31st March 2022. This contract term was agreed following a previous contract review in 2016/17 that identified significant annual savings over the 10-year term. These savings are still being realised currently.
- 7.4 Additionally, the "wilding agenda" has seen a significant rise in support throughout the community and there is an opportunity to consider alternatives that could support this agenda and the environment.

- 7.5 The Service Level Agreement (SLA) with Settle Housing is due to expire on the 31st March 2022 and a contract review would be able to accommodate and plan for their ongoing involvement or withdrawal from any future agreements.
- 7.6 The Agency Agreement (AA) with Herts Highways has recently being renewed on a rolling 2-year contract basis and therefore some assurance is given that this will be a long-term commitment for North Herts DC and Herts Highways.
- 7.7 As part of the Contract Review process, a review of the Greenspace Team has been undertaken to ensure it is fit for purpose in the future. Section 15 below provides further detail.

8. RELEVANT CONSIDERATIONS

- 8.1 Project Board has met on 4 separate occasions and has identified the opportunities at Section 10 below to take forward from the 1st April 2022.
- 8.2 The SLA with Settle Housing and the lack of clarity regarding their future intentions has been a cause of some concern. Consequently, the options from the 1st April 2022 have been calculated based on either Settle Housing remaining within or leaving the contract provision. Legal advice has been sought regarding both scenarios.
- 8.3 Specific considerations regarding the specific proposals are identified in the table below

Ref	Description	Impact
1	Play	
1.1	Open paddling pools for the normal annual timeframe of early May to mid-September each year with only one attendant working between all four locations.	There should be no noticeable impact as seen by the users. However, the attendant will be solely focused upon maintaining water quality across all four locations. Additional signage will provide the details of who to contact for lost property or any other reason
1.2	Reduce playground inspection to combination of Daily (Mon-Fri), 3 x week, 1 x week based on usage.	NHDC and JOC insurers have both confirmed the proposals are acceptable. This does not impact upon daily visits for litter picking etc which will continue.
2	Howard Park and Gardens Management	
2.1	Adjust the management of Howard Park and Gardens	Loss of a point of contact with the users of Howard Park and Gardens which will place increased reliance upon Officers to maintain communications with the Friends of Group etc
3	Grass	
3.1	Highway grass cut six times between March and October, aspiration for nine cuts if achievable. This proposal is still in line with the existing Agency Agreement between Herts Highways and NHDC	Could generate some negative comments once residents see grass verges being mown less frequently. When the grass is cut this will create high volumes of arisings than seen previously

3.2	Strimmer operator to alternate between two Highway teams in distinct areas	This will allow the grass to grow longer around obstacles and along fence lines etc which may have a negative impact visually
4	Bedding	
4.1	Remove summer & winter bedding that is not sponsored or in cemeteries or War Memorials (586 sq.m). To be replaced with turf or shrubs	Loss of summer flower displays which may cause a negative impact. These displays can be reinstated if a sponsor is found later

9 LEGAL IMPLICATIONS

- 9.1. Paragraph 5.6 of Cabinet's Terms of Reference in the Constitution sets out the functions of Cabinet and includes the responsibility to "oversee the provision of all the Council's services other than those functions reserved to the Council." (Paragraph 5.6.3).
- 9.2. The Grounds Maintenance Contract with John O'Connor (the "**Contract**") is for a value above the relevant threshold therefore the Contract and any modification to it is governed by the Public Contracts Regulations (**PCR**) 2015.
- 9.3. Officers have proposed modifications to the Contract to allow for cost savings for the Council and these modifications have been considered in view of Regulation 72 of the PCR 2015 which sets out the limited circumstances in which applicable contracts may be modified during their term without the need for a new procurement process.
- 9.4. Officers consider that the proposed cost saving modification would be permissible under Regulation 72(a) and (e) of the PCR 2015. Furthermore, the cost saving modification is also permitted under the Contract. Clause 25.5 of the Contract encourages the contractor to suggest alternatives to the services which may reduce the costs of the services and if the parties agree, Clause 25.6 states that the Contract may be altered to give effect to these alternatives.
- 9.5. With regards to the potential modifications that may arise post March 2022 if the SLA with Settle Housing is not renewed, Officers consider that the modification will be permissible under Regulation 72 (e) of the PCR 2015 as Settle Housing's exit will not amount to a substantial change as defined by Regulation 72(8) of the PCR 2015.
- 9.6. The Council has a legal duty to review the services it provides to ensure that best value is always accounted for and rule 28 of the Council's Contract and Procurement Rules (CPRs) state the relevant procedures to be followed where a variation of a contract is required.
- 9.7. Legal Officers will assist Officers in complying with the relevant rules in the CPRs.

10. FINANCIAL IMPLICATIONS

- 10.1. The proposals as set out in the table below have been identified to produce a potential annual saving.

John O'Conner (Grounds Maintenance) Ltd.
NHDC Project Board Savings

Ref	Description
1	Play
1.1	Open paddling pools for the normal annual timeframe of early May to mid-September each year with only one attendant working between all four locations.
1.2	Reduce playground inspection to combination of Daily (Mon-Fri), 3 x week, 1 x week based on usage.
2	Howard Park and Gardens Management
2.1	To adjust the way Howard Park and Gardens is currently managed.
3	Grass
3.1	Highway grass cut six times between March and October, aspiration for nine cuts if achievable. This proposal is still in line with the existing Agency Agreement between Herts Highways and NHDC
3.2	Strimmer operator to alternate between two Highway teams in distinct areas
4	Bedding
4.1	Remove summer & winter bedding that is not sponsored or in cemeteries or War Memorials (586 sq.m)
5	Settle Homes (for info)
5.1	Reduction in Management fee if Settle leave the contract

Please note:

The redundancy costs are not factored into the indicative savings above.

In return for achieving an acceptable saving, consider extending the contract by five years with a break clause in 2027.

Contract Savings & Cost Increases

In 2017 a significant annual saving was agreed with NHDC & extension to 2027

Waste costs have increased by 128% since 2014

NLW and statutory pension contribution increases have been absorbed through annual contract indexation without additional claims.

- 10.2 These proposals fall short of the notional savings target as initially proposed at the beginning of the contract review process.

11. RISK IMPLICATIONS

- 11.1. Impacts of proposals public perception etc.
- 11.2. Increasing pressure due reputational impacts of service changes

12. EQUALITIES IMPLICATIONS

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

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and “go local” requirements do not apply to this report as they were considered at the outset of the initial procurement and have been monitored throughout the term of the contract.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. Environmental Impact Assessment has been undertaken regarding this contract review. The assessment has been attached at Appendix A

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 The existing structure of the Greenspace Team was reviewed as part of the Contract Review process and for the immediate future with several minor adjustments have been considered. These adjustments are to reflect the following –

Increased public focus upon the environment and biodiversity
Recognising the importance of the Cemeteries and Burials Service
Retaining some contract monitoring presence to ensure standards are retained.

- 15.2 The proposed savings will also have a visual impact upon the appearance of the District and once again this will generate significant levels of customer enquiries. It is therefore also proposed not to restructure the Greenspace Team for at least 12 months after the proposals have been instigated. A review of the Greenspace Team in 2023 – 24 will then be able to identify the workloads at that time, post a period of change, and therefore be able to identify a sustainable way forward according to the circumstances at that time.

16. APPENDICES

- 16.1 Appendix A - Environmental Impact Assessment

17. CONTACT OFFICERS

17.1 Andrew Mills, Service Manager Greenspace, Andrew.mills@north-herts.gov.uk ext 4272

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

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Jo Keshishian, HR Manager jo.keshishian@north-herts.gov.uk ext 4314

18. BACKGROUND PAPERS

18.1 Project Board Reports and meeting minutes 1 through to 4

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Environmental Impact assessment

1. Name of activity:	Grounds Maintenance Contract Review				
2. Main purpose of activity:	A contract review process has been undertaken in the lead up to an agreed possible break point (31 st March 2022) within the existing contract with John O'Conner Grounds Maintenance Ltd (JOC)				
3. List the information, data or evidence used in this assessment:					
Area of Potential Impact	Examples to Consider (non-exhaustive)	Neutral (X)	Negative (X)	Positive (X)	Describe the contribution/impact on the area that the decision may have - assess whether this impact is a negative or positive or neutral one. Negative: What are the risks? Positive: What are the benefits?
1. Impact on greenhouse emission and support adaption to the effects of climate change	Will energy needs be met through renewable sources? Will it reduce emissions through retrofitting new technology? Will it reduce greenhouse gas emissions by reducing energy consumption and the need to travel?			X	Negative
					Positive Reduced emissions from fewer vehicle journeys and reduced cutting regimes.
2. Use of natural resources including water and energy	Will it reduce water consumption? Will it reduce energy consumption?			X	Negative
					Positive

					In removing summer and winter bedding, this can minimise water consumption that would have been required to maintain aesthetic floral displays.
3. Minimisation of flood risks to the area (i.e. promotion of SUD's. protect surface and ground water quality)	Will it minimise flood risk from all sources of flooding? Will it reduce property damage due to storm events/ heavy rainfall by improving flood resistance and flood resilience?	x			Negative
					Positive
4. To protect, enhance and create environments that encourage and support biodiversity	Will it protect, enhance and increase biodiversity and protect habitats? Will it improve access to and promote educational value of sites of biodiversity interest?			x	Negative
					Positive
					The corporate review of its approach to greenspace with a focus on the wilding agenda will seek to enhance the green spaces and increase biodiversity in the district. The reduction of annual Highway grass cuts from 12-14 to 6-9 can help increase biodiversity by allowing growth of a range of flowering plants and thus helping to attract wildlife to verges Longer grass also gives shelter and protection to small animals and insects and thus encourages biodiversity.

					<p>It can also help to join up fragmented habitats and provide 'highways' or 'corridors' for wildlife.</p> <p>Grass should be mown to a higher height than at present so there will be an increase in the plant species that can survive in the verges. Additionally, the arisings will remain on site so they will compost back into the ground. This provides further temporary habitats for insects etc</p>
<p>5. To improve Air Quality</p> <p>(air quality describes how polluted the air we breathe is)</p>	<p>Will it improve air quality?</p> <p>Will it reduce emissions of key pollutants?</p>			x	Negative
					<p>Positive</p> <p>Use of Strimmers will be less – this will reduce the number of vehicles on the road accomplishing the grass cutting. There will be a lower impact of the strimmer against an actual grass cutting ride on machine. The fleet will be reduced by one pick up truck on ride own mower and several strimmers.</p>
<p>6. To reduce need to travel, the use of private motorised vehicular transport as well as</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>				Negative
					Positive

<i>encourage walking, cycling, and use of public transport</i>					, fewer vehicle trips will be made owing to reduced cutting regimes and playground inspections, hopefully resulting in reduced emissions.
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<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?				Negative
	Will it reduce household waste?				
	Will it reduce construction waste?				Positive
	Will it increase recovery recycling and re-use?				
<i>8. To enhance the public realm and street improvements</i>					Negative
	Will it reduce litter?				Playground inspectors are currently not on site on a full time basis so there is a risk that any fault play equipment not be identified quickly. Dependant on the shrubs put in place, then reduced water consumption may be achievable.
	Will it enhance the quality of public realm?				Loss of bedding plants in some areas may be considered a dis-enhancement of the public realm, depending on whether/what will replace them.
					The proposals and their impact to improve the quality of the public realm will be down to individual opinion. Experience is teaching us that there is

					<p>still a proportion of the community that will resist change and perceived reductions in any standards of maintenance regardless of the impacts or benefits to the environment.</p> <p>Positive</p>
<p>9. To protect, enhance and seek opportunities to increase open space</p>	<p>Will it improve open space?</p> <p>Will it improve landscape character?</p> <p>Will it minimise development on Greenfield sites?</p>			x	<p>Negative</p> <p>Positive</p> <p>The Greenspace Team structure review as part of this process now focuses itself to the management of existing LNR's and promoting biodiversity by moving away from a specific contract monitoring role.</p>
<p>10. To reduce noise and impact of noise</p>	<p>Will it reduce noise pollution from vehicles?</p>				<p>Negative</p> <p>Positive</p> <p>The reduction number of vehicles on road and reducing highway grass cuts potentially minimise frequency and contribution to noise pollution also (</p>

6.0 Results			
	Yes	No	
Were positive impacts identified?	x <input type="checkbox"/>	<input type="checkbox"/>	
Were negative impacts identified (what actions were taken)	x <input type="checkbox"/>	<input type="checkbox"/>	Mitigation not possible. Negative impact was increased pollen causing irritation for people with hay fever
7.0 Consultation, decisions and actions			
Describe the decision on this activity (refer to section 3.2)			
Consultation has been undertaken as part of a Project Board process with those named within the Cabinet Report 29 th June 2021			
List all actions identified to address/mitigate negative impact or promote positive impact			
Action	Responsible person		Completion due date
Diligent management and monitoring of the ground contract with John O'Conner's should mitigate any negative impacts as far as reasonably practical and at the same time promote the positive aspects of the contract review	Andrew Mills		31 st March 2027
When, how and by whom will these actions be monitored?			
The contract is continuously monitored against the specification			
8.0 Signatures			
Assessor (report author):			
Name: Andrew Mills		Signature**	
Validated by (line manager):			
Name:		Signature**	

Forward to the Corporate Policy inbox: corporatepolicy@north-herts.gov.uk

*Signature***

Assessment date:

Review date:

**** 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 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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