

**NORTH HERTFORDSHIRE DISTRICT COUNCIL**



10/12/2021

Our Ref    Cabinet/21/12/2021  
Contact.    Committee Services  
Direct Dial.  
Email.    [committee.services@north-herts.gov.uk](mailto:committee.services@north-herts.gov.uk)

To:    Members of the Cabinet:

Councillor Elizabeth Dennis-Harburg, Leader of the Council (Chair)  
Councillor Ian Albert, Executive Member for Finance  
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: Councillor Ruth Brown, Councillor Ian Mantle, Councillor Nigel Mason, Councillor Sam North, Councillor Sean Prendergast, Councillor Adem Ruggiero-Cakir, Councillor Carol Stanier,

**NOTICE IS HEREBY GIVEN OF A**

**MEETING OF THE CABINET**

to be held in the

**COUNCIL CHAMBER, DISTRICT COUNCIL OFFICES,  
LETCWORTH GARDEN CITY**

on

**TUESDAY, 21ST DECEMBER, 2021 AT 7.30 PM**

Yours sincerely,

Jeanette Thompson  
Service Director – Legal and Community

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

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

<b>Item</b>		<b>Page</b>
<b>1.</b>	<b>MINUTES SILENCE IN REMEMBRANCE OF COUNCILLOR PAUL CLARK</b>	
<b>2.</b>	<b>APOLOGIES FOR ABSENCE</b>	
<b>3.</b>	<b>MINUTES OF THE PREVIOUS MEETING</b> To take as read and approve as a true record of proceedings the minutes of the meeting on 21 September 2021.	(Pages 5 - 16)
<b>4.</b>	<b>NOTIFICATION OF OTHER BUSINESS</b> Members should notify the Chair of other business which they wish to be discussed at the end of either Part I or Part II business set out in the agenda. They must state the circumstances which they consider justify the business being considered as a matter of urgency.  The Chair will decide whether any item(s) raised will be considered.	
<b>5.</b>	<b>CHAIR'S ANNOUNCEMENTS</b> <u>Climate Emergency</u> The Council has declared a climate emergency and is committed to achieving a target of zero carbon emissions by 2030 and helping local people and businesses to reduce their own carbon emissions.  A Cabinet Panel on the Environment has been established to engage with local people on matters relating to the climate emergency and advise the council on how to achieve these climate change objectives. A Climate Change Implementation group of councillors and council officers meets regularly to produce plans and monitor progress. Actions taken or currently underway include switching to green energy, incentives for low emission taxis, expanding tree planting and working to cut food waste.  In addition the council is a member of the Hertfordshire Climate Change and Sustainability Partnership, working with other councils across Hertfordshire to reduce the county's carbon emissions and climate impact.  The Council's dedicated webpage on Climate Change includes details of the council's climate change strategy, the work of the Cabinet Panel on the Environment and a monthly briefing on progress.  <u>Declarations of Interest</u> Members are reminded that any declarations of interest in respect of any business set out in the agenda, should be declared as either a Disclosable Pecuniary Interest or Declarable Interest and are required to notify the Chair	

of the nature of any interest declared at the commencement of the relevant item on the agenda. Members declaring a Disclosable Pecuniary Interest must withdraw from the meeting for the duration of the item. Members declaring a Declarable Interest, wishing to exercise a 'Councillor Speaking Right', must declare this at the same time as the interest, move to the public area before speaking to the item and then must leave the room before the debate and vote.

**6. PUBLIC PARTICIPATION**

To receive petitions, comments and questions from the public.

**7. ITEMS REFERRED FROM OTHER COMMITTEES**

Any Items referred from other committees will be circulated as soon as they are available.

**8. DRAFT BUDGET 2022/23**

REPORT OF THE SERVICE DIRECTOR - RESOURCES

(Pages  
17 - 42)

To consider the Draft Budget 2022/23

**9. QUARTERLY UPDATE ON RISK MANAGEMENT AND ANNUAL REVIEW OF RISK MANAGEMENT FRAMEWORK**

REPORT OF THE SERVICE DIRECTOR - RESOURCES

(Pages  
43 - 64)

To receive the second quarter update on Risk Management and the Annual Review of the Risk Management Framework.

**10. SECOND QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2021/22**

REPORT OF THE SERVICE DIRECTOR - RESOURCES

(Pages  
65 - 96)

To receive an update on progress with delivering the capital and treasury strategy for 2021/22, as at the end of September 2021.

**11. SECOND QUARTER REVENUE MONITORING 2021/22**

REPORT OF THE SERVICE DIRECTOR – RESOURCES

(Pages  
97 - 110)

To inform Cabinet of the summary position on revenue income and expenditure forecasts for the financial year 2021/22, as at the end of the second quarter.

**12. COUNCIL TAX REDUCTION SCHEME - YEAR 10**

REPORT OF THE SERVICE DIRECTOR - CUSTOMERS

(Pages  
111 -  
118)

To provide Cabinet with an update on how the scheme is operating and to consider whether any changes should be made for 2022/2023

**13. DE-COMMISSION OF LOCAL STRATEGIC PARTNERSHIP (LSP)**

REPORT OF THE POLICY AND COMMUNITIES MANAGER

(Pages  
119 -  
124)

To review one of the Council's current engagement structures – the non-statutory Local Strategic Partnership (LSP) which is currently known as the North Hertfordshire Partnership.

- 14. STRATEGIC PLANNING MATTERS** (Pages  
REPORT OF THE SERVICE DIRECTOR – REGULATORY 125 -  
194)
- To consider the latest position on key planning and transport issues affecting the District.
- 15. ASHWELL NEIGHBOURHOOD PLAN** (Pages  
REPORT OF THE SERVICE DIRECTOR – REGULATORY 195 -  
246)
- To consider the examiner's report and the proposed modifications to the Ashwell Parish Neighbourhood Plan.
- 16. LEISURE COVID RECOVERY UPDATE** (Pages  
REPORT OF THE SERVICE DIRECTOR - PLACE 247 -  
254)
- To provide a general update on the recovery of our major leisure facilities from COVID-19.

# Public Document Pack Agenda Item 3

## NORTH HERTFORDSHIRE DISTRICT COUNCIL

### CABINET

MEETING HELD IN THE COUNCIL CHAMBER, DISTRICT COUNCIL OFFICES, GERON ROAD, LETCHWORTH GARDEN CITY  
ON TUESDAY, 21ST SEPTEMBER, 2021 AT 7.30 PM

### MINUTES

**Present:** *Councillors: Councillor Elizabeth Dennis-Harburg (Chair), Councillor Paul Clark (Vice-Chair), Ian Albert, Amy Allen, Judi Billing, Sam Collins, Steve Jarvis and Ian Mantle*

**In Attendance:** *Anthony Roche (Managing Director), Jeanette Thompson (Monitoring Officer), Jo Dufficy (Service Director – Customers), Steve Crowley (Service Director – Commercial), Reuben Ayavoo (Policy and Community Engagement Manager), Andrew Mills (Service Manager Greenspace), Nigel Smith (Strategic Planning Manager), Chloe Gray (Commercial Team Leader), Chris Jefferey (Customer Services Manager), William Edwards (Committee, Member and Scrutiny Manager)*

**Also Present:** *At the commencement of the meeting there were no members of the public.*

#### 32 APOLOGIES FOR ABSENCE

*Audio recording – 2 minutes 40 seconds.*

Apologies for absence were received from Councillor Gary Grindal.

Apologies for absence were also received from Deputy Executive Members Ruth Brown, Adem Ruggiero-Cakir, Carol Stanier and Nigel Mason. As Deputies, their attendance was not required at this meeting and would not be reflected in their attendance record.

At the start of the meeting Councillor Sam Collins was absent.

#### 33 MINUTES - 20 JULY 2021

*Audio Recording – 3 minutes 20 seconds.*

Councillor Elizabeth Dennis-Harburg proposed, Councillor Paul Clark seconded and it was:

**RESOLVED:** That the Minutes of the Meeting of the Committee held on 20 July 2021 be approved as a true record of the proceedings and be signed by the Chair.

#### 34 NOTIFICATION OF OTHER BUSINESS

*Audio recording – 4 minutes 25 seconds.*

There was no other business notified.

### **35 CHAIR'S ANNOUNCEMENTS**

*Audio recording – 4 minutes 30 seconds.*

- (1) The Chair welcomed those present at the meeting, especially those who had attended to give a presentation;
- (2) The Chair advised that, in accordance with Council Policy, the meeting would be audio recorded;
- (3) 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.
- (4) The Chair drew attention to the item on the agenda front pages regarding Declarations of Interest and reminded Members that, in line with the Code of Conduct, any Declarations of Interest needed to be declared immediately prior to the item in question.
- (5) The Chair advised that Item 8 – Council Plan would be considered before Item 7 – Customer Service Strategy.
- (6) The Chair advised that there was a Part 2 item to be taken at this meeting and they intend to move the meeting in to Part 2 session to consider the confidential report prior to taking the Part 1 report of the same item

### **36 PUBLIC PARTICIPATION**

*Audio recording – 5 minutes 40 seconds.*

There was no public participation at this meeting.

### **37 ITEMS REFERRED FROM OTHER COMMITTEES**

*Audio recording – 5 minutes 50 seconds.*

6a. Referral from FAR - First Quarter Review Monitoring Report 2021-22

The Chair advised this referral would be taken with Item 10.

6b. Referral from FAR - First Quarter Investments Strategy (Capital and Treasury) Review 2021-22

The Chair advised this referral would be taken with Item 11.

6c. Referral from FAR - Medium Term Financial Strategy

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

6d. Referral from O&S – Customer Service Strategy 2021-2026

The Chair advised this referral would be taken with Item 7.

## 38 CUSTOMER SERVICE STRATEGY

*Audio Recording – 16 minutes 50 seconds.*

The Service Director – Customers presented the report entitled Customer Service Strategy along with the following Appendices:

- Appendix A – Customer Service Strategy 2021-2026
- Appendix B – Customer Care Standards

The Service Director – Customers advised that the title of the report should be amended to extend the period covered from 2021-2026 to 2021-2027 in line with the Council Plan.

Councillor David Levett, Chair of Overview and Scrutiny, presented referral 6d and drew attention to points including:

- The Customer Service Strategy was a necessary document laying out a clear strategy;
- It was important to ensure that customer service did not lose sight of customers that did not use digital platforms and that traditional means of contact should remain options.

The following Members took part in debate:

- Councillor Judi Billing
- Councillor Elizabeth Dennis-Harburg
- Councillor Ian Albert
- Councillor Steve Jarvis
- Councillor Paul Clark

Points raised by Members included:

- Referring to residents as 'customers,' was somewhat uncomfortable and it was important to remember that many of the people who came in to contact with the Council had no choice (as consumers) to work with a different provider;
- It was essential to champion customer service across the whole organisation rather than see it as the sole preserve of the customer services centre, and this strategy would inform the senior leadership team and councillors;
- The Fair Collection Policy was relevant to good customer service and should be referenced in the strategy
- There should be some mechanism to quantify the achievement of the targets set out in this strategy
- It was clear that the success of this strategy did not mean achieving those goals by 2027 but as an ongoing process of continual improvement

In response to points raised the Service Director – Customers advised that the Fair Collection Policy was referenced on Page 23 of the Strategy.

In response to points raised the Managing Director advised that the Customer Service Strategy would be included in staff training and induction and advertised to staff by the communications team, and would feed in to the review of the organisational values and behaviours in light of the new Council Plan and new ways of working.

On the vote it was:

**RESOLVED:**

- (1) That the title of Appendix A – Customer Service Strategy 2021-2026 be amended to extend the date range by one year in line with the Council Plan.
- (2) That Cabinet adopt the following documents:
  - Appendix A - Customer Service Strategy 2021-2027 (as amended)
  - Appendix B - Customer Care Standards
- (3) That Cabinet agree to delegate any minor changes in relation to the Customer Service Strategy and the Customer Care Standards to the Service Director – Customers in consultation with the Executive Member for the Customer Service Centre (The Leader).

**REASON FOR DECISION:** To adopt the new Customer Service Strategy.

**39 COUNCIL PLAN AND PRIORITIES 2022-2027**

*Audio Recording – 6 minutes 30 seconds.*

The Policy and Community Engagement Manager presented the report entitled Council Plan and Council Priorities 2022-2027 along with the following appendices:

- Appendix A – Council Plan
- Appendix B – Council Plan 2022-2027 (updated)

He drew attention to points including:

- Appendix B was a visual mock-up of the draft plan meant to reflect the new design approach; the substantive content was better reflected in Appendix A
- Cabinet was being asked to review the Plan and make recommendations to Council
- The Plan had been drafted by a working group of Officers and Members with input from the public liaison group, peer authorities and service directors
- The three Council Priorities together formed the overarching vision of the Council Plan as follows: “We put people first and deliver sustainable services, to enable a brighter future together,”
- The new Council priorities were expanded upon as follows; ‘People first,’ referring to putting residents, staff, councillors and other partners at the heart of everything the Council does; ‘sustainability,’ referring to delivering relevant and sustainable services with environmental responsibility and sound financial planning at their centre; and ‘brighter future together,’ referring to the long term plans to deliver the best outcomes for residents and the economy of the District.

Councillor Elizabeth Dennis-Harburg advised that the design and presentation of the Council Plan in the supplement had been revised and presented to Cabinet to demonstrate the commitment to people-first government, and that the current layout made the Plan more accessible.

The following Members asked questions and took part in debate:

- Councillor Steve Jarvis
- Councillor Elizabeth Dennis-Harburg
- Councillor Ian Albert
- Councillor Judi Billing



Points raised included:

- The theme and direction of the Plan was determined but the final draft and specific wording was still under review
- The Council Plan was a strategic priorities document which would dovetail with the Medium Term Financial Strategy and other documents and represented policy standing at the forefront of decision making
- The Plan set clear project and timeframes for delivery of those
- The public consultation around the future of Charnwood House was a success and the issue of potential refurbishment was a consideration for the Council in future
- The Customer Service Strategy was one of those daughter documents beneath the Council Plan.

The Monitoring Officer advised that if Cabinet recommended approval of a document to Council the document should be in its final form as the issue could not be revisited within 6 months of its presentation to Council.

The Managing Director advised that an additional recommendation be made to Council to delegate the finalising of the text of the Plan to the Leader and Managing Director.

Councillor Judi Billing highlighted that it would be preferable that such a recommendation would be to delegate the finalising of the text of the Plan to the Leader, Deputy Leader, and Managing Director.

On the vote it was:

**RESOLVED:**

- (1) That Cabinet reviews and recommends the approval of the Council Plan (Appendix A) to Full Council with the three new Council Priorities as outlined below:
  - People First
  - Sustainability
  - A Brighter Future Together
- (2) That Cabinet recommends to Council to delegate any minor changes in relation to the Council Plan to the Managing Director in consultation with Leader and Deputy Leader of the Council.

**REASON FOR DECISION:** To provide an overarching policy framework document, to guide and influence the use of Council resources; providing a focus for activities, plans and services the Council provide.

**40 QUARTERLY RISK MANAGEMENT UPDATE**

*Audio Recording - 35 minutes 45 seconds.*

The Executive Member for Finance and IT, Councillor Ian Albert, presented the Quarterly Risk Management Update.

Following the vote it was:

**RESOLVED:** That Cabinet notes the update on Corporate Risks in the quarter, namely:

- There were no formal reviews of Corporate Risks in the last quarter
- The Discussion at Risk Management Group (RMG) relating to Delivery of the Waste Collection and Street Cleansing Services Contract Corporate Risk, with no change to the risk score
- The reviews of Planning Corporate risks are to be delayed pending receipt of the Planning Inspectors report
- The proposal to archive the Delivering the NHDC Climate Change Strategy service risk.

**REASON FOR DECISION:** The responsibility to ensure the management of corporate risk is that of Cabinet.

#### 41 FIRST QUARTER REVENUE BUDGET MONITORING 2021/22

*Audio Recording – 36 minutes.*

The Executive Member for Finance and IT, Councillor Ian Albert, presented the report entitled First Quarter Revenue Budget Monitoring 2021/22 and referral 6a from the Finance, Audit and Risk Committee.

His presentation included:

- The report summarised the variances in this quarter namely the continuing impact of COVID-19 and the impact of the waste contract;
- Some of the COVID-19 variances are for the first quarter only e.g relating to parking;
- A new budget estimate was presented in table 6;
- The estimate was prudent and provided there were no further periods of restrictions a more positive forecast could be provided for the second quarter;
- There had been positive pickup on parking in the District, which demonstrated that while this budget was more prudent than necessary at this stage a cautious approach was correct;
- An update on the position of the Stevenage Leisure contract would be presented in quarter two after the impact of the summer period could be assessed;
- It had been a Council priority to ensure adults and children in the District could continue to access leisure centres and services e.g aqua-education and it was encouraging to see that swimming lesson memberships had reached pre-covid levels;
- The report referred to the potential for a Business Rates Pool and the Hertfordshire authorities were obtaining advice on the risk and benefits of such a pool;
- The deadline for applications was 8 October hence a delegated decision was requested.

On the vote it was:

**RESOLVED:**

- (1) That Cabinet note this report.
- (2) That Cabinet approves the changes to the 2021/22 General Fund budget, as identified in table 3 and paragraph 8.2, a £560k increase in net expenditure.
- (3) That Cabinet notes the changes to the 2022/23 General Fund budget, as identified in table 3 and paragraph 8.2, a total £226k increase in net expenditure. These will be incorporated in the draft revenue budget for 2022/23.

- (4) That Cabinet delegates to the Service Director: Resources (in consultation with the Executive Member for Finance and IT) authority to enter in to a Business Rate Pooling arrangement (if available) if it is estimated that it will be in the financial interests of the Council.

**REASON FOR DECISION:** That 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.

## 42 **FIRST QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2021/22**

*Audio Recording – 41 minutes.*

The Executive Member for Finance and IT presented the report entitled First Quarter Investment Strategy (Capital and Treasury) Review 2021/22 along with referral 6b from Finance, Audit and Risk Committee along with the following Appendices:

- Appendix A - Capital Programme Detail including Funding 2021/22 onwards
- Appendix B - Treasury Management Update

In his presentation the Executive Member for Finance and IT drew attention to points including:

- The Executive Summary in the report set out the key points
- Table 4 showed that borrowing would be necessary if capital reserves were fully spent but the majority of spending related to property acquisition and development and borrowing was not anticipated;
- Cabinet was recommended to approve the changes to the 2021/22 General Fund budget, as identified in table 3 and paragraph 8.2, a £560k increase in net expenditure;
- Additional expenditure was forecast relating to the laptop rollout project for staff.

### **RESOLVED:**

- (1) That Cabinet notes the forecast expenditure of £16.169million in 2021/22 on the capital programme, paragraph 8.3 refers. This includes approval of the additional spend for laptop purchases and drainage at Coombes Community Centre.
- (2) That Cabinet approves the adjustments to the capital programme for 2021/22 onwards as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend in 2022/23 by £0.312million.
- (3) That Cabinet notes the position of the availability of capital resources, as detailed in table 4 paragraph 8.6 and the requirement to keep the capital programme under review for affordability.
- (4) Cabinet is asked to note the position of Treasury Management activity as at the end of June 2021.

### **REASONS FOR DECISION:**

- (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.

#### 43 MEDIUM TERM FINANCIAL STRATEGY

*Audio Recording – 43 minutes 30 seconds.*

The Executive Member for Finance & IT, Councillor Ian Albert, presented the report entitled Medium Term Financial Strategy along with following appendices:

- Appendix A – MTFS 2022-2027
- Appendix B – MTFS 2022-2027 (updated)

The Executive Member for Finance & IT additionally presented item 6c. Referral from FAR - Medium Term Financial Strategy. His presentation highlighted points including:

- Budget allocations in his strategy were driven by the Council's priorities and were devised in relation to the Council Plan
- The revised design of the strategy made it more readable and accessible and an enhanced form of the visual layout would make the document easily understandable to the public via the website
- The strategy made provision for the continuing impact of COVID-19 and recovery through 2022/23 and 2023/24 though the necessity and length of these provisions would be kept under review
- The strategy estimates provision for a savings total of £1.8 million by the five year mark and set out how to identify and deliver savings to the Council including the role of the budget challenge process and the place of public consultation in financial strategy was also considered by the strategy
- In the context of continual 1-year funding settlements from central government it was difficult for any administration to develop a long term financial strategy
- A more long term and detailed funding settlement and an idea of how new funding formulae work would make the process of long term planning easier.
- He endorsed the strategy and commented that it was a prudent, priority driven document which would help the administration deliver on its plans.

Leader of the Council, Councillor Elizabeth Dennis-Harburg, advised that the strategy was readable and accessible as far as could be achieved with a financial document of this length and that it sat as a daughter document of the Council Plan demonstrating the relationship between policy supported by budget; she also noted that one year funding settlements were a continued difficulty for local governments.

On the vote it was:

**RESOLVED:** That Cabinet recommend to Full Council the adoption of the Medium Term Financial Strategy 2022-27 as attached at Appendix B in the supplementary agenda to this item.

**REASON FOR DECISION:** Adoption of a MTFS and communication of its contents will assist in the process of forward planning the use of Council resources and in budget setting for 2022/2023 to 2026/2027, culminating in the setting of the Council Tax precept for 2022/23 in February 2022. This will (alongside the Council Plan) support the Council in setting a budget that is affordable and aligned to Council priorities.

#### 44 STRATEGIC PLANNING MATTERS

*Audio Recording – 50 minutes.*

The Executive Member for Planning, Councillor Paul Clark, and the Executive Member for Enterprise, the Arts and Transport, Councillor Sam Collins, presented the report entitled Strategic Planning Matters along with Appendices A-D.

The Executive Member for Planning highlighted points including:

- The Inspector's Report on the emerging Local Plan was further delayed; the last assurance given was 'autumn,' which had since been updated to 'November,'
- Work on the new settlement was going ahead in conjunction with Councillors and officers in East Hertfordshire

The Executive Member for Enterprise, the Arts and Transport highlighted points including:

- The expansion of Luton Airport was not in the best interests of the area;
- Consultations were included in paragraphs 8.1.3-8.1.5 of the report;
- Paragraphs 8.1.6-7 reiterated the importance the Council places on walking and cycling to create sustainability in active transport across the area;
- The Herts Links project funded by Herts County Council was substantially delivered by a North Herts Council officer, Daniel Washington, who was thanked for his hard work;
- Railway timetabling was covered at 8.2.0: GTR and LNER had suspended changes to the timetable in May 2022 and postponed them to 2023
- Cuts to rail services in the area are unacceptable and the Council would not support them;
- The Council further requested that LNER start serving Hitchin with long distance trains.
- Royston and Hitchin were delivering active travel plans as part of the sustainable travel towns project.

The following Members asked questions and made comment:

- Councillor Judi Billing
- Councillor Ian Mantle
- Councillor Elizabeth Dennis-Harburg

In response to points raised Councillor Clark advised that it was the intention to incorporate the LCWIP and transport plans in to the masterplanning process.

On the vote it was:

**RESOLVED:**

- (1) That the report on strategic planning matters be noted.
- (2) That the correspondence in Appendices A to D be noted and endorsed by Cabinet.

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

#### 45 WILBURY HILLS CREMATORIUM PROJECT

*N.B this item was take after the conclusion of the private session.*

*Audio Recording – 1 hour 18 minutes.*

The Executive Member for Environment and Leisure, Councillor Steve Jarvis, presented the report entitled The Future of the Wilbury Hills Crematorium Project and highlighted the following:

- The Council had been unsuccessful in securing the necessary planning permission for the Wilbury Hills Crematorium Project and the project was no longer viable;
- The report recommended that other options be investigated

Councillor Steve Jarvis proposed and on the vote it was:

**RESOLVED:** That Cabinet (having taken into account the matters set out in the Part 2) approves the ceasing of the Crematorium project at Wilbury Hills Cemetery and allow officers (Commercial and Greenspace teams) to investigate alternative, commercial opportunities for this site, whilst continuing the current letting arrangement with the tenant. If approved, commercial options will be presented to Cabinet by March 2022.

**REASON FOR DECISION:** Following the outcome of the Public Inquiry in February 2021 there is a need to consider future options at Wilbury Hills Cemetery, Letchworth site.

#### 46 EXCLUSION OF PRESS AND PUBLIC

*Audio recording – 1 hour.*

Councillor Elizabeth Dennis-Harburg proposed, Councillor Paul Clark seconded and on the vote 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).

#### 47 WILBURY HILLS CREMATORIUM PROJECT

*N.B There is no audio recording of the Part 2 session. The meeting moved in to Part 2 one hour in to the public recording.*

The Executive Member for Environment and Leisure, Councillor Steve Jarvis, and the Executive Member for Enterprise, the Arts and Transport, Councillor Sam Collins, presented the report entitled the Future of Wilbury Hills Crematorium Project along with Appendix A - Top level options appraisal regarding the future of the crematorium project at Wilbury Hills Cemetery, Letchworth Garden City.

The following Members asked questions and participated in debate:

- Councillor Ian Albert
- Councillor Steve Jarvis
- Councillor Sam Collins
- Councillor Elizabeth Dennis-Harburg
- Councillor Ian Mantle

**Tuesday, 21st September, 2021**

In response to points raised the Service Manager – Greenspace advised that the current lease was worth £900 a year and while the Council had the option to terminate at any time it would be prudent to do so after harvest time to avoid incurring costs via loss of earnings from the current leaseholder.

In response to points raised the Service Director – Commercial advised that the report outlined top-level options under consideration and the recommendation of the report would allow the commercial team to explore alternative uses for the site. Any specific schemes would then be brought to Cabinet in detail for approval.

**RESOLVED:** That Cabinet note the report and to take into account the additional information provided that will allow an informed decision to be made based on the recommendation in Part 1 on this item.

**REASON FOR DECISION:** Following the outcome of the Public Inquiry in February 2021 there is a need to consider future options at Wilbury Hills Cemetery, Letchworth site.

The meeting closed at 8.54 pm

Chair

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**CABINET**  
**21 December 2021**

**PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: DRAFT BUDGET 2022/23**

REPORT OF: SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR FINANCE AND IT

COUNCIL PRIORITY: BE A MORE WELCOMING, INCLUSIVE AND EFFICIENT COUNCIL

**1. EXECUTIVE SUMMARY**

- 1.1. Cabinet is asked to consider the latest forecasts in relation to funding, income and expenditure in relation to the revenue budget for 2022/23. It is expected that an addendum report will be provided in relation to the Local Government settlement.
- 1.2. Cabinet are asked to consider the savings and investment proposals that were presented to the budget workshops, as well as any new savings and investment proposals that have emerged since those workshops. This should consider the feedback from those workshops, as well as taking appropriate measures to meet the net savings target of £200k.
- 1.3. Cabinet are asked to consider the capital project proposals that were presented to the budget workshops, as well as any other opportunities that have emerged since those workshops. This should consider the feedback from those workshops, as well as considering the forecast revenue impact of capital expenditure.

**2. RECOMMENDATIONS**

- 2.1. That Cabinet note the latest funding forecasts for 2022/23 and the significant uncertainty around inflation and Central Government funding, and that these estimates provided could be subject to significant change.
- 2.2. That Cabinet note the comments made at the budget workshops, and comment on the inclusion of the revenue savings and investments in the budget to be brought back for consideration in January, for referral on to Council in February.
- 2.3. That Cabinet note the comments made at the budget workshops, and comment on the inclusion of the capital investments in the Investment Strategy to be brought back for consideration in January, for referral on to Council in February.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1. To ensure that all relevant factors are considered in arriving at a proposed budget, Investment Strategy and Council Tax level for 2022/23, to be considered by Full Council on 10 February 2022.

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

- 4.1. In seeking to address the funding gap detailed in the Council's Medium Term Financial Strategy for 2022-27, Political Groups and Officers have been asked for savings ideas and these are presented in appendix A to this report.
- 4.2. The proposed investments are a combination of cost pressures to deliver existing services and new spend that is linked to the delivery of priorities identified within the Council Plan.
- 4.3. The Council is required to set a balanced budget over the medium term.

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

- 5.1. Councillors were given an opportunity to comment on the revenue efficiency, revenue investment and capital proposals at budget workshops. The comments from these workshops are detailed in this report.
- 5.2. This report is the first draft of the budget and a further report to Cabinet will follow in January. Both reports will also be considered by the Finance, Audit and Risk (FAR) Committee.
- 5.3. Business Ratepayers will be consulted on the proposals within the January report. This is the only statutory consultation that is required. This consultation will be via the website/ e-mail, as this has worked well since it was introduced.
- 5.4. If any saving proposal is anticipated to have a particular impact on a specific area (or areas) then it would be referred to the relevant Area Committee(s). If taken forward this should be considered for the toilet charging proposal.

#### **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. The final revenue budget and investment strategy will be considered and approved by Council in February.

#### **7. BACKGROUND**

- 7.1. The Medium Term Financial Strategy (MTFS), which provides the financial background for the Corporate Business Planning Process, was approved by Full Council in September following recommendation by Cabinet. The budget estimates within the MTFS included a number of assumptions. These have been updated as better information has become available and further updates will be made prior to the presentation of the budget to Cabinet in January. The final budget recommended to Council in February will still contain some assumptions, hence monitoring reports are provided to Cabinet on a quarterly basis.
- 7.2. The MTFS set target net savings for each of the next 5 years. This is to ensure progress is made towards balancing the Council's budget in each year, with the aim of achieving a fully balanced budget (net expenditure = funding) by 2026/27. In the shorter term the budget will be balanced through use of reserves. The phasing of the delivery of savings also ensures that the reserves are not diminished too much, and remain above the minimum recommended level. The net savings target for 2022/23 is £200k.
- 7.3. The Council has applied, along with four other Hertfordshire District and Borough Councils and Hertfordshire County Council, to form a Business Rates Pool for 2022/23.

The anticipated benefit, based on current forecast rates income, from the pooling of Business Rates is a relative reduction in the business rates levy payable to Central Government next year, referred to as the 'pooling gain', meaning the Council will be able to retain more of the Business Rates income it collects. Should the forecast position change, however, each of the proposed pool members have the option to withdraw from the Pool after (within 28 days of) the announcement of the Local Government Finance settlement. Such is the volatility of business rates and the higher level of uncertainty surrounding estimates in this area, a pooling gain in 2022/23 is not assumed in the estimated funding figures contained in this report.

## **8. RELEVANT CONSIDERATIONS**

### **General and Specific Funding**

- 8.1. The Government Budget and Spending Review was presented by the Chancellor at the end of October. This included the following announcements in relation to Local Government funding:
  - A real terms increase of 3% in Core Spending Power
  - £1.5billion (rising to £1.6billion in 2023/24) of additional grant funding. Currently for the spending review period to the end of 2024/25.
  - Specific grant funding, including digitising the planning system and homelessness
- 8.2. The majority of the increase in Core Spending Power for Districts seems to be expected to be delivered through growth in the Council Tax base (i.e. number of properties paying Council Tax) and assumes that Council Tax levels will be increased by the maximum allowed (for North Herts this is expected to be the greater of 2% or £5 for a Band D equivalent property). Our expectations for Council Tax base growth are currently estimated at 0.5% per year from 2023/24 onwards, which is below the national forecasts. This reflects the uncertain recovery from Covid-19 in relation to Council Tax Reduction Scheme (CTRS) eligibility. It also reflects that where growth in the tax base comes from new properties, there is a need to deliver and pay for services (e.g. waste collection) for those properties. Therefore a proportion of any growth needs to be set aside for those additional costs.
- 8.3. At the time of writing this report it is not known how the £1.5billion grant funding will be allocated. Some will be to fund the additional National Insurance costs that Councils will need to cover (as employers) in relation to the Health and Social Care levy. This will offset additional costs so will not provide any additional net funding. It is also possible that the funding will only cover direct employer costs and we will see unfunded cost increases in our contracts for the staff that they employ. It is assumed that the majority of the remainder will be allocated to Social Care. It is expected that the draft Local Government Settlement for 2022/23 will be announced in advance of the meeting and an addendum report will be provided.
- 8.4. The Government Budget and Spending Review provided a three year funding position for Local Government overall. But as the new Local Government funding mechanism has not been progressed, it seems likely that individual Council funding allocations will be provided for one year only. It is assumed that this means that a negative Revenue Support Grant (or equivalent) will not be applied in 2022/23, but that one could be applied from 2023/24 onwards.
- 8.5. The Government Budget and Spending Review also made announcements in respect of Business Rates. These included reliefs (i.e. reducing the amount to be paid by certain

business types compared to normal levels) and freezing of the multiplier (i.e. not applying an inflationary increase to all businesses). These will be fully funded by off-setting grants.

- 8.6. Based on the above (at this stage) it is assumed that funding will be in line with what was detailed in the MTFS.

### **Pay and Price Inflation**

- 8.7. The current rate of inflation is significantly higher than it has been for a number years, with the CPI-H rate of inflation at 3.8% in October. It was last at this level at the end of 2011 and has generally been below 2% since 2013. The Government Budget forecasts (provided by the Office of Budgetary Responsibility) assume that inflation will continue at high levels in 2023/24, before dropping back towards the target level of 2%. The Council's service contracts have inflationary increases built in to them, so these higher levels of inflation will lead to increases above the previous estimates. The waste contract has an element that is linked to fuel cost inflation, and gas and electricity price increases are currently around 20%. All the above means that price inflation is now forecast at just over £460k for 2022/23, and £400k in 2023/24 and 2024/25 (compared with a previous assumption of £300k per year). This is slightly off-set by assumed increases in fees and charges income, which are also generally inflation linked.
- 8.8. The pay forecasts are currently based on the employer pay offer for 2021/22 (although that has not been agreed by the unions and is subject to potential strike action) and 2% thereafter. There is a risk that these forecasts will not be sufficient (especially with the general inflation levels detailed in the paragraph above), but will be kept at this level until better information becomes available.

### **General Reserve balances and overall position**

- 8.9. The MTFS was set based on a General Fund balance at the end of 2021/22 (start of 2022/23) of £7.56million. The Quarter 2 budget monitor estimates that this will now be around £9.4million.
- 8.10. The previous paragraphs detail that whilst there is the potential for additional funding, this is currently considered unlikely. They also detail the significant inflation risk that the Council faces, both from contract and pay inflation. Finally, they detail the increase in the forecast of the general fund balance. Combining these together means that the Council should still be targeting to set a budget for 2022/23 that identifies at least £200k of net savings. But there is a risk that even after delivering that level of savings, the impact of inflation could mean the future years savings target still increases. The higher than forecast General Fund balance provides some additional leeway to identify and deliver those savings if they are required. This leeway must not be used in the current year as the Council needs to set a clear path towards delivering net savings, which based on current forecasts will need to be at a much greater level in future years (i.e. £400k+).

### **Revenue Savings and Investment proposals**

- 8.11. The MTFS highlighted a need to make £1.8million of net savings (efficiencies, income generation and service changes) over a five-year period i.e. by the end of 2026/27, which included the assumption that £200k of savings would be identified and delivered in 2022/23. This is based on an assumption that any new funding formula will have an equivalent impact on the Council as negative Revenue Support Grant.
- 8.12. The revenue savings and investment proposals were presented to Political Group workshops (Joint Administration and Conservative) in early November. The full list of

revenue savings and investments is attached as Appendix A. The Groups also considered capital investment proposals, which are attached at Appendix B. In addition to the importance that capital spend is scrutinised to ensure that it is in line with Council needs and priorities, the Council will be in a position where it has to use borrowing (either internal or external) to fund its capital programme. Therefore, capital spend comes with a revenue cost, which needs to be reflected in revenue budget forecasts.

- 8.13. The proposals presented to the budget workshops resulted in medium-term net revenue savings of just over £200k. The message provided to the workshops was therefore that any savings that were removed (or additional investments added in) would need to be off-set by an additional saving or a reduction in an existing investment.
- 8.14. The joint administration workshop did not support the proposal to introduce charging for public conveniences.
- 8.15. The joint administration workshop also believed that the increase in garden waste charges was too high, and questioned the reason for such a significant increase. The proposed new charge was based on aligning with the amount currently charged by East Herts Council and would also still be lower than a large number of other Councils. They did not identify any investments that they wanted to remove. They were generally content with the capital proposals put forward.
- 8.16. The joint administration workshop was broadly content with the investments proposed and that they increased resources in some key service areas that were under pressure. They were generally content with the capital proposals put forward.
- 8.17. The Conservative Group asked a number of questions about the proposals, but did not make any comments or recommendations to Cabinet.
- 8.18. If the proposals in relation to charging for public conveniences and increasing garden waste charges to £49 were removed, then this would reduce the net saving as follows:

All amounts £000	2022/23	2023/24	2024/25	2025/26	2026/27
Remove charging for toilets	27	34	34	34	34
Remove £49 garden waste charge	55	171	171	171	171
	<b>82</b>	<b>205</b>	<b>205</b>	<b>205</b>	<b>205</b>

As stated in paragraph 8.13, these need to be replaced with additional new savings or reductions in investments. This can include removing capital spend as this will have a knock-on impact on the revenue costs of capital. This impact is estimated at 3% per year, which is based on internally borrowing (i.e. borrowing against revenue reserves) and incorporates Minimum Revenue Provision (MRP) at 2.5% and assumed lost interest at up to 0.5%.

- 8.19. Officers and Executive Members have been working together to identify alternative savings that could be incorporated in to the budget. This has identified the following list (where prudent estimates can be made):
  - **£3k** (per year ongoing) of income for charging for commercial filming on Council land. This is based on the income that has generally been achieved in recent years, but is subject to risk as it is dependent on filming companies wanting to use our land.
  - **£80k** (per year ongoing) reduction in revenue spend by swapping the purchase of refuse bins and containers to being capital spend. This will be partly off-set by an additional revenue cost of capital.

- **£16k** (ongoing from 2023/24) income from letting Harkness Court to a Council owned property company. The company will then let the flats on to individual tenants. This follows a decision by the Cabinet Sub-committee (for Trading Companies) to approve the creation of a property letting company.
- Estimated income from a community lottery (increasing up to **£13k** in 2026/27). This is based on the business case for setting up the community lottery, which will commence in 2022/23.
- **£22k** (ongoing from 2023/24) of income from mausoleum niches. This will involve a capital investment of around £250k as the current mausoleum is almost full, although the majority of this will be funded from amounts held in reserve for this purpose. The income is based on an average of 3 niches sold per year (at £8k each), less the costs of maintaining the mausoleum. It is expected that in some years there will be more sales, but in some years the target may not be met.
- The capital programme includes an allocation for building commercial storage alongside museum storage. The business case for this is being finalised, but it is expected that a prudent estimate on the return on this investment would be **£50k**. This is based on a 5% level of return.
- Increase garden waste charges in line with the inflationary increases in Council Tax (estimated at 2%). The charge has remained unchanged since it was first introduced in 2018. The proposed increase (80p from 1st October 2022) is still below the general level of inflation. This also reflects what other Councils are charging. For example, East Herts who we have a joint waste contract with, charge £49 for garden waste. It will also start to cover the inflationary and other cost increases that the Council incurs in delivering the service. This is estimated to generate **£99k** of additional income by 2026/27.

8.20. The impact of the above (including the estimated revenue costs of capital) is shown in the table below:

All amounts £000	2022/23	2023/24	2024/25	2025/26	2026/27
Net savings as per proposals at budget workshop	-8	-231	-293	-265	-222
Remove charging for toilets	27	34	34	34	34
Remove £49 garden waste charge	55	171	171	171	171
Estimated filming income	-3	-3	-3	-3	-3
Remove existing revenue budget for bin replacements (swap to capital)	-80	-80	-80	-80	-80
Harkness Court income- lease payment from company	-8	-16	-16	-16	-16
Community Lottery income to NHC	0	-4	-7	-10	-13
Income from mausoleum niches	-11	-22	-22	-22	-22
Income from commercial storage (based on £1m cost and 5% return)	0	0	-25	-50	-50
Increase garden waste charges in line with Council Tax inflation	-11	-33	-54	-76	-99
Revenue costs of capital	5	7	9	12	14
Revised net savings	<b>-34</b>	<b>-177</b>	<b>-286</b>	<b>-305</b>	<b>-286</b>

8.21. The table above shows that these proposals would achieve the target level of savings (i.e. at least £200k of savings to be identified that are expected to be delivered within the medium term).

## 9. LEGAL IMPLICATIONS

- 9.1. The Cabinet has a responsibility to keep under review the budget of the Council and any other matter having substantial implications for the financial resources of the Council.
- 9.2. Cabinet's terms of reference include recommending to Council the annual budget, including the capital and revenue budgets and the level of council tax and the council tax base. Council's terms of reference include approving or adopting the budget.
- 9.3. Members are reminded of the duty to set a balanced budget and to maintain a prudent general fund and reserve balances

## **10. FINANCIAL IMPLICATIONS**

- 10.1. These are mainly covered in the body of the report.
- 10.2. The Council can fund capital expenditure from capital reserves or new capital receipts (e.g. sale of surplus land) and this has only a minimal revenue impact (i.e. the lost interest from investing the cash). The Council can also use revenue funding for capital expenditure but given the forecast budget position that the Council faces, this is not a viable option.
- 10.3. The Council is now in a position where its available and forecast capital reserves will not be sufficient to fund the capital programme, so it will need to borrow to fund its capital spend. Expected new guidance from CIPFA (the Chartered Institute of Public Finance and Accountancy) will strongly encourage Councils to borrow internally where possible. This involves using the available cash from revenue reserves and provisions to fund the capital spend, rather than bringing in additional cash from external borrowing. The cost of this will be made up of the lost interest from investing that cash and a charge known as a Minimum Revenue Provision (MRP).
- 10.4. Where a Council is in a position where it needs to borrow (technically known as having a positive Capital Financing Requirement) then it has to include a MRP charge to its revenue budget. In simple terms this creates an amount over the life of the asset being borrowed for to repay the borrowing. In common with other Councils, the Council will assume that it is borrowing against its assets with the longest life and therefore the MRP will be based on a 40 year life (i.e. 2.5% per year).

## **11. RISK IMPLICATIONS**

- 11.1. The risks are highlighted in section 8. The next iteration of this report will be presented to Cabinet in January, and this version will include a full review of the adequacy of estimates that have been made and of reserve balances. This includes a view from the Service Director- Resources (as the Council's Chief Finance Officer) of the minimum level of General Fund reserves. The margin between actual and the minimum General Fund reserve levels provides a proxy for the level of financial risk that the Council faces, and its ability to deal with 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. For any individual proposal comprising either £50k growth or efficiency, or affecting more than two wards, an equality analysis is required to be carried out; this has either taken place or will take place following agreement of efficiencies or growth.

**13. SOCIAL VALUE IMPLICATIONS**

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

**14. ENVIRONMENTAL IMPLICATIONS**

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

**15. HUMAN RESOURCE IMPLICATIONS**

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

**16. APPENDICES**

16.1. Appendix A - List of Revenue Savings and Investments proposals.

16.2. Appendix B - Proposed Capital Programme

**17. CONTACT OFFICERS**

17.1. Ian Couper, Service Director – Resources  
[ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk); ext 4243

17.2. Antonio Ciampa, Accountancy Manager  
[antonio.ciampa@north-herts.gov.uk](mailto:antonio.ciampa@north-herts.gov.uk); ext 4566

17.3. Jo Keshishian, Human Resources Operations Manager  
[Jo.Keshishian@north-herts.gov.uk](mailto:Jo.Keshishian@north-herts.gov.uk); ext 4314

17.4. Tim Everitt, Performance and Risk Officer  
[Tim.everitt@north-herts.gov.uk](mailto:Tim.everitt@north-herts.gov.uk), ext 4646

**18. BACKGROUND PAPERS**

18.1. None.



## REVENUE BUDGET SAVINGS AND INVESTMENTS

## New Efficiency Proposals

Ref No	Service Directorate	Description of Proposal	Budget Impact	Net Efficiency				
				2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
E1	Commercial	Letting of former Public Convenience at Portmill Lane, Hitchin. Efficiency associated with corresponding capital proposal to renovate the premises. The revenue estimate is currently based on the building being let for basic storage use following the capital works. Estates would aim to secure planning permission and, following the works, a letting as soon as possible for cafe or office use. Either use is expected to generate much higher additional annual income.	Additional Income	-	(5)	(5)	(5)	(5)
E2	Commercial	Letting of land held as investment property at Newark Close, Royston. Achieving a letting will initially require a clean up of the site and dilapidations addressed. Once the site is remedied, it can be remarketed to generate rental income.	Additional Income	6	(4)	(4)	(4)	(4)
E3	Commercial	Letting of Charnwood House in Hitchin. Efficiency associated with corresponding capital proposal for the renovation and modification of the property. Depending on the terms agreed in the lease, achieving a letting of Charnwood House would remove the costs to NHDC of managing the premises, which currently average at circa £30k per annum. A lease is expected to take 2 - 3 years to complete so no savings are anticipated within this period.	Expenditure Reduction	-	-	-	(30)	(30)
E4	Commercial	Income from Hitchin Town Hall Community Facility and North Hertfordshire Museum. To introduce evening events at the Museum that would be ticketed to provide a totally different experience than a normal visit. This could include an evening with a talks based on specific artefacts. The events will also have a licenced bar and catering.	Additional Income	(1)	(1)	(1)	(1)	(1)
E5	Customers	Net cost of Careline. Economies of scale generated from the recent expansion of the Careline service have resulted in an improvement in the forecast net position going forward.	Additional Income	(105)	(105)	(105)	(105)	(105)
E6	Customers	Revenues and Benefits Staff Costs. Reduction in the number of Grade 8 Senior Officer posts in the Benefits team structure from two to one. The gradual migration of working age adult Housing Benefit claimants to Universal Credit has steadily reduced the caseload of the Benefits Team, meaning this change can be made without negatively impacting the service provided.	Expenditure Reduction	(37)	(37)	(37)	(37)	(37)
E7	Customers	Software license costs. The new contract with Microsoft for licenses from April 2022 (see corresponding capital proposal) will mean certain software currently in use will ultimately no longer be required, with the Council therefore saving associated software license costs. This primarily comprises licenses for Citrix, as secure remote connections are built into the Microsoft Azure Cloud, and SOPHOS licenses, which will be replaced by the Microsoft Defender End Point software included with the new Microsoft license. The lower efficiency value in 2022/23 reflects the degree of overlap during the transition.	Expenditure Reduction	(16)	(39)	(39)	(39)	(39)
E8	Customers	Remote Data Communications Links. Reduction in estimated costs follows the outcome of the tender for remote Data Links to Hitchin Town Hall, Buntingford Depot, Burymead and District Council Offices.	Expenditure Reduction	(15)	(15)	(15)	(15)	(15)
E9	Legal & Community	Policy & Community staff costs. Deletion of the vacant part time Grants & Data Systems Officer post following the introduction of a new process for grants administration and data capture, facilitated by the work of the Business Transformation team and IT.	Expenditure Reduction	(10)	(10)	(10)	(10)	(10)
E10	Legal & Community	Community project grants. Removal of discretionary budget provision for community group assistance.	Expenditure Reduction	(5)	(5)	(5)	(5)	(5)
E11	Place	Green Space maintenance contract. The contract review process identified an annual saving which will be implemented from the 1st April 2022 for a period of 10 years, with a mutual break clause after 5 years. The changes also deliver a number of environmental benefits including increased bio-diversity, reduced vehicle travel and lower water consumption.	Expenditure Reduction	(144)	(144)	(144)	(144)	(144)
E12	Place	Charging for the use of Public Conveniences at the three locations maintained by the Council. Efficiency value is based on a charge of 20p, assumes a 25% drop in activity, and is net of anticipated additional costs from introducing a charging system.	Additional Income	(27)	(34)	(34)	(34)	(34)
E13	Place	Introduction of a charge, from the middle of next year, for the delivery of replacement purple residual waste bins [only] at a price of £40 for a new 180L bin and £25 for a refurbished 180L bin (when available). Other bins, principally grey recycling bins, will also be refurbished but not charged to continue to encourage recycling participation. Saving value assumes 40% of all damaged bins requested to be replaced will be able to be refurbished, rather than require the purchase of a new bin, with the charge reducing requests for replacement purple bins by 20%.	Additional Income	(65)	(65)	(65)	(65)	(65)
E14	Place	Garden Waste Service subscription income. The contractual cost of delivering the garden waste service has increased since the paid service was introduced in 2018, while the administrative burden has increased with the introduction of additional communications and administration processes, such as around the provision of permits and management of concessions. This proposal suggests a price of £49, which aligns with the charging for garden waste collection in East Herts. The estimate takes account of a potential 5% drop in subscriptions. The value for 2022/23 reflects both the part year impact on income as well as additional associated expenses, which includes the changes required to direct debit notifications and additional advertising.	Additional Income	(55)	(171)	(171)	(171)	(171)
E15	Place	Garden Waste Service income from the provision of bins to new customers. The cost of bins has increased, due to polymer shortage and supply chain issues. New garden waste customers are charged for the delivery of their new bins. This charge is currently £35 and it is proposed, from the start of the next subscription period, to increase this to £40 to ensure cost recovery.	Additional Income	(1)	(2)	(2)	(2)	(2)
E16	Place	Garden Waste Service income from the provision of replacement bins. It is proposed to charge residents for the replacement of damaged bins to reduce the number of bin replacements for minor defects. It is proposed to charge £40 for a new bin and £25 for a refurbished bin. Additional income value assumes a 20% drop in the number of requests received for replacement bins.	Additional Income	(10)	(25)	(25)	(25)	(25)
E17	Regulatory	Planning Income. Increase in planning income as a result of the adoption and implementation of the Local Plan. Whilst there will be one-off applications of greater value, the growth figure is considered the average going forward. In February 2017 an expectation of 100k additional income was included within the budget estimates from 2018/19 on the same basis and this value is in addition to that.	Additional Income	(50)	(50)	(50)	(50)	(50)
Total Net Budget Reduction from new efficiency proposals			Total Expenditure Reduction	(227)	(250)	(250)	(280)	(280)
			Total Additional Income	(308)	(462)	(462)	(462)	(462)
			Total Expenditure Reduction	(535)	(712)	(712)	(742)	(742)

**New Revenue Pressures and Investment Proposals**

Ref No	Service Directorate	Description of Proposal	Budget Impact	Investment				
				2022/23	2023/24	2024/25	2025/26	2026/27
				£'000	£'000	£'000	£'000	£'000
R1	Commercial	Consultants advice to Commercial projects. In order to support and appraise any external large commercial projects, relevant consultants are appointed to advise whether or not an opportunity is viable to pursue. Some external projects can be appraised in house, while others also require the expertise and knowledge of specialist consultants. The consultants budget requested will allow the Council to progress work on opportunities that have been identified and meet the commercial criteria to proceed to explore further as soon as possible, without first having to seek approval for additional expenditure involved in investment appraisal. Any money that is not spent will be requested to be carried forward.	Additional Expenditure	30	-	-	-	-
R2	Commercial	Creation of Trainee Estates Surveyor post within Estates & Asset Management. Anticipated that this role will be aimed at candidates holding an undergraduate Degree in an estates management or property-related subject. The role will offer training via the Assessment of Professional Competence (APC) towards achieving Associate or Full Membership of the Royal Institution of Chartered Surveyors, starting at Grade 6 and moving to Grade 10 upon attaining Membership.	Additional Expenditure	30	30	40	40	40
R3	Commercial	Erection of gate and fencing to reduce risk of acquisition of prescriptive rights over NHDC's land off Lower Gower Road, Royston. This measure will also reduce risk of anti-social behaviour, such as fly-tipping on NHDC's land.	Additional Expenditure	8	-	-	-	-
R4	Commercial	Clearance of site vegetation on NHDC land off Meadow Way, Therfield. Clearance of site will facilitate appraisal of the site for redevelopment to in turn provide either a capital receipt to NHDC or, if the land is retained, potential future rental income to NHDC.	Additional Expenditure	6	-	-	-	-
R5	Commercial	Replacement of kitchen and workshop equipment at Hitchin Town Hall. Both the kitchen and workshop were fitted approximately 5 years ago and some of the equipment will begin reaching the end of their useful life. Investment proposal is to recognise in the budget the cost of gradually replacing or repairing this equipment in the coming years.	Additional Expenditure	5	5	5	5	5
R6	Commercial	Replacement of chairs, tables and café seating (indoor and outdoors) at Hitchin Town Hall. These are reaching the end of their life and require replacement. Requested budget also includes provision for the purchase of large umbrellas for the outdoor area, which will help attract attention to the facility while also providing improved year round use for the outdoor area at the front of the museum.	Additional Expenditure	15	-	-	-	-
R7	Customers	IT Helpdesk Cloud Solution. The current solution used by IT (Spiceworks) is an open source software solution and the providers have given notice that they will no longer be developing or supporting this free software solution during 2022. IT have been looking at solutions that can also potentially benefit HR and Property Services. This new software is purely a revenue costs and based on 30 agents.	Additional Expenditure	22	22	22	22	22
R8	Customers	Ongoing software license and data storage costs associated with the continued use of artificial intelligence and robotics in service provision. The use of this software will be deployed to generate efficiencies through increased automation of processes, as was the case with the grants process (see efficiency E9). Investment value comprises the cost of the ongoing use of Microsoft Azure and the renewal of the UiPath AI software from 1st April 2023.	Additional Expenditure	5	40	40	40	40
R9	Customers	Appointment of Electronic Watch (Public Procurement). NHDC agreed a 1 year contract with this company, who monitor IT suppliers used by the Council to ensure the protection and rights of workers in the electronic supply chain.	Additional Expenditure	4	-	-	-	-
R10	Legal & Community	Incorporation of the Healthy Hub Service into the Council's permanent budget based on receipt of funding from Hertfordshire County Council. I.e. confirmation that the existing arrangement will continue on an ongoing basis.	Additional Expenditure	-	-	-	-	-
R11	Legal & Community	Legal Services staffing costs. Increase in budgeted weekly hours for the Procurement Officer post from the existing 18.5 hour part-time role to a 37 hour full time post. Several unsuccessful recruitment attempts and feedback from interim appointments have indicated that the demands of the role are not commensurate with a part time position. The additional expenditure in 2022/23 would be funded from Brexit Grant as the post involves working with local businesses and other Local Authorities on post brexit procurement matters.	Additional Expenditure	-	25	25	25	25
R12	Legal & Community	Recruitment of additional Licensing Officer (career graded 5 - 8) on a permanent contract. New post would increase service resilience and the capacity for the Licensing Team to take on some of the licensing functions currently delivered by the Environmental Health Team. The additional cost beyond 2023/24 would be re-couped through the recalculation of license fees based on the augmented staffing structure.	Additional Expenditure	25	25	-	-	-
R13	Legal & Community	Subscription to Hertfordshire Climate Change and Sustainability Partnership (HCCSP). HCCSP has an overarching mission to be the lead partnership organisation through which Hertfordshire's local authorities and the Hertfordshire Local Enterprise Partnership (LEP) can work collaboratively on environmental, climate change and wider sustainability issues. HCCSP works to support outcomes identified by the Hertfordshire Leaders Group through sharing information, coordinating and influencing solutions, and bringing forward proposals for key interventions around climate change and sustainability across Hertfordshire.	Additional Expenditure	7	7	7	7	7
R14	Place	Removal of the planned efficiency associated with the provision of a Crematorium. In September 2021 Cabinet approved the recommendation to cease the Crematorium project at Wilbury Hills Cemetery and allow officers (Commercial and Greenspace teams) to investigate alternative, commercial opportunities for this site, whilst continuing the current letting arrangement with the tenant. Commercial options will be presented to Cabinet by March 2022.	Income Reduction	50	100	100	100	100
R15	Place	Additional waste, recycling and street cleansing expenditure following the Jubilee Bank Holiday. Cost includes provision for 'catch up' working for all services and a small sum for additional communication with residents.	Additional Expenditure	30	-	-	-	-
R16	Place	Creation of a permanent full time Garden Waste Service administrator post. In 2020/21, 36% of the garden waste sign ups were outside of the 2 month sign-up window. East Herts Council (EHC) and North Herts Council (NHC) currently fund 2 x 3 month temporary posts to administer the garden waste service (equivalent to 0.5WTE) however a significant additional administrative burden is absorbed by the client team to the detriment of other services. Investment value represents the additional NHC resource required to replace the two temporary posts with the proposed permanent post (1WTE) and assumes that a proportion of the cost (50%) will be funded by EHC. Increase of 0.5WTE, so NHC funding is for 0.25WTE.	Additional Expenditure	8	8	8	8	8

R17	Place	Project management resource to support the extension or retender of the waste, recycling and street cleansing contract. This may be in the form of consultants, a dedicated project manager or additional financial support. Additional expenditure value is based on the assumption that the shared service will continue and procurement costs will be shared with East Herts Council. Total estimated North Herts share around £100k - across 2022/23, 23/24 and 24/25. To be funded from Waste Reserve so zero General Fund impact.	Additional Expenditure	-	-	-	-	-
R18	Regulatory	Recruitment of Economic Development Officer (£30k per year) to continue the current shared service arrangement with East Herts District Council to enable the development of an Economic Development Strategy in 2022 reflecting the post pandemic environment. Work is already on-going with regard a District wide business survey, footfall counts within the 4 towns and recovery plans for the three BID areas. Extending the current arrangement for a further year to move this work on to a strategy will also allow alternative funding streams to be considered and, post the adoption of the strategy, allow the future resources requirements to be clearly identified for future years. The funding for 22/23 will be through an existing economic development reserve.	Additional Expenditure	-	TBC	TBC	TBC	TBC
R19	Regulatory	Recruitment of Conservation and Listed Buildings Officer (career graded 7 - 10). This would provide an additional officer to support the Council's only specialist officer for in excess of 2000 listed properties and a number of conservation areas. The applications attract no fee to offset the cost of the additional officer, with minimal take up of the charged pre-application process given the zero application cost. The additional officer will provide support for the increased workload following an adoption of the Local Plan, cover for the leave or absence of the existing officer, and seek to speed up the application process, which is a cause of concern for applicants. The Council has in the past had two officers. Investment value based on recruitment at top of grade 10 and represents the maximum cost.	Additional Expenditure	56	56	56	56	56
R20	Regulatory	5 year Principal Strategic Planning Officer post at grade 11. An additional Principal Strategic Planning Officer Post was approved as a growth bid in the 2020/21 budget. Following progression of the Local Plan and the Council's emphasis on place leadership, good design and addressing the climate change emergency, this post has subsequently been refocussed to ensure successful implementation of the Council's SP9 design and masterplanning approach and delivery of the supporting documents (SPDs, town centre strategies) to the Local Plan. This leaves a requirement for an experienced senior professional to focus upon (but not necessarily limited to): Programming of the work associated with the early review of the new Local Plan, contribution to emerging sub-regional joint planning arrangements for north, east and central Hertfordshire ('NEC Herts'), liaison with surrounding authorities under the Duty to Co-operate or any successor arrangements and oversight of other planning responsibilities e.g. neighbourhood planning and monitoring. This is to also include line management of career grade (8-10) posts. Five-year cost (£337k) to be funded from existing planning income reserve (balance at 1/4/21 of £469k). However, this reserve was intended to fund a wide range of matters across the planning services that require additional resource and the use of the reserve to fund this post is made with the request that in the future (e.g.) excess planning fee income, PPA income etc. will be used to replenish the reserve. See separate narrative on reserves.	Additional Expenditure	-	-	-	-	-
R21	Regulatory	5 year career-grade Planning Officer / Senior Planning Officer post (grade 10) - linked to the above, to provide an additional career-grade post for five years enabling the establishment of two mini teams working under the line management of the proposed two principal planning officer posts (There are presently three occupied career-grade posts within the team which would need to be allocated under this arrangement). This post would provide necessary additional capacity in either the 'implementation' or 'strategic planning' team to ensure successful delivery of the team's work programme. Assumes recruitment at top of grade 10 for worst case, however could be recruited for example at a grade 8 £36,600. Total salary cost of £55,600 per annum to be met from (i) permanent reduction in hours of an existing planning policy career grade post and development management posts under agreed flexible working arrangements and (ii) use of existing neighbourhood planning reserve to part-fund existing career-grade post with lead responsibility over a period of five years	Additional Expenditure	-	-	-	-	-
R22	Regulatory	Adopted Local Plan early review. The examination of the Local Plan has cost approximately £1m and, although it is presently anticipated that the cost of the early review will not be as high (due to, inter alia, having a relatively recent plan to build upon, potential for some costs to be shared / mitigated / absorbed through joint planning arrangements etc.) there will still be a significant cost. There is no ongoing base budget or income source for strategic planning work. There will be a requirement for early stage evidence studies to inform the review scheduled for late 2023 and / or 'pace' the development of the evidence base whilst any year-on-year underspend will help mitigate / reduce further growth bids as the Plan reaches key points (e.g. pre-submission and examination stages which require full, up-to-date evidence bases, legal support etc.) Total bid of £60k per year, it is proposed that 50% of this to be met from existing reserve for "Local Plan post-2031" work for 3 years. The remaining amount within the reserve (£60k (£150k - £90k)) will be used for Herts Growth Board work (to date £40k has been committed to a growth study, leaving a small amount (£20k) for future work, over and above this there is no funding) and for initial work following adoption of the Local Plan.	Additional Expenditure	30	30	30	60	60
R23	Regulatory	Introduction of career grading for Environmental Health Technical Officer posts (career grade from current grade 6 up to an 8). Environmental Health is nationally recognised as a hard to recruit and retain regulatory service. The service workload has increased following the European Transition, particularly around food safety, and in addition the number of complaints has increased (e.g. noise by 20%). As such, to free up capacity within the qualified staff and to develop our own qualified staff, it is proposed to move the four current technical officers from a grade 6 to a career graded 6 - 8 post. This will allow qualified officers to focus on more complex case work and create additional competency within the technical officers. In addition, it should allow future vacancies of senior officers to be filled internally in future years. Additional cost represents the maximum additional resource required (costed at top of grade 8 compared to current staff at a grade 6).	Additional Expenditure	30	30	30	30	30
R24	Regulatory	Additional Career Graded Environmental Health Officer (up to a grade 10) focused on food safety. The additional officer will help the service to fully deliver all interventions required by the Food Law Code of Practice, eliminate the current backlog of food hygiene interventions, maintain the required frequency of future interventions and comply with the Food Standard Agency's Covid-19 recovery plan. In addition there is additional workload around Brexit and the need to issue export licenses for food products. Investment value represents maximum resource required.	Additional Expenditure	56	56	56	56	56
R25	Regulatory	Environmental Health Inequalities Officer (estimated to be grade 8 but subject to job evaluation- £43k per year). This new role would work with our residents to identify and address local health inequalities associated with their housing e.g. fuel poverty and / or housing disrepair adversely affecting residents' health, and also promote other health campaigns and grant applications linked to Environmental Health, including residential security and the myriad of green home grants currently available. The role could also deliver the forthcoming Empty Homes Policy. It is proposed to initially be a fixed term two year post to assess its effectiveness. This role would be subject to funding from Hertfordshire County Council, so assumed at zero net cost to the Council.	Additional Expenditure	-	-	-	-	-
R26	Regulatory	Scanning of micro-fiche records. The Council currently holds approximately 125,000 micro-fiche records. Predominantly these are planning records required to be kept as part of the statutory public register. Not only is there a degradation in the quality of the records on the micro-fiche, the micro-fiche reader/printer machine is in disrepair and spare parts are becoming more difficult to source. IT has sought to source a new reader and there are none on the market. As such it is proposed to scan the records, which can then be accessed electronically.	Additional Expenditure	53	-	-	-	-

R27	Resources	Property Services team restructure. The restructure increases the capacity of the team to meet both ongoing demands on the function and undertake the exercise to retender the compliance contract. The intention is that the new staffing arrangements will be reviewed at the start of 2024/25.	<b>Additional Expenditure</b>	7	7	-	-	-
R28	Resources	Repairs and maintenance works outside of routine / annual compliance requirements. Provision is requested for the external decoration of Ransoms Pavilion, Wilbury Hills Cemetery and Brotherhood Hall, the replacement of water pumps at Hitchin Town Hall and replacement lighting to ramps at Hitchin Multistorey car park.	<b>Additional Expenditure</b>	20	-	-	-	-
R29	Commercial	Temporary storage costs associated with the building of a new museum storage facility. Initial estimate based on using existing property (e.g. old Letchworth museum) and shipping containers	<b>Additional Expenditure</b>	30	40	-	-	-
R30	Resources	Revenue cost of borrowing required to finance proposed capital programme. Estimate based on 3%.	<b>Additional Expenditure</b>	-	-	-	28	71
<b>Total Net Budget Increase from new pressures and investment proposals</b>			<b>Total Additional Expenditure</b>	<b>477</b>	<b>381</b>	<b>319</b>	<b>377</b>	<b>420</b>
			<b>Total Income Reduction</b>	<b>50</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
			<b>Total Investments</b>	<b>527</b>	<b>481</b>	<b>419</b>	<b>477</b>	<b>520</b>

## CAPITAL INVESTMENT PROPOSALS

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			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Asset Management and Investment</b>											
NCP1	Service Director - Commercialisation	Former Public Convenience on Portmill Lane, Hitchin	25	-	25	0	0	0	0	0	<p>Officers have been investigating this capital project with an aim to undertake work in 2022/23, however, due to the recent developments of Churchgate and the sale of the Leasehold, the project will not commence until the sale has concluded and the Council fully understand the wider impact.</p> <p>The former public convenience building is currently not lettable due to its poor condition and low Energy Performance Certificate (EPC) Rating of G. To return the property to a basic but lettable standard, the building needs to be made wind and watertight and the existing sanitary ware needs stripping out. By achieving a letting, NHDC would remove itself of annual holding costs in region of £2,600 and potentially stand to achieve an estimated initial rental income of circa £2,700 per annum. NHDC will not be able to lease the building until the work is completed. Revenue impact detailed in corresponding efficiency proposal.</p>
NCP2 Page 29	Service Director - Commercialisation	Riverside walkway, Biggin Lane Hitchin	53	30	53	0	0	0	0	0	<p>Officers have been investigating this capital project with an aim to undertake work in 2022/23, however, due to the recent developments of Churchgate and the sale of the Leasehold the project will not commence until the sale has concluded and the Council fully understand the wider impact.</p> <p>The construction of a riverside walkway to provide a vital link between Biggin Lane Car Park and Hitchin Town Centre. Subject to planning permission being secured, Section 106 grant funding has been ringfenced for the construction of the pathway and associated infrastructure (fencing &amp; gating for example). The creation of the walkway will also require the relocation of the compactor machine at the car park, the relining of the area of car park where the machine currently stands, and erection of fencing around the relocated compactor. While there are no direct revenue consequences, the new walkway will help regenerate an under-used area of Hitchin by connecting the car park with town centre shops and businesses.</p>
NCP3	Service Director - Commercialisation	Charnwood House, Paynes Park, Hitchin	TBC	-	TBC	0	0	0	0	0	<p>For the modifications and fit out to bring the building up to modern lettable condition. The actual total cost will depend on the exact plans for the building and a detailed current condition survey, which will be subject to an options appraisal. The Council should also expect a contribution from the group taking on the lease. Anticipated revenue impact is detailed in the corresponding revenue efficiency proposal.</p>
ECP1	Service Director - Commercialisation	Acquisition of Property Investments	-	-	0	0	0	0	0	0	<p>Acquisition of property and investments in line with the Commercial Strategy and the Property Investment Strategy to seek revenue and/or capital returns and growth for NHDC.</p> <p>The £4m capital allocations in each of the next three financial years will be removed. Removal of significant capital commitments will broaden treasury investment options which are now being limited by a capital provision that may not actually be spent. The limited opportunities are as a result of general economic conditions and restrictions on scope of investments from borrowing and professional regulations. Investments can still be progressed with Council approval, and will require an update to the treasury investment strategy.</p>

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			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
ECP2	Service Director - Commercialisation	Council property improvements following condition surveys	537	-	537	-	-	0	0	0	Condition surveys have been carried out on a substantial number of the Authority's premises (substantially consists of Community Centres and Pavilions). This bid relates to 29 of those premises which are not currently subject to separate plans or review. The surveys have identified necessary works within priority bands required to ensure the continued use of the premises and to maintain premises in a reasonable condition. Enhancement works of this nature will reduce reliance on reactive maintenance repairs. The level of 'backlog' maintenance is also proposed as a national performance indicator by Central Government. An amount of £150k was approved to undertake the urgent works in 2014/15, based upon surveys carried out to date. In following years a full 5 year programme will be applied, based upon completed condition surveys or the whole estate. this is complementary to the Community Halls strategy (CHS), although covers a larger number of properties than those subject to CHS, i.e., it puts in place funds to allow works to be done that may assist in progressing that strategy (e.g. full repairing/partial repair leases). To help ensure that this project is delivered in the timeframe estimated within the Capital Programme, the investment was allotted over three years with an annual capital allocation of £255k from 2019/20.
<b>Sub-Total: Asset Management and Investment</b>			<b>615</b>	<b>30</b>	<b>615</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Corporate Items</b>											
NCP4	Service Director - Resources	Service Director - Resources	TBC	-	TBC	0	0	0	0	0	The Council's cars, which were each procured via three-year lease contracts respectively, have to date been classified for accounting purposes as operating leases, with associated lease payments simply charged as a revenue expense. Under the new accounting standard IFRS 16: Leases, effective from April 2022, these leases will have to be recorded on the Council's balance sheet as right-of-use assets with a corresponding lease liability (representing the present value of future lease payments). Details of the existing lease agreements are currently being collated and the value to be capitalised will be updated in due course.
<b>Sub-Total: Corporate Items</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Grants to Third Parties</b>											
ECP3	Service Director - Regulatory	Private Sector Grants	540	-	60	60	60	60	60	240	HRAGs are a discretionary form of assistance specifically designed to provide practical help through a grant for small-scale works. This grant provides cash limited assistance up to £5K within any three-year period, for minor works for owner / occupiers and private tenants who meet certain criteria. HRAG funding is also used to support the Warm Homes Fund project where homes without central heating are provided with gas central heating. HRAGs are means tested and help to eradicate CAT1 Hazards, such as excess cold. In February 2015 Council approved an increase in the level of funding from £35k to £60k per annum for 2015/16 and future years.
ECP4	Service Director - Regulatory	John Barker Place, Hitchin	1,096	270	1,096	0	0	0	0	0	Cabinet agreed to the commitment to the John Barker Place regeneration scheme in January 2013, subject to the availability of funds. The capital resource required is now earmarked in 2022/23, in line with the scheme timetable.
<b>Sub-Total: Grants to Third Parties</b>			<b>1,636</b>	<b>270</b>	<b>1,156</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>240</b>	

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			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Green Space Developments</b>											
NCP5	Service Director - Place	Grounds Maintenance Vehicles	TBC	-	TBC	0	0	0	0	0	The incorporation of the accounting standard IFRS 16: Leases in the accounting code, effective from April 2022, will mean that the vehicles used to deliver the Council's greenspace maintenance contract will be considered for accounting purposes to have transferred to the Council under a lease arrangement, with the vehicles therefore recorded on the Council's balance sheet at the end of 2022/23. The change will not affect the cash value of the payments made annually to the contractor under the service contract. Officers are currently liaising with the contractor to establish the details of the relevant vehicles in use and the capital value will be updated in due course.
NCP6	Service Director - Place	Town Centre Parks Play Provision	15	-	15	0	0	0	0	0	Expand play provision in Priory Memorial Gardens, Avenue Park, Howard Gardens and Bancroft by introducing table tennis tables. The introduction of table tennis tables would not increase the existing maintenance costs of the parks in which they are located.
ECP5	Service Director - Place	Playground Renovation District Wide	1,620	-	180	180	180	180	180	720	Moving forward from the previous policy to renovate a single play area annually to undertake a program of undertaking two locations each year. This ensures that each play area is renovated on an 18 year cycle, which still far exceeds manufacturer lifespan guidelines.
<b>Sub-Total: Green Space Developments</b>			<b>1,635</b>	<b>-</b>	<b>195</b>	<b>180</b>	<b>180</b>	<b>180</b>	<b>180</b>	<b>720</b>	
<b>Green Space Developments - Baldock</b>											
NCP7	Service Director - Place	Avenue Park Floodlights	30	-	30	0	0	0	0	0	Replace old halogen floodlights with LED units to provide energy savings and to ensure a more reliable provision of lighting for the hirers of the facility at Avenue Park Baldock.
ECP8	Service Director - Place	Weston Hills LNR Footpath Renovation	20	-	20	0	0	0	0	0	Many of the footpaths around the site are of an informal nature and are not currently compliant with disability access requirements. In order to minimise erosion of the existing footpath network the surfacing needs updating and renovating.
ECP9	Service Director - Place	Ivel Springs Footpaths	10	-	10	0	0	0	0	0	To renovate the footpath around the common on a rotating program of works as per the Greenspace action plan for the site.
ECP10	Service Director - Place	Avenue Park Splash Pad	70	-	0	70	0	0	0	0	To replace the existing mains fed system with a recirculating system as found at our other splashpads. This will reduce water usage and help maintain good levels of water quality. This will also reduce the problem of algae on the surfacing.
<b>Sub-Total: Green Space Developments - Baldock</b>			<b>130</b>	<b>-</b>	<b>60</b>	<b>70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Green Space Developments - Hitchin</b>											

Page 3 of 14

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			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
NCP8	Service Director - Place	Oughtonhead Common Signage and Interpretation	10	-	10	0	0	0	0	0	Replacement of existing signage and interpretation on site that is now out of date.
NCP9	Service Director - Place	Renovate skate park at KGV Hitchin	250	-	0	250	0	0	0	0	The existing equipment on site is now worn out and in need of replacement. Additionally there is a significant local interest in improving the existing facility for future generations.
ECP11	Service Director - Place	Walsworth Common Pavilion - contribution to scheme	300	287	0	300	0	0	0	0	This project was originally listed as a project for 2016/17 in the Council's adopted Green Space Management Strategy 2014 - 2019. The project was slipped into 2017/18 pending the outcome of the Green Space Strategy review. In the review, the pavilion was identified as being beyond economic repair and the project was earmarked for 2020/21 in the Council's adopted Green Space Management Strategy 2017 - 2021. The project, which is dependent on securing section 106 contributions and/or external grants, has now been deferred to 2023/24.
ECP12	Service Director - Place	Ransoms Rec Footpaths, Gates and Railing	30	-	10	20	0	0	0	0	Many of the footpaths are degrading and becoming uneven and would be greatly enhanced if the footpaths were brought up to a uniform standard throughout the site. The formal gates and railings off Nightingale Road are in need of investment to ensure they remain safe, fit for purpose and of an appropriate standard for the location.
ECP13	Service Director - Place	Bancroft Lighting	45	-	0	45	0	0	0	0	To remove the existing out of date and potentially dangerous lighting around the gardens and replace with new items. This would significantly improve personal safety of the public.
ECP14	Service Director - Place	Oughtonhead Common Footpaths	20	-	0	20	0	0	0	0	To renovate the footpath around the common on a rotating program of works as per the Greenspace action plan for the site.
ECP15	Service Director - Place	St Johns Cemetery Footpath	40	-	0	0	40	0	0	0	Previous investment options were removed from the Greenspace Strategy and the identified works have not been delivered. Planning for the renewal of the Greenspace Management Strategy in 2021. Many of the footpaths are degrading and becoming uneven. As many of the visitors to the cemetery are elderly this poses a significant risk. Additionally the aesthetic appearance of the cemetery would be greatly enhanced if the footpaths were brought up to a uniform standard throughout the site. Due to other priorities and limited staffing resources this is planned for 2024/25. In the meantime urgent repairs will be completed on an adhoc urgency basis.
ECP16	Service Director - Place	Bancroft and Priory Splash Pads	35	-	0	0	35	0	0	0	These two systems were introduced 4 years ago and use the same systems to maintain water quality. Over time the systems wear and require replacement of the filter media and uv systems to ensure that they remain effective.
<b>Sub-Total: Green Space Developments - Hitchin</b>			<b>730</b>	<b>287</b>	<b>20</b>	<b>635</b>	<b>75</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Green Space Developments - Letchworth</b>											

Page 32



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			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
NCP10	Service Director - Place	Replacement of the timber access bridge at Norton Common	75	-	75	0	0	0	0	0	Condition survey undertaken has identified that replacement of the timber bridge at Norton Common is required. While primarily a foot bridge, it is also used for occasional vehicles to services works in the small marsh area. The small marsh is a county wide rare habitat and access will be required into the future to ensure appropriate maintenance can be undertaken. The proposal is to replace the timber bridge with a bridge made from galvanised steel, as recently built at Walsworth Common, which has the comparative benefits of requiring less maintenance and a longer useful life.
ECP17	Service Director - Place	Howard Gardens Splashpad	35	-	35	0	0	0	0	0	The facilities at Howard Gardens are now over 10 years old since the site was renovated with support of a HLF Grant. The equipment in the plant room is now well worn and is in need of renewal.
ECP18	Service Director - Place	Wilbury Hills Cemetery Footpaths	50	-	0	10	10	0	30	0	Due to high volumes of visitors the existing footpath network through the site are wearing out this program will support an investment program over a period of time to maintain current standards.
ECP19	Service Director - Place	Norton Common Footpaths	10	-	0	10	0	0	0	0	To renovate areas of footpath around the common on a rotating program of works as per the Greenspace action plan for the site.
Sub-Total: Green Space Developments - Letchworth			170	-	110	20	10	-	30	-	
Green Space Developments - Royston											
ECP20	Service Director - Place	Newmarket Road Royston Skatepark and Access	90	-	0	90	0	0	0	0	Following the success of the new facility at Norton Common the existing item at Newmarket Road is in need of renovation and updating. At the same time, now that the site is becoming more popular, access into the site requires improvement and formalising. The Service Manager for Greenspace will investigate options to fund this project from existing or future S106 contributions.
Sub-Total: Green Space Developments - Royston			90	-	-	90	-	-	-	-	
IT Schemes:											
ECP21	Service Director - Customers	Microsoft Enterprise Software Assurance	2,043	-	617	0	0	679	0	747	It is essential NHDC has the correct Microsoft Licences to ensure the Council does not fall foul of F.A.S.T (Fraud Against Software Threat) regulations. When the current three-year contract expires at the end of March 2022, it is proposed to upgrade the MS licences from the MSEA E3 in use currently to the newest version, which is the cloud-based MSEA E5. E5 provides additional features that will enable us to reduce ongoing revenue costs, for items such as Citrix and cyber security software. It also includes the upgrade to the Windows 11 operating system. Soft market testing shows that the costs of licences (both E3 and E5) have increased since 2018 when the E3 licences were procured.

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			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
ECP22	Service Director - Customers	Tablets - Android Devices	75	-	15	10	10	10	10	20	As part of the IT Strategy and supporting the channel migration programme, the tablets are required to continue the roll-out to identified officers who would benefit from having mobile devices to be more efficient and productive. It is becoming increasingly important for those staff who are mobile working that they have the correct tools to view emails and documents whilst on the move. The tablets also facilitate paperless Committee Meetings.  With the provision of laptops to all officers, the reduction in the number of staff requiring tablets has reduced the estimated capital resource required for tablets in the coming years. The original total of £120k over the next ten years is proposed to reduce to £75k.
ECP23	Service Director - Customers	Data Switch Upgrade	74	-	15	0	18	0	18	23	The main data switch within the IT Server estate is a critical piece of hardware that connects the data packets moving between the Network Servers, Data Storage and the fibre infrastructure. It is critical to ensure that these are updated regularly.
ECP24	Service Director - Customers	Additional Data Backup Storage	33	-	15	0	18	0	0	0	As the amount of data being stored is increasing annually, there is a need to ensure we keep adding additional storage to cope with the demands of the back-up storage.
ECP25	Service Director - Customers	Security - Firewalls	66	-	14	0	16	0	18	18	Firewalls are one of the most important pieces of hardware between the NHDC Network and the outside world and it is this equipment that stops cyber attacks from penetrating NHDC systems and data. There is a need to ensure this hardware is kept as current and up to date as possible to ensure the Council's networks and data are kept secure.
ECP26	Service Director - Customers	Additional Storage	13	-	13	0	0	0	0	0	As part of the day to day collection and storage of data within the Information@Works (I@W) which is the Corporate Document Management solution, the amount of data that is being scanned and captured via the Doc's on-line contract provided by Northgate is increasing by the day. There has been a huge push over the past year to work towards enabling every department to have access to I@W as this compliments Home Working.
ECP27	Service Director - Customers	Alternative to safeword tokens for staff/members working remotely	30	-	5	0	3	0	3	19	The technology has changed considerably since we first starting using the Safeword Tokens 7-8 years ago. With the changes in personal technology such as Smart/IOS Phones there are now products on the market that are PSN approved for getting Access Keys delivered for 2 Layer Authentication such as Texts or App's on Smart Phones etc. This enables Members, Staff and Support Agencies to gain access to the remote login site from anywhere with no need to have a physical hardware device to hand.  The move across to Microsoft Cloud has allowed IT to enhance security and passwords by moving to MS Authenticator. This means there is a reduced amount of physical tokens required going forward. Requested resource over the next ten years has therefore reduced from a total of £63k to £30k.
ECP28	Service Director - Customers	PC Refresh Programme	69	-	8	7	13	7	8	26	PC's identified as having reached their end of useful life as part of the annual refresh programme. The assets have been used well past their original end of life because of the introduction of the Citrix thin client technology.

Page 34

**CAPITAL INVESTMENT PROPOSALS**

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			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
ECP29	Service Director - Customers	Laptops - Refresh Programme	334	-	15	10	15	294	0	0	As part of the Business Transformation changes, the strategy going forward will be for all officers to have a laptop instead of a PC that will be used for both Home Working and Office use.  The proposal is now for all Officer laptop purchases, which had previously been across 2 budget lines. Profile of spend amended in line with the assumption that laptops purchased in the current year will remain in operation for five years (previously estimated to have a useful life of three years).
ECP30	Service Director - Customers	Member Laptops - Refresh Programme	90	-	0	30	0	0	30	30	Laptops were purchased for Council Members in 2020 to support the new ways of working during the pandemic. Periodic replacement will ensure that the equipment is fit for purpose and that the software is compliant with PSN regulations.
ECP31	Service Director - Customers	DR Hardware Refresh Inc UPS Battery Pk (Unit 3)	55	-	0	0	0	55	0	0	Hardware upgrade within the Disaster Recovery centre at Unit 3, as part of the hardware refresh programme. This includes the Servers, Switches and UPS at the DR Centre at Unit 3.
ECP32	Service Director - Customers	Back-up 40 KVA Generator (DCO)	25	-	0	25	0	0	0	0	As part of Business Continuity and improving services, the authority purchased a Diesel Generator in 2015/16. The proposed investment in 2023/24 is for the renewal of this hardware.Expected to be with a non-diesel alternative.
ECP33	Service Director - Customers	CCTV at DCO & Hitchin Town Hall	5	-	5	0	0	0	0	0	Replace the existing CCTV Controllers with newer, faster technology including more disc space to capture enhanced images. The cameras will remain. The requested allocation is for installation of CCTV to cover bar facilities, roof area and the balcony at Hitchin Town Hall.
ECP34	Service Director - Customers	40 KVA UPS Device or Battery Replacement	42	-	0	12	0	14	0	16	The operation life of the batteries within the UPS Systems is 3 years and they need to be replaced periodically. The authority has got 3 40 KVA UPS Systems which have varying battery sizes installed.
ECP35	Service Director - Customers	Replacement SAN	115	-	0	0	115	0	0	0	The Storage Area Network (SAN) is used to compliment the data storage and backups across the infrastructure estate. These are a critical element of the data infrastructure network as they also move the data traffic around the servers. The authority replaced the current SAN in 2015/16 and the life of this hardware is 5 years.
ECP36	Service Director - Customers	Dell Servers	145	-	0	0	70	0	0	75	In 2015/16 the authority upgraded the Server Estate with 10 Physical high level Dell Servers which have 179 virtual servers running within them. The hardware has a 5 year shelf life before being unsupported.
ECP38	Service Director - Customers	New Blade Enclosure	92	-	0	0	40	0	0	52	The Blades are an integral part of the Servers and go hand in hand. These formed part of the hardware refresh programme in 2015/16 and have a shelf life of 5 years.

**CAPITAL INVESTMENT PROPOSALS**

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			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
ECP39	Service Director - Customers	Core Backbone Switch	75	-	0	0	35	0	0	40	Dual processor switch, which links the virtual servers to the SAN.
ECP40	Service Director - Customers	Cabinet Switches - 4 Floors	36	-	0	0	18	0	0	18	This hardware connects each floor across the DCO to each other and back to the IT Data Centre on the ground floor. This hardware is the essential piece of kit that routes the traffic from desktops to the data servers and hence keeping this technology up to date and modern is essential to ensure data speeds are maintained.
ECP41	Service Director - Customers	WiFi Upgrade	40	-	0	0	0	40	0	0	WiFi upgrade within District Council Offices, Hitchin Town Hall/ North Hertfordshire Museum and Buntingford Depot. As part of the ongoing Transformation programme, the upgrade will ensure staff and Members will have full Internet access via their laptops when operating from these Council buildings.
<b>Sub-Total: IT</b>			<b>3,457</b>	<b>-</b>	<b>722</b>	<b>94</b>	<b>371</b>	<b>1,099</b>	<b>87</b>	<b>1,084</b>	
<b>Leisure Related Proposals</b>											
NCP11	Service Director - Place	Environmental Improvements	115	-	115	0	0	0	0	0	Various works required to deliver the environmental enhancements highlighted within the North Herts Greenhouse Gas Reduction Report to reduce energy consumption and carbon emissions at the three main Council leisure facilities. Works include the installation of Variable Speed Drives at Hitchin Swim Centre (HSC) and North Herts Leisure Centre (NHLC) and a Variable Frequency Drive at NHLC to control the frequency of electrical power supplied to pumps or fans; replacement of Air Handling Units Fans with direct drive Electrically Commutated fans at Royston Leisure Centre; cavity wall insulation at NHLC and HSC; the review and update of the Building Management Systems across all sites; insulation to pipework across all sites and burner optimisation to reduce fuel use at all sites. The financial saving from the reduction in energy consumption is expected to accrue to the Council, rather than the Leisure contractor, but the saving may not be realised until after the management contract(s) is re-tendered and a new contract is awarded.
ECP42	Service Director - Place	Leisure Condition Survey Enhancements	80	-	0	80	0	0	0	0	A physical condition survey was carried out at all four leisure facilities in 2018. This funding is to deliver the remainder of the works that are needed from that survey.
<b>Sub-Total: Leisure</b>			<b>195</b>	<b>-</b>	<b>115</b>	<b>80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Leisure - Hitchin Swim Centre</b>											
NCP12	Service Director - Place	Solar PV installation at Hitchin Swim Centre	115	-	0	115	0	0	0	0	The installation of solar arrays at the leisure facility would provide significant environmental benefits. Consideration to be given to any Government funding that can contribute toward the capital cost. The resulting saving in ongoing energy costs will accrue to the Council, rather than the Leisure contractor, but this saving may not be realised until after the management contract is re-tendered and a new contract is awarded.
ECP43	Service Director - Place	Hitchin Swim Centre Reception Toilet Refurbishment	30	-	0	30	0	0	0	0	To ensure customer satisfaction is maintained, a project to fully refurbish the male, female and disabled toilets in the reception area is proposed.  The current condition of the reception toilets is considered acceptable. It is therefore proposed to defer the investment from 2022/23 to 2023/24.

Page 36

**CAPITAL INVESTMENT PROPOSALS**

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			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
ECP44	Service Director - Place	Hitchin Swim Centre Outdoor Pool Boiler Replacement	40	-	0	40	0	0	0	0	Hitchin outdoor pool is currently operating with one boiler due to an irreparable fault with the second boiler. A replacement of the redundant boilers is proposed to ensure the facility remains operational.
ECP45	Service Director - Place	HSC: Boiler Replacement	200	-	0	0	200	0	0	0	Boilers are 15+ years old and are at the end of their economic lifespan. While repair works are carried out on a regular basis there is a risk that, if they are not replaced, they may fail which could result in pool closure.
ECP46	Service Director - Place	HSC: Archers Member Change and Relaxation Area Refurbishment	300	-	0	0	0	300	0	0	Refurbishment of the changing rooms and relaxation areas at Archers Health and Fitness Club to ensure customer satisfaction is maintained.
ECP47	Service Director - Place	HSC: Change Village Refurbishment	225	-	0	0	0	0	225	0	Full refurbishment of the change village, which has not been refurbished since 2005.
ECP48	Service Director - Place	HSC: Fitness Equipment Replacement	300	-	0	0	0	0	300	0	Replacement of the cardio and resistance fitness equipment to maintain membership levels and ensure customer satisfaction.
ECP49	Service Director - Place	HSC: Fitness Facility Refurbishment	50	-	0	0	0	0	50	0	Refurbishment of the gym area in preparation for the new cardio and resistance fitness equipment
ECP50	Service Director - Place	HSC: Outdoor Pool Cover Replacement	30	-	0	0	0	0	30	0	The outdoor pool covers are over 20 years old and require replacement to ensure they remain efficient at reducing energy consumption and costs.
<b>Sub-Total: Leisure - Hitchin Swim Centre</b>			<b>1,290</b>	<b>-</b>	<b>-</b>	<b>185</b>	<b>200</b>	<b>300</b>	<b>605</b>	<b>-</b>	
<b>Leisure - Letchworth</b>											
NCP13	Service Director - Place	Solar PV installation at North Herts Leisure Centre	260	-	0	260	0	0	0	0	The installation of solar arrays at the leisure facility would provide significant environmental benefits. Consideration to be given to any Government funding that can contribute toward the capital cost. The resulting saving in ongoing energy costs will accrue to the Council, rather than the Leisure contractor, but this saving may not be realised until after the management contract is re-tendered and a new contract is awarded.

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			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
ECP51	Service Director - Place	NHLC Boiler Replacement	200	-	0	200	0	0	0	0	<p>The two boilers are 15+ years old and are at the end of their economic lifespan. Repair works are carried out on a regular basis, however there is a high risk if they are not replaced they may fail which could result in a closure. The installation of a Combined Heat Power (CHP) unit in 2020 has however reduced pressure on the boilers. Officers have since reviewed the Capital replacement project on an annual basis.</p> <p>Due to the pandemic, the demand on the boilers has been low, while the recently installed new CHP (Combined heat and power unit) continues to reduce pressure on the boilers. Some general maintenance repair works have been required however a full replacement project can be reviewed again next year. The investment planned for 2022/23 is therefore now earmarked in 2023/24.</p>
ECP52	Service Director - Place	NHLC Dryside Changing Area	100	-	0	100	0	0	0	0	<p>To ensure customer satisfaction is maintained a project to fully refurbish the male, female and disabled dry side changing areas is proposed.</p> <p>Trend in recent years has been a significant reduction in the demand for dry side change facilities. Consideration will therefore be given to an alternative use of this area if this trend continues. On this basis, it is recommended to defer existing allocation in 2022/23 to 2023/24.</p>
ECP54	Service Director - Place	NHLC: Sauna Steam Refurbishment	250	-	0	250	0	0	0	0	<p>The steam and sauna area was last refurbished in 2006. To ensure customer satisfaction is maintained a proposal to fully refurbish the area is proposed.</p>
ECP55	Service Director - Place	Letchworth Outdoor Pool Boiler Replacement	40	-	0	40	0	0	0	0	<p>Letchworth outdoor pool is currently operating with one boiler due to an irreparable fault with the second boiler. A replacement of the redundant boilers is proposed to ensure the facility remains operational.</p>
ECP56	Service Director - Place	NHLC: Interactive Water Feature	120	-	0	0	0	0	0	120	<p>Investment proposal earmarked for 2027/28. To ensure continued improvements and customer satisfaction within our leisure facilities, a project to transform the small pool into a highly interactive water play area for children of all age and ability groups is proposed. The proposed features for this area allow children to explore and discover their watery environment, and teaches them how to manipulate the flow of water through channels and interactive jets.</p>
ECP57	Service Director - Place	NHLC: Pool Flume Replacement	150	-	0	0	0	0	0	150	<p>Investment proposal earmarked for 2028/29. The pool flume was installed in 1992 and due to its age a proposal to replace the flume with a newer model is proposed. This will ensure continued customer satisfaction for users of the leisure pool.</p>
<b>Sub-Total: Leisure - Letchworth</b>			<b>1,120</b>	<b>-</b>	<b>-</b>	<b>850</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>270</b>	

Page 38

**CAPITAL INVESTMENT PROPOSALS**

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			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Leisure - Royston Leisure Centre</b>											
NCP14	Service Director - Place	Solar PV installation at Royston Leisure Centre	185	-	0	185	0	0	0	0	The installation of solar arrays at the leisure facility would provide significant environmental benefits. Consideration to be given to any Government funding that can contribute toward the capital cost. The resulting saving in ongoing energy costs will accrue to the Council, rather than the Leisure contractor, but this saving may not be realised until after the management contract is re-tendered and a new contract is awarded.
ECP58	Service Director - Place	Royston Leisure Centre extension	1,000	170	0	1,000	0	0	0	0	To extend the front of the Royston Leisure Centre. This will provide a new multi functional room and increase the size of the fitness room. The gym membership at Royston Leisure Centre is close to capacity and a recent latent demand survey demonstrated there is a demand to increase the size of this facility. By undertaking the capital work the Council will renegotiate the Leisure Management contract and SLL would increase their management fee to the Council.  With operations at the leisure centre continuing to recover from the pandemic, it is proposed that this development project is deferred from 2022/23 to 2023/24, when the situation can be reviewed again. Consideration needs to be given to the next contract change during 2024.
ECP59	Service Director - Place	Royston Leisure Centre Changing Village Refurbishment	225	-	0	225	0	0	0	0	The change village is over 17 years old and has not been refurbished since opening in 2005. A full refurbishment of the change village is proposed to ensure customer satisfaction is maintained.  The current condition of the Changing Village is considered acceptable. It is therefore proposed to defer the investment from 2022/23 to 2023/24.
ECP60	Service Director - Place	Royston Leisure Centre Dry Side Toilet Refurbishment	30	-	0	0	0	30	0	0	To ensure customer satisfaction is maintained a project to fully refurbish the male, female and disabled dry side toilet areas is proposed.  The current condition of the dry side toilets is considered acceptable. It is therefore proposed to defer the investment from 2022/23 to 2025/26 .
ECP61	Service Director - Place	RLC: Members Change Refurbishment	150	-	0	0	150	0	0	0	The members changing room is over 17 years old and has not refurbished since opening in 2005. To ensure customer satisfaction is maintained a proposal to fully refurbish the male, female and disabled areas is proposed.
ECP62	Service Director - Place	RLC: Fitness Equipment Replacement	150	-	0	0	0	0	150	0	Replacement of the cardio and resistance fitness equipment to maintain membership levels and customer satisfaction.
ECP63	Service Director - Place	RLC: Fitness Facility Refurbishment	50	-	0	0	0	0	50	0	Refurbishment of the gym area in preparation for new cardio and resistance fitness equipment.
ECP64	Service Director - Place	RLC: Boiler Replacement	100	-	0	0	0	0	0	100	Investment earmarked in 2027/28. Boilers will be 20+ years old and will be at the end of their economic lifespan. Repair works are carried out on a regular basis, however there is a high risk that, if they are not replaced, they may fail which could result in a closure.
<b>Sub-Total: Leisure - Royston Leisure Centre</b>			<b>1,890</b>	<b>170</b>	<b>-</b>	<b>1,410</b>	<b>150</b>	<b>30</b>	<b>200</b>	<b>100</b>	

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<b>Museum and Arts Development</b>											
NCP15	Service Director - Commercialisation	Museum and Commercial Storage Facility at Burymead Hitchin	4,000	-	2,000	2,000	0	0	0	0	The Museum Store in Burymead is no longer fit for purpose. Objects from the collection are being held in make shift storage units, garages and dilapidated structures which are increasingly posing a health and safety risk to our staff. This project will involve relocating parts of the museum collection whilst the previously mentioned storage units are levelled and a new purpose built storage unit is built on the site. The storage unit will comprise of space saving roller racking, climate controlled spaces for fragile items of the collection and a small amount of office space for museum staff to utilise when on site. This office space could also be used under supervision to assist with third party research such as students or historians. The completion of this work would see the former Hitchin Museum and Letchworth Museum sites be completely cleared of museum storage. This new Capital request replaces the existing £1.2million capital allocation for this project in 2021/22 approved by Council last February, which was based on the best estimate at that time. It also includes an allocation for building a commercial storage venture on this site alongside the museum storage facility. Officers continue to seek grant funding towards the museum element of the project but applications made to date have not been successful. There is already a basic revenue budget for the Burymead site however this may need to be reviewed and increased to cover the upkeep and operation of a new, larger facility. See revenue investment bid (R29) for an estimate of the linked temporary storage costs.
<b>Sub-Total: Museum and Arts Development</b>			<b>4,000</b>	<b>-</b>	<b>2,000</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Parking Related Proposals</b>											
ECP65	Service Director - Resources	Off Street Car Parks resurfacing and enhancement	194	-	186	8	0	0	0	0	Condition surveys have identified the need for a proactive programme of resurfacing for the council's off street car parking. Resurfacing, re-lining and enhancing the lighting enables the car parks to be used safely, reducing insurance claims for trips and falls, and allows the continued enforcement of the relevant traffic regulation orders. A. Planned maintenance programme should enable reduction in reactive repairs. B. No programme of repairs will require additional revenue maintenance funds for responsive repairs, and loss of income as Traffic regulation orders will become unenforceable.
ECP66	Service Director - Resources	Lairage Multi-Storey Car Park - Structural wall repairs	107	-	107	0	0	0	0	0	Works to preserve this income generating asset in usable condition. Works are necessary to protect surface following experience at Letchworth Multi-Storey Car Park.
ECP67	Service Director - Resources	Hitchin Lairage car park - cosmetic coating to four stairwells and replacement windows and doors.	75	-	75	0	0	0	0	0	The current stair wells are aesthetically unsightly uncoated concrete, which are difficult to keep clean and stain. At least two of the four stairwells suffer anti-social behaviour, and this compounds the staining and cleaning requirements. The proposed coating will improve the appearance and make cleaning the stairwells less onerous. Replacement of windows and doors where required.
ECP68	Service Director - Regulatory	Parking Machines Upgrade - Contactless Payment Facility Installation	20	7	20	0	0	0	0	0	The upgrade of the current chip and pin card readers in the parking machines to include contactless payments, mostly financed from uncommitted GAF funding, is required for PCI compliance. This will also allow maximum flexibility for the customer, as it is anticipated that the use of coins will further reduce, and help to mitigate the risk of theft and vandalism to the machines as less cash will be retained in the machines.

Page 40



**CAPITAL INVESTMENT PROPOSALS**

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			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
ECP69	Service Director - Regulatory	Parking Machines Replacement	300	-	0	0	0	150	150	0	Replacement of all parking machines over a 2 year period, with the roll out commencing in late 2025/26 . Please note that this is an estimated cost based on the current full replacement cost of a machine taken from the ESPO framework adjusted for inflation. The type of machine replacement would be dependent on the latest technology and this estimate may need to be reviewed nearer the time.
<b>Sub-Total: Parking</b>			<b>696</b>	<b>7</b>	<b>388</b>	<b>8</b>	<b>-</b>	<b>150</b>	<b>150</b>	<b>-</b>	
<b>Waste Collection</b>											
NCP16	Service Director - Place	Bury Mead Road Transfer Facility	30	-	30	0	0	-	0	0	Reinforcement of the push walls at Bury Mead Road to ensure the site is safe and fit for purpose to at least 2026.
NCP	Service Director - Place	Refuse and Recycling Bins	50	-	10	10	10	10	10	0	Wheeled bins are considered to have on average a 10-12 year life. The bin replacement cycle for the purple residual waste bins means we are likely to see increased bin purchases over the coming years.
ECP70	Service Director - Place	Recyclable material transfer facility, vehicle depot and offer facility co-located with a residual waste transfer facility	6,000	-	0	0	3,000	3,000	0	0	Herts County Council are planning to build a waste and recycling transfer station which could accommodate both North and East Herts Councils residual, food and garden waste. The existing NHDC depot is leased by our contractor and will not be fit for purpose within the next 5 years due to it's limited size and current buildings. The proposal is to build a purpose built depot and sub station co-located with HCC transfer facilities to provide operational efficiencies and support the aim of fleet decarbonisation. It is expected that the facility will use the latest PV technology to support the decarbonisation of the fleet.  Estimated capital resource required increased from £1.6million in 2024/25 to a total of £6million over 2024/25 and 2025/26. This reflects the latest cost estimates for the facilities required, which has been subject to review and challenge.
ECP71	Service Director - Place	Vehicle fleet replacement program (Waste and Recycling)	4,000	3,200	0	0	0	4,000	0	0	The Council is committed to responding to the climate change emergency and will be looking at options for lower emission vehicles when the current vehicles need replacing at the start of the new contract period. At this stage it is not possible to know what will be the most appropriate options at the time and the cost of those options. Therefore the costs at this stage reflect a broadly equivalent replacement. The estimates will be updated in future years.  It is anticipated that the cost of replacing the current fleet of vehicles will have increased due to inflation by the time of required purchase in 2025/26. The vehicles currently in operation are held on the Council's balance sheet under a finance lease arrangement embedded within the waste contract, with the associated charge for their use met from the Council's cash reserves rather than the General Fund. As such the annual saving to the General Fund is transferred to an earmarked reserve with the intention that this will be used to help finance the cost of the new vehicles.
<b>Sub-Total: Waste Collection</b>			<b>10,080</b>	<b>3,200</b>	<b>40</b>	<b>10</b>	<b>3,010</b>	<b>7,010</b>	<b>10</b>	<b>-</b>	
<b>TOTAL</b>			<b>27,734</b>	<b>3,964</b>	<b>5,421</b>	<b>5,692</b>	<b>4,056</b>	<b>8,829</b>	<b>1,322</b>	<b>2,414</b>	

**CAPITAL INVESTMENT PROPOSALS**

Ref No	Responsible Service Director	Description of Proposal	Total Project Investment 2022/23 onwards	Total Anticipated Funding from Grants or Other Contributions	Proposed Investment in 2022/23	Proposed Investment in 2023/24	Proposed Investment in 2024/25	Proposed Investment in 2025/26	Proposed Investment in 2026/27	Proposed Investment 2027 - 2032	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation/Revenue Budget etc.)
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
TOTAL CONSISTS OF:											
PROPOSALS ALREADY IN THE CAPITAL PROGRAMME:			22,521	3,934	3,058	2,872	4,046	8,819	1,312	2,414	
NET CHANGE IN THE 2022/23 PROCESS			5,213	30	2,363	2,820	10	10	10	0	

These totals exclude those capital projects planned to complete in 2021/22.

**CABINET  
21 December 2021**

**\*PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: RISK MANAGEMENT UPDATE**

REPORT OF: 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 any proposed changes to these risks.

**2. RECOMMENDATIONS**

2.1. That Cabinet notes the update on the Corporate Risks for the quarter, namely

- The review of the Covid-19 Leisure Management Contract Corporate risk with an unchanged risk score of 9 and a Target risk score of 6.
- The review of the Novel Coronavirus (Covid-19) Recovery Corporate risk with a current risk score of 9 and a target risk score of 6.
- The review of the Managing the Councils Finances Corporate risk with an unchanged current risk score of 9, and a target risk score of 3
- The proposal to downgrade the Impact of Anti-Social Behaviour on Council Facilities Corporate risk to a service risk.

2.2 That Cabinet notes the annual review of the Risk Management Framework.

**3. REASONS FOR RECOMMENDATIONS**

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

3.2. Finance Audit and Risk 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 Leadership Team, the Risk Management Group (RMG) and the Finance Audit and Risk Committee (FARC). 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 20 August 2021.

#### **7. BACKGROUND**

7.1 At the September meeting, Cabinet noted

- That there were no formal reviews of Corporate Risks in the last quarter.
- The discussion at Risk Management Group relating to the Delivery of the Waste Collection and Street Cleansing Services Contract Corporate risk, with no change to the risk score.
- The delay to the reviews of the Planning Corporate risks, pending receipt of the Planning Inspectors report.
- The proposal to archive the Delivering the NHDC Climate Change Strategy service risk.

7.2 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 the Leadership Team and FARC. 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.

<b>Likelihood</b>	<b>3 High</b>	<b>4</b>	<b>7</b> <ul style="list-style-type: none"> <li>• Income Generation (07.10.21) ↔</li> <li>• Increased Homelessness (19.08.21) ↔</li> <li>• National and Regional Planning Issues (28.09.21) ↔</li> </ul>	<b>9</b> <ul style="list-style-type: none"> <li>• Local Plan (28.09.21) ↔</li> <li>• Managing the Council's Finances (09.09.21) ↔ (proposal to archive)</li> <li>• Novel Coronavirus (Covid-19) – Recovery (01.11.21) ↔</li> <li>• Covid-19 - Leisure Management Contracts (27.10.21) ↔</li> </ul>
	<b>2 Medium</b>	<b>2</b>	<b>5</b> <ul style="list-style-type: none"> <li>• Brexit (EU Transition) (08.10.21) ↔</li> </ul>	<b>8</b> <ul style="list-style-type: none"> <li>• Cyber Risks (20.10.21) ↔</li> <li>• Delivery of the Waste Collection and Street Cleansing Services Contract (23.07.21)</li> <li>• Sustainable Development - Neighbouring Authorities (28.09.21) ↔</li> </ul>
	<b>1 Low</b>	<b>1</b>	<b>3</b> <ul style="list-style-type: none"> <li>• Impact of Anti-Social Behaviour on Council Facilities (03.11.21) ↓ (proposal to move to a service risk)</li> </ul>	<b>6</b> <ul style="list-style-type: none"> <li>• External Factors Affecting the Future Provision of Waste Services (23.07.21)</li> </ul>
		<b>1 Low</b>	<b>2 Medium</b>	<b>3 High</b>
		<b>Impact</b>		

8.2 Risk Management Group received an update on the Covid – 19 Leisure Management Contract Corporate risk (Appendix A). A discussion took place on whether the current risk score of 9 was still appropriate, as the attendance levels are increasing, and other SLL facilities are also recovering well, reducing the chance of contractor failure. It was felt however, that the risk score should remain unchanged until the January attendance figures are known. This will give us a better idea of whether membership numbers are increasing, as there is normally a spike in January. The risk will be reviewed again in 3 months.

- 8.3 The Group received an update on the Novel Coronavirus (Covid-19) Recovery Corporate risk (Appendix B). The risk has been updated to reflect that the focus is now on recovery. Parking usage/income is still down, there are still high homelessness costs and Environmental Health is still under considerable pressure. Although progress has been made, the current national picture relating to Covid cases and the forthcoming winter months means it is too early to reduce the current risk score of 9. The group agreed that we will have a better idea of how we are coping over the winter period at the next review in 3 months.
- 8.4 The Group received an update on the Managing the Councils Finances Corporate risk (Appendix C). Although it was acknowledged that there will always be ongoing uncertainty and risk relating to the Council's financial position, with both a high likelihood and impact, the Council has embedded risk mitigation measures in place (e.g., quarterly monitoring, annual budget and MTFS processes), which inherently consider future risk. Monitoring this via the Risk Register as well adds no additional value or benefit. On the basis that anyone who views the Risk Register to see the greatest risks facing the Council, they will expect one of them to be financial, it was decided that it would remain on the register at summary level but actively monitored through other measures. Risk score remains the same (9).
- 8.6 The Group discussed the latest review of the Impact of Anti-Social Behaviour on Council Facilities Corporate risk (Appendix D). The risk entry had been created when there had been significant issues at various locations. The Council has completed works to help manage the risks at each of the locations, leading to a reduction in the number of incidents. Even allowing for the relaxation of Covid restrictions, there have been big improvements at all locations, especially Burns Road and Howard Park, although there are still issues with littering at the Lairage car park and occasional incidents at Letchworth multi-storey. In view of the improvements seen, the risk score has been reduced from 7 to its target risk score of 3, and it is proposed that the risk entry should be removed as a Corporate Risk and managed as a service risk only.

## **9. ANNUAL REVIEW OF THE RISK MANAGEMENT FRAMEWORK.**

- 9.1 The Group received a summary update on the proposed changes to the Risk Management Framework. (included in Appendix E) As the Framework had only been introduced last year, the review has been relatively light touch. The changes reflect the new Council identity, changes to job titles and group names and the introduction of the E-Learning module and risk toolkit intranet page. The Framework also includes the pre-emptive introduction of a risk questionnaire to be completed as part of the annual service planning process, which will form part of the proposed Council Delivery Plan. The Group were happy with the proposed changes.
- 9.2 The Group were notified of the Cabinet report proposal to change the way that Performance is monitored and reported for the 22/23 year. The Group were in favour of the proposal. This is the subject of a separate item on the agenda of this meeting.

## **10.0 LEGAL IMPLICATIONS**

- 10.1 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.

## **11. FINANCIAL IMPLICATIONS**

- 11.1 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 and Income Generation.

## **12. RISK IMPLICATIONS**

- 12.1 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.

## **13. EQUALITIES IMPLICATIONS**

- 13.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 13.1 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.

## **14. SOCIAL VALUE IMPLICATIONS**

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

## **15. ENVIRONMENTAL IMPLICATIONS**

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

## **16. HUMAN RESOURCE IMPLICATIONS**

- 16.1 There are no direct human resource implications relating to this report.

## **17. APPENDICES**

- 17.1 Appendix A – Covid-19 Leisure Management Contract Corporate risk.
- Appendix B – Novel Coronavirus (Covid-19) Recovery Corporate risk.
- Appendix C – Managing the Councils Finances Corporate risk.
- Appendix D – The Impact of Anti-Social Behaviour on Council Facilities Corporate risk.
- Appendix E – Annual review of the Risk Management Framework, summary of proposed changes.

## **18. CONTACT OFFICERS**

- 18.1 Rachel Cooper, Controls, Risk & Performance Manager  
[rachel.cooper@north-herts.gov.uk](mailto:rachel.cooper@north-herts.gov.uk); ext. 4606

Ian Couper, Service Director – Resources  
[ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk) ext. 4243

## **19. BACKGROUND PAPERS**

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







## Covid-19 - Leisure Management Contracts

Generated on: 04 November 2021

<b>Risk Code</b>	CR68.1	<b>Risk Title</b>	Covid-19 - Leisure Management Contracts
<b>Risk Owner</b>	Sarah Kingsley	<b>Updated By</b>	Louise Randall
<b>Year Identified</b>	2020	<b>Council Objective</b>	Respond to challenges to the environment
<b>Risk Description</b>	<p>As a result of the Covid-19 pandemic and associated restrictions regarding service provision, there is a risk that:</p> <ul style="list-style-type: none"> <li>- There is further enforced temporary closure of all facilities.</li> <li>- Customers may not return or have a negative reaction to changes required to remain open/reopen, which could mean targets set out in recovery plans are not achieved.</li> <li>- The contractor becomes insolvent, potentially as a result of the above risks materialising or the withdrawal of another large client.</li> <li>- Alternative options for operating leisure facilities in the district will be required, e.g., delivered in-house or arms-length, or alternatively, leisure facilities could be closed permanently.</li> </ul>		
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>- To ensure the current provision of leisure facilities is maintained and continues to meet the demands of local communities.</li> <li>- To investigate alternative options regarding service provision, to ensure that it remains cost effective.</li> </ul>		
<b>Consequences</b>	<ul style="list-style-type: none"> <li>- Decline in performance indicator.</li> <li>- May not obtain any 'profit share'.</li> <li>- Contractor is unable to meet management fee obligations, as a result of enforced temporary closures.</li> <li>- Decision on future provision of leisure services and facilities.</li> </ul>		
<b>Work Completed</b>	<ul style="list-style-type: none"> <li>- In March 2020, agreed suspension of all contractor payments to the Council for three months, in view of the temporary closure of all facilities (Covid-19 restrictions).</li> <li>- SLL maintained facilities during temporary closures.</li> <li>- In June 2020, Cabinet agreed to delegate to senior officers/Executive Members decision making regarding Leisure service provision, to protect the Council's financial position and to ensure it prepared effectively for possible issues.</li> <li>- Decision made to not open the outdoor pools in 2020.</li> <li>- Cabinet agreed on 21 July 2020 the SLL Recovery Plan (the phased approach to reopening, which allows flexibility through delegation, aims to ensure business continuity for the leisure contracts and survival beyond the Covid-19 pandemic) and to support SLL using the Open Book approach, as recommended in the Procurement Policy Note PPN 02/20, including further financial support (affordability of financial support provided to SLL assessed on the basis of the cost of alternative outcomes and available short and medium-term resources).</li> <li>- Reopened NHLC, HSC, Archers and RLC from July 2020 and Fearnhill Sports Centre from September 2020.</li> <li>- Council approved the following resolution on 24 September 2020, "To provide financial support to Stevenage Leisure Limited (SLL) on an Open Book basis from 20 March 2020 up to at least 31 March 2021. The support provided would only cover losses relating to the Council's contracts, and will not cover central overheads. SLL would be required to take all reasonable actions to minimise the value of any losses. The actual value of the support required will depend on SLL's income recovery but will be capped at a maximum of £1.8m."</li> </ul>		

	<ul style="list-style-type: none"> <li>- Due to the second national lockdown commencing on 5 November 2020, leisure facilities forced to close again for at least four weeks.</li> <li>- On 15 December 2020, Cabinet proposed a further package of financial support to help maintain sport and leisure provision at the facilities operated by SLL.</li> <li>- As a result of the new Tier 4 restrictions that came into effect on 20 December 2020, all leisure facilities were closed again.</li> <li>- On 21 January 2021, Full Council agreed a revised package of financial support. The support to SLL in 2020/21 is forecast to be £2.45m with further financial support of £2m forecast in 2021/22.</li> <li>- Facilities re-opened 12 April 2021.</li> <li>- Provided delegated authority for extending the outdoor pool season for up to two weeks and extending the operating times for the outdoor pools by two hours per week for a maximum of 10 weeks.</li> <li>- Indoor classes re-commenced on 17 May 2021.</li> <li>- Outdoor pools commissioned in preparation for the 2021 season and opened with restrictions on 29 May 2021 (the outdoor pool season was only extended at Hitchin, for one week at the end of the season).</li> <li>- Facilities operating at full capacity with no restrictions with effect from 19 July 2021.</li> </ul>		
<p align="center"><b>Ongoing Work</b></p>	<p><u>Business-as-Usual Activities</u></p> <ul style="list-style-type: none"> <li>- Regular monitoring of contractor's credit score rating by Accounts.</li> <li>- Regular meetings held at director level to continually re-assess position, in light of further developments (e.g., any further Covid-19 restrictions).</li> <li>- Meetings between SLL's three largest clients (NHDC, SBC and CBC) and the Chief Executive and Operational Director of SLL to ensure a consistent approach, in particular around recovery.</li> <li>- Regular updates to Executive Members, including financial and usage summary reports to monthly recovery meetings.</li> <li>- Open book accounting arrangements in place with the contractor, ensuring full financial transparency.</li> <li>- Ongoing assessment of the options available to respond to the various scenarios.</li> <li>- Officers to continue working with SLL, as delivery of the recovery plan is very challenging and will require regular monitoring/review, and where necessary action will be taken to safeguard the financial position of operating our leisure facilities, whilst ensuring that operations continue to meet Covid-19 and other safety requirements.</li> <li>- If applicable, Officers to assess the implications of any further lockdowns/restrictions and their effect on the recovery plan.</li> <li>- NHDC/SLL communication campaigns to promote facilities.</li> </ul> <p><u>Specific Actions</u></p> <ul style="list-style-type: none"> <li>- SIAS audit to review the Leisure Recovery Plan undertaken in the first half of 2021/22. The draft report provided a substantial level of assurance, with only one low priority recommendation. We are currently waiting for SIAS to publish the final report.</li> <li>- Report to Cabinet in December 2021 providing an update on leisure recovery and the forecast for the 2021/22 budget (currently better than the best-case scenario budgeted for).</li> </ul>		
<p><b>Current Overall Risk Score</b></p>	9		
<p><b>Current Impact Score</b></p>	3	<p><b>Current Likelihood Score</b></p>	3
<p><b>Current Risk Matrix</b></p>		<p><b>Target Risk Matrix</b></p>	
<p><b>Date Reviewed</b></p>	27-Oct-2021	<p><b>Next Review Date</b></p>	11-Nov-2021
<p><b>Latest Note</b></p>	<p>27-Oct-2021 Risk reviewed and updated with Louise Randall on 27 October 2021. Usage figures continue to be encouraging, although not yet back to pre-Covid levels. However, this is not the case for Aqua Ed lessons, which are currently outperforming 2019 levels. Membership numbers are also down compared with the pre-Covid position, although these are continuing to increase month-on-month. For the year to date, the contract overall shows a surplus and therefore no further support payment has been required in addition to the agreed management fee support. Further positive news is that the ice rink at Letchworth Outdoor Pool will return later this year,</p>		

	<p>with this additional attraction also contributing to the overall financial position of the contract. The draft SIAS report relating to the Leisure Recovery Plan provided a substantial level of assurance, with only one low priority recommendation. Consideration was given to reducing the Likelihood score to 2-Medium to reflect the changes since it had been increased due to the commencement of a second national lockdown in November 2020 and the positive signs relating to progress of the recovery plan, financial forecasts for 2021/22 and usage/membership numbers. However, this is offset slightly by the fact that we are still operating in an unpredictable Covid environment, with an increasing possibility that further enforced restrictions/closures could be introduced to address concerns regarding infection rates, cases and deaths over the winter months. As such, it was agreed to keep the risk score the same, with a view that a possible change to the assessment score can be discussed at the November 2021 Risk Management Group meeting.</p>
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## Novel Coronavirus (Covid-19) - Recovery

Generated on: 04 November 2021

<b>Risk Code</b>	CR68	<b>Risk Title</b>	Novel Coronavirus (Covid-19) - Recovery
<b>Risk Owner</b>	Ian Couper; Sarah Kingsley	<b>Updated By</b>	Paula Busby
<b>Year Identified</b>	2020	<b>Council Objective</b>	Build thriving and resilient communities
<b>Risk Description</b>	<p>In line with national guidelines, the Council is generally in a recovery phase. We continue to face risks in relation to recovery, and also have to consider the risks that could transpire if there was a need to move back into a response phase.</p> <p>Based on the experience to date, the most likely risks are:</p> <ul style="list-style-type: none"> <li>• Work pressures in specific service areas, where demand is affected by Covid-19 (e.g., Environmental Health, Housing, Community Protection).</li> <li>• Impact of self-isolation for services that are not office-based.</li> <li>• Impact on the Council’s contractors (e.g., Urbaser, SLL).</li> <li>• Reduced demand for income generating services.</li> <li>• Moving between response and recovery, and the additional pressures when trying to do both at the same time.</li> </ul> <p>There is also a risk that similar impacts will come about from a flu outbreak, or the combined impact of flu and Covid-19.</p>		
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>- Provides an opportunity to review the way that we deliver our services in light of the way that we managed through the pandemic and the way that expectations have changed.</li> <li>- Making use of recovery funding to support the recovery of the District.</li> </ul>		
<b>Consequences</b>	<ul style="list-style-type: none"> <li>- Negative impact on the general well-being of employees and Members.</li> <li>- Increased pressure on employees not infected with the virus.</li> <li>- Potential inability to deliver statutory (and discretionary) services.</li> <li>- Decrease in service income compared with relevant budgets.</li> <li>- Additional costs of delivering services.</li> </ul>		
<b>Work Completed</b>	<p>Significant work has been completed in relation to the initial response to the pandemic, and the recovery and response phases that have happened since then. This section now focuses on recent work that has been completed.</p> <ul style="list-style-type: none"> <li>- Future Ways of Working plan in place for staff and the first significant phase of returning to the office which was implemented in October 2021.</li> <li>- Plans in place for Council meeting in September 2021 (and future meetings where there are still restrictions in place) with full attendance.</li> <li>- Audit of initial recovery phase completed by SIAS providing “reasonable assurance”.</li> </ul>		
<b>Ongoing Work</b>	<p><b>Staff Support</b></p> <ul style="list-style-type: none"> <li>- People recovery plan in place and being implemented.</li> </ul> <p><b>Subsequent Wave Monitoring and Response</b></p> <ul style="list-style-type: none"> <li>- In conjunction with others, monitoring the current situation. Based on previous waves, have plans in place in case of further lockdowns/ restrictions. Return to office plans are reversible.</li> <li>- Covid-19 focused guidelines introduced for Emergency Planning reception centres and Covid-19 orientated refresh training for reception centre managers ongoing.</li> <li>- Reception centre equipment being upgraded and PPE stocks for emergency reception centres increased significantly.</li> <li>- Continuing to carry out Track and Trace work.</li> </ul>		

Novel Coronavirus (Covid-19) - Recovery

	<p><b>Communications</b></p> <ul style="list-style-type: none"> <li>- Continuing to promote Public Health messages.</li> </ul> <p><b>Service and Financial Impacts</b></p> <ul style="list-style-type: none"> <li>- Regular monitoring of the financial impact, including providing information to lobby for additional funding from Government and assessing the impact on the Medium Term Financial Strategy.</li> <li>- NHC mitigation processes are still in place, with our Leisure and Waste services at high risk.</li> <li>- Client officers working closely with our main contractors.</li> <li>- Demand on local domestic abuse support services has increased.</li> <li>- Continuing to find homeless provision for increased numbers due to requirements to provide accommodation.</li> <li>- Continuing to determine schemes and pay out grants (business and self-isolation), including grants to support recovery.</li> </ul>		
<b>Current Overall Risk Score</b>	9		
<b>Current Impact Score</b>	3	<b>Current Likelihood Score</b>	3
<b>Current Risk Matrix</b>		<b>Target Risk Matrix</b>	
<b>Date Reviewed</b>	01-Nov-2021	<b>Next Review Date</b>	01-Feb-2022
<b>Latest Notes</b>	<p>03-Nov-2021 Updated risk entry subsequently reviewed by Paula Busby (Resilience Manager) who confirmed that it accurately reflects our current situation/risks and that she had nothing further to add.</p> <p>03-Nov-2021 Risk reviewed and updated by Ian Couper on 1 November 2021. The risk has been updated to remove some of the previously recorded detail. The focus is now on the current recovery phase, with a consideration of the need to return to a response phase.</p>		





## Managing the Council's Finances

Generated on: 04 November 2021

<b>Risk Code</b>	CR08	<b>Risk Title</b>	Managing the Council's Finances
<b>Risk Owner</b>	Ian Couper	<b>Updated By</b>	Ian Couper
<b>Year Identified</b>	2003	<b>Council Objective</b>	Be a welcoming, inclusive, and efficient council
<b>Risk Description</b>	<p>As a result of:</p> <ul style="list-style-type: none"> <li>- Uncertainty of income from business rates.</li> <li>- Loss of Revenue Support Grant (including negative RSG).</li> <li>- Loss of New Homes Bonus, and uncertainty over a replacement funding stream.</li> <li>- Reduction in investment income.</li> <li>- Inability to identify sufficient efficiencies to bridge the funding gap.</li> <li>- Proposed efficiencies taking longer to deliver than estimated.</li> <li>- Proposed efficiencies not achieving estimated results.</li> <li>- Failing to identify or take forward opportunities to generate or increase income.</li> <li>- Income generation ideas do not achieve the estimated results.</li> <li>- Transfer of further functions to Local Government without adequate funding.</li> <li>- Impact of 75% Business Rates Retention and revised fair funding formula at some unknown time.</li> <li>- Continued inflationary and demographic pressures across Local Government, accompanied by a level of total funding that is reducing.</li> <li>- Increases in Council Tax Reduction Scheme eligibility reduces Council Tax funding.</li> <li>- Declining capital reserves.</li> <li>- The need to fund additional costs and lost income associated with Covid-19, especially leisure centres.</li> <li>- The impact on the Council Tax base from additional Council Tax Reduction Scheme eligibility.</li> </ul> <p>Risks are:</p> <ul style="list-style-type: none"> <li>- Failure to meet the statutory requirement to set a balanced budget each year.</li> <li>- Decline in staff morale and service resilience.</li> <li>- Inability to provide adequate service levels in times of increasing demand due to after effects of Covid-19 and economic downturn.</li> <li>- Inadequate funding to meet priorities for the district.</li> <li>- Failure to manage expectation of the public.</li> <li>- Failure to meet customers' demands and needs.</li> <li>- Failure to manage the public's reaction to the loss of discretionary services.</li> <li>- Failure to have sufficient financial management skills in service managers.</li> <li>- Reduced opportunities to use capital spend for initiatives that reduce ongoing revenue costs.</li> </ul>		
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>- Provides an impetus for the Council to review the way it delivers to customers (through a transformation programme) and engage with residents on the services that they value.</li> <li>- To identify opportunities for commercial income.</li> <li>- To identify Transformation ideas that the Council can develop.</li> </ul>		
<b>Consequences</b>	<ul style="list-style-type: none"> <li>- Required cuts in services impact on the achievement of the Council's vision and Council Plan.</li> <li>- Failure to bring budget base to manageable/affordable level and achieve efficiency target.</li> <li>- Significant under or over spends on revenue budgets.</li> <li>- Failure to satisfy external assessment of value for money.</li> <li>- Increase in complaints from the public about service levels.</li> </ul>		

Managing the Council's Finances

<p><b>Work Completed</b></p>	<ul style="list-style-type: none"> <li>- Medium Term Financial Strategy updated annually to highlight the scale and timing of the savings that need to be achieved.</li> <li>- Various budget workshops and sessions to ensure that Officers and Councillors understand the scale of the issues.</li> <li>- Commitment from Administration to carry out a full budget review and subsequent budget review to determine which discretionary services are less valued. Setting up of Budget Challenge Group.</li> <li>- Transformation programme commenced.</li> <li>- Commercial team working on ideas to generate income and supporting the whole Council to think commercially.</li> <li>- Council Tax increases to maximise this as a source of income (including £5 increase/1.99% increases as allowed).</li> <li>- NHDC joined Business Rates pools and pilots as they have given the opportunity for beneficial position when they have been available.</li> <li>- Raising awareness of financial constraints (with Officers and Members) and the shared responsibility in achieving a balanced budget.</li> <li>- Produced a summary of the potential impacts of the consultation on a replacement for New Homes Bonus, which allowed a consultation response to be completed. Whilst the options could result in funding income to the Council, it is also likely that this would be variable and not a suitable basis for long-term budget planning.</li> <li>- Completed first phase of budget challenge process, including areas where service change/reduction could be implemented</li> </ul>		
<p><b>Ongoing Work</b></p>	<ul style="list-style-type: none"> <li>- Continuing to regularly update the Medium Term Financial Strategy, Council budgets and effective budget monitoring. To ensure that the current and forecast positions are fully understood. In 2022/23 (hopefully when post Covid-19 position is more certain), developing a longer term financial strategy. Also to work with Councillors on better integrating the Council Plan and Medium Term Financial Strategy.</li> <li>- Land and property sales are being progressed, subject to Cabinet approval, with external support from property agents. To generate capital receipts to allow capital investment to generate income/reduce costs, or to reduce the need to borrow and resultant revenue costs.</li> <li>- Continue to identify opportunities for income generation and efficiencies (where/if available).</li> <li>- Carry out public budget consultation process (possibly summer 2022- depending on future funding announcements).</li> <li>- Continue to monitor announcements on future funding and petition Government for a sustainable funding settlement when opportunities arise.</li> </ul>		
<p><b>Current Overall Risk Score</b></p>	<p>9</p>		
<p><b>Current Impact Score</b></p>	<p>3</p>	<p><b>Current Likelihood Score</b></p>	<p>3</p>
<p><b>Current Risk Matrix</b></p>		<p><b>Target Risk Matrix</b></p>	
<p><b>Date Reviewed</b></p>	<p>09-Sep-2021</p>	<p><b>Next Review Date</b></p>	
<p><b>Latest Note</b></p>	<p>09-Sep-2021 Based on what has happened previously, the Council's financial position will continue to be uncertain on an ongoing basis. It is likely that the amount of funding that the Council will transition between being very high risk (in periods when there is no stable funding mechanism or formula in place) and high risk (at the start of any funding period but with uncertainty over future resets). The Council's spend and income pressures will also swap between being levels of risk in the short/medium term but will always tend towards being high risk in the longer term. This reflects that over that longer period, all the Council's will become due for renewal, and that brings with it uncertainty over the cost. As the Council is able to embark on commercial projects, this will bring with it both greater opportunities and risk. The Council has embedded risk mitigation measures in place (e.g. quarterly monitoring, annual budget and MTFS processes), which inherently consider future risk. In reality there will always be financial risk with high likelihood and impact. But monitoring this through the risk register adds no additional value</p>		



	or benefit. It is therefore proposed that the risk is tolerated (as we have no other choice) on an ongoing basis, and removed from the risk register.
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## Impact of Anti-Social Behaviour on Council Facilities

Generated on: 05 November 2021

<b>Risk Code</b>	CR65	<b>Risk Title</b>	Impact of Anti-Social Behaviour on Council Facilities
<b>Risk Owner</b>	Ian Couper	<b>Updated By</b>	Ian Couper
<b>Year Identified</b>	2019	<b>Council Objective</b>	Build thriving and resilient communities
<b>Risk Description</b>	<p>As a result of anti-social behaviour in or around Council facilities, there is a risk that:</p> <ul style="list-style-type: none"> <li>- Council facilities suffer from criminal damage</li> <li>- Customer use of facilities reduces, e.g. multi-storey car parks, toilets at Howard Park</li> <li>- Users of facilities experience verbal abuse and intimidation</li> <li>- Members of the public suffer personal injury</li> <li>- Staff, service users and local residents suffer distress</li> </ul> <p>This could lead to:</p> <ul style="list-style-type: none"> <li>- Loss of income</li> <li>- Additional expense to rectify resulting damage</li> <li>- An increase in the number of insurance claims</li> <li>- An increased number of complaints</li> <li>- Damage to the Council's reputation</li> </ul>		
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>- The Council optimises the use of its facilities</li> <li>- Council facilities provide an attractive and safe environment for service users</li> <li>- Achievement of relevant budgeted income</li> </ul>		
<b>Consequences</b>	<ul style="list-style-type: none"> <li>- Loss of income</li> <li>- Additional costs</li> <li>- Poor publicity</li> <li>- Detrimental effect on staff, service users and local residents</li> </ul>		
<b>Work Completed</b>	<p>A summary of the work completed is as follows:</p> <ul style="list-style-type: none"> <li>- Increased awareness of issues, and engagement with the Police and Schools.</li> <li>- Physical changes at the Lairage car park (e.g., changes to the fire exit doors to limit entry).</li> <li>- Changes to opening hours of multi-storey car parks.</li> <li>- Taken on the CCTV camera covering Howard Park pending a wider CCTV review.</li> <li>- Physical changes at Burns Road in Royston.</li> </ul>		
<b>Ongoing Work</b>	<p>This is mainly a continuation of the work described above, and therefore developed into business as usual.</p> <p>A wider CCTV review is being carried out and that may have an impact. It will certainly consider the issues that have been experienced.</p> <p>Further physical changes to the multi-storey car parks and Burns Road will be kept under consideration, but that will be on a cost-benefit basis.</p>		
<b>Current Overall Risk Score</b>	3		
<b>Current Impact Score</b>	2	<b>Current Likelihood Score</b>	1

Impact of Anti-Social Behaviour on Council Facilities

<p><b>Current Risk Matrix</b></p>		<p><b>Target Risk Matrix</b></p>	
<p><b>Date Reviewed</b></p>	<p>03-Nov-2021</p>	<p><b>Next Review Date</b></p>	
<p><b>Residual Risk</b></p>	<p>There is an ongoing risk of anti-social behaviour which will be monitored and acted upon (as relevant) by the Community Safety Team and the Police. The specific impact on Council property seems to be being substantially managed. There are ongoing minor issues (e.g., litter at the Lairage) and occasional incidents, but not of the scale that was being experienced. It would be impossible for the risk to be completely managed away.</p>		
<p><b>Latest Note</b></p>	<p>04-Nov-2021 Recent feedback is that there has continued to be a significant reduction in the number of incidents, and this reduction does not appear to be related to Covid-19. There are still specific issues in relation to litter at the Lairage which increases the amount of cleaning costs, but that is being dealt with at service level. There are also reports of people gathering at the multi-storey car park in Letchworth. But, whilst these may result in occasional more significant incidents, the general impact has been reduced to low. Suggest that this risk is either archived or moved to a service level risk.</p>		

**Risk Management Framework Review 2021/2022 - Summary of Changes**

<b>Document</b>	<b>Page/Section</b>	<b>What?</b>	<b>Previous Wording</b>	<b>Changed Wording</b>	<b>Reason for Change</b>
Policy Statement	Pg 1.	Change	North Hertfordshire District Council	North Herts Council	New identity
Policy	Pg 1. Section 2	Change	Record Risks on Pentana Risk	Record New Risks on Pentana Risk	Ensure officers record new risks
Policy	Pg 2. Section 2.1	Change	Senior Management Team (SMT)	Leadership Team (LT)	Change of name
Policy	Pg 2. Section 2.1	Change	NHDC	North Herts Council	Change of name
Policy	Pg 2. Section 2.2	Change	North Hertfordshire District Council	North Herts Council	Change of name
Policy	Pg 2. Section 2.4	Change	North Hertfordshire District Council	North Herts Council	Change of name
Policy	Pg 2. Section 3	Add		This should be done as part of the Service Planning Process, but also continuously throughout the year	Embed risk management into service planning and business as usual
Policy	Pg 3. Section 5.1	Change	SMT	The Leadership Team (LT)	Change of name
Policy	Pg 4. Section 5.6 / Section 5.7	Change	SMT	LT	Change of name
Policy	Pg 4.	Add		Link to Growzone and Risk Management page on the intranet	E- Learning and Risk page now available.
Strategy	Pg 1.	Change	North Hertfordshire District Council	North Herts Council	Change of name
Strategy	Pg 2.	Change	Senior Management Team	Leadership Team	Change of name
Strategy	Pg 2. Step 1	Change	NHDC	Council	Change of name

Risk Management Framework Review 2021/2022 - Summary of Changes

Document	Page/Section	What?	Previous Wording	Changed Wording	Reason for Change
Strategy	Pg 2. Step 1	Add		As part of the Service Planning process, Service Directors are asked to complete a Risk Questionnaire, detailing the top 5 risks which would prevent them from achieving the Service action plans, linked to the Council Priorities. They are also asked to list the controls we will need to put in place to mitigate those risks.	Embedding risk management into the Service Planning process
Strategy	Pg 7. Step 6	Change	SMT	Leadership Team (LT)	Change of name
Strategy	Pg 8. Section 3	Change	NHDC	NHC	Change of name
Strategy	Pg 9.	Change	Senior Management Team	Leadership Team	Change of name
Strategy	Pg 9. Roles	Add		Ensure Risk Management Questionnaires are completed as part of Service Planning process	Responsibility of Leadership Team to ensure completion
Strategy	Pg 9. Roles	Add		Complete Risk Questionnaires in conjunction with Service Plans	Responsibility of Service Directors to ensure completion
Strategy	Pg 10. Section 4	Change	Chief Executive	Managing Director	Change of name
Strategy	Pg 10. Section 4	Change	NHDC	NHC	Change of name

Risk Management Framework Review 2021/2022 - Summary of Changes

Document	Page/Section	What?	Previous Wording	Changed Wording	Reason for Change
Strategy	Pg 11.	Add		Includes completion of a risk questionnaire	Added to service planning process
Strategy	Pg 11.	Change	NHDC	NHC	Change of name
Strategy	Pg 12. Section5	Change	Senior Management Team	Leadership Team	Change of name
Strategy	Pg 12. Section 5	Add		Directorate overview of risks is sent to each directorate on a monthly basis	Updated to reflect what is actually happening
Strategy	Pg 13.	Change	Senior Management Team SMT	Leadership Team LT	Change of name
Strategy	Pg 14. Section 6	Change	NHDC	NHC	Change of name
Strategy	Pg 14. Section 6	Change	Under development	Link to growzone e-learning	e- learning now available
Performance and Risk Questionnaire	New proposed document				Proposed new document to be addition or embedded in service action planning process

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**CABINET**  
**21 December 2021**

**\*PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: SECOND QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2021/22**

REPORT OF: SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: FINANCE AND I.T.

COUNCIL PRIORITY: ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY

**1 EXECUTIVE SUMMARY**

- 1.1 To update Cabinet on progress with delivering the capital and treasury strategy for 2021/22, as at the end of September 2021.
- 1.2 To update Cabinet on the impact upon the approved capital programme for 2021/22 – 2030/31. The current estimate is a decrease in spend in 2021/22 of £13.124million and a decrease in spend in future years of £10.661million. The most significant change is the removal from the capital programme of the Acquisition of Property Investments capital scheme, for reasons detailed in table 2 and paragraph 8.11. A total of £20m had been earmarked in the programme (£8m in 2021/22 and £4m in each of the next three financial years). The £2.649M Provide Housing at Market Rents scheme is also being removed from the capital programme, while the £1.193M Museum Storage Solution is being withdrawn and replaced with a new capital bid in 2022/23.
- 1.3 To inform Cabinet of the Treasury Management activities in the first six months of 2021/22. The current forecast is that the amount of investment interest expected to be generated during the year is £0.050million. This is an increase of £0.010million on the working estimate reported at 1st quarter.

**2 RECOMMENDATIONS**

- 2.1 That Cabinet notes the forecast expenditure of £3.045million in 2021/22 on the capital programme, paragraph 8.3 refers.
- 2.2 That Cabinet approves the adjustments to the capital programme for 2021/22 onwards, as a result of the revised timetable of schemes detailed in table 2 and 3, decreasing the estimated spend in 2022/23 by £2.661million.
- 2.3 That Cabinet notes the position of the availability of capital resources, as detailed in table 4 paragraph 8.6 and the requirement to keep the capital programme under review for affordability.

- 2.4 That Cabinet recommends to Council that it notes the position of Treasury Management activity as at the end of September 2021.

### **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 20th August 2021.

### **7. BACKGROUND**

- 7.1 In February 2021, Council approved the Integrated Capital and Treasury Strategy for 2021/22 to 2030/31. To be consistent with the strategy, the monitoring reports for Capital and Treasury are also integrated.

- 7.2 The Medium Term Financial Strategy for 2021 to 2026 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. 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 2021/22

- 8.2 The full capital programme is detailed in Appendix A and shows the revised costs to date, together with the expected spend from 2021/22 to 2030/31 and the funding source for each capital scheme.
- 8.3 Capital expenditure for 2021/22 is estimated to be **£3.045million**. This is a reduction of **£13.124million** on the forecast in the 1st quarter report (reported to Cabinet on 21st September 2021). The decrease in spend in 2021/22 is largely due to removing projects from the Capital Programme (see paragraph 8.11). Table 1 below details changes to capital programme.

**Table 1- Current Capital Estimates**

	2021/22 £M	2022/23 £M	2023/24 to 2030/31 £M
Original Estimates approved by Full Council February 2021	14.718	7.919	21.114
Changes approved by Cabinet in 3rd Qrt 2020/21	1.102	0.537	0
Changes approved by Cabinet in 2020/21 Capital Outturn report	0.473	0	0
Revised Capital estimates at start of 2021/22	16.293	8.456	21.114
Executive Member – Finance and I.T. approved additional Expenditure – Financial System upgrade	0.082	0	0

	2021/22 £M	2022/23 £M	2023/24 to 2030/31 £M
<b>Executive Member – Finance and I.T. approved additional Expenditure – Installation of high-definition cameras in the Council Chamber</b>	0.018	0	0
<b>Changes at Q1</b>	-0.224	0.312	0
<b>Executive Member – Finance and I.T. approved additional Expenditure on Careline Servers</b>	0.015	0	0
<b>Changes at Q2</b>	-13.139	-2.661	-8.000
<b>Current Capital Estimates</b>	<b>3.045</b>	<b>6.107</b>	<b>13.114</b>

8.4 Table 2 lists the schemes in the 2021/22 Capital Programme that will start or continue in 2022/23:

**Table 2: Scheme Timetable Revision:**

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

Scheme	2021/22 Working Budget £'000	2021/22 Forecast £'000	Difference £'000	Reason for Difference	Estimated impact on 2022/23 onwards £'000
Resurface Lairage Car Park	350	0	-350	Due to delays in agreeing the specification there has been a delay in the procurement process	350
Cycle Strategy Implementation	278	0	-278	Currently working in partnership with HCC in preparing a Local Cycling Walking & Infrastructure Plan (LCWIP) due for completion in Jan 2022, which will then need to go through our Cabinet process for adoption in March. The LCWIP should identify possible schemes that could be part funded from this budget, but these are not likely to occur until 2022/23	278
Transport Plans Implementation	250	0	-250	This is subject to the Local Plan being adopted and the preparation of Supplementary Planning Documents.	250

Scheme	2021/22 Working Budget £'000	2021/22 Forecast £'000	Difference £'000	Reason for Difference	Estimated impact on 2022/23 onwards £'000
Green Infrastructure Improvements	185	0	-185	This is subject to the Local Plan being adopted and the preparation of Supplementary Planning Documents.	185
Letch Multi-Storey Parapet / Soffit / Decoration	129	0	-129	Due to delays in procurement and forming a contract the works have been delayed to commence in summer when the weather is better	129
Thomas Bellamy House Structure	65	0	-65	Project delayed whilst some unexpected preliminary works and investigations at the property are carried out. Completion of these works is necessary before embarking on the planned works. Completion is not expected until around June 2022.	65
Newark Close Road Replacement	65	0	-65	The road has recently undergone some essential repairs. The wholesale replacement is therefore to be deferred until 22/23.	65
<b>Other minor changes</b>			-17		17
<b>Total Revision to Budget Profile</b>			<b>-1,339</b>		<b>1,339</b>

8.5 There are also changes to the overall costs of schemes in 2021/22. These changes total a net decrease of £11.8million and are detailed in Table 3

**Table 3: Changes to Capital Schemes Commencing in 2021/22:**

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

Scheme	2021/22 Working Budget £'000	2021/22 Forecast Spend £'000	Difference £'000	Comments
Acquisition of Property Investments	8,000	0	-8,000	No suitable property acquisitions have been identified. This reflects the general economic conditions, as well as changes to Public Works Loan Board borrowing, and expected changes to the CIPFA prudential code. Both of these require that the primary reason for the investment is not a financial return. This therefore implies that the acquisition should be within the District and involve something like regeneration or

Scheme	2021/22 Working Budget £'000	2021/22 Forecast Spend £'000	Difference £'000	Comments
				service delivery. Whilst we will continue to look for opportunities, the budget has been removed from the capital programme for treasury management reasons (see paragraph 8.11).
Provide Housing at Market Rents	2,752	103	-2,649	The forecast spend against this budget is the works to complete the conversion of Harkness Court. As per the description above, the opportunities for further spend have been limited by the expected changes to the CIPFA prudential code. This would preclude the purchase of existing residential property, as generally that would be seen as primarily being purchased for a financial return (unless there was a clear redevelopment plan). Whilst we will continue to look for opportunities the budget will be removed at this stage.
Museum Storage Solution	1,193	0	-1,193	Further investigation with developers has indicated that the cost would be in excess of the available budget. As a result, a new capital proposal with a revised capital estimate is included in the proposed capital programme for 2022 - 2032. The existing budget can therefore be removed from the programme.
S106 Projects	30	75	+45	To date, a total of £75k of S106 funds have been released for community schemes.
<b>Other minor changes</b>			<b>-3</b>	
<b>Total revision to scheme spend</b>			<b>-11,800</b>	

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

**Table 4: Funding the Capital Programme:**

	2021/22 Balance at start of year £M	2021/22 Forecast Additions £M	2021/22 Forecast Funding Used £M	2021/22 Balance at end of year £M
Useable Capital Receipts and Set-aside Receipts	6.229	4.973	(2.750)	8.452
S106 receipts			(0.075)	
Other third party grants and contributions			(0.185)	
IT Reserve			(0.035)	
Planned Borrowing			0	
<b>Total</b>			<b>(3.045)</b>	

- 8.7 The availability of third party contributions and grants to fund capital investment is continuously sought in order to reduce pressure on the Council's available capital receipts and allow for further investment. Additional capital receipts are dependent on selling surplus land and buildings. Ensuring that the Council gets best value from the disposal of land and buildings can take a long time and therefore the amounts that might be received could be subject to change. This will be kept under review throughout the year.
- 8.8 The Council's Capital Financing Requirement (CFR) at 31<sup>st</sup> March 2021 was negative £5.18 million. Based on current forecasts it will remain negative during 2021/22

### **Treasury Management 2020/21**

- 8.9 The Council invests its surplus cash in accordance with the Investment Strategy (see paragraph 4.2). This surplus cash is made up of capital funding balances, revenue general fund balance, revenue reserve and provisions balances and variations in cash due to the timing of receipts and payments. During the first six months, the Council had an average investment balance of £57.9 million and invested this in accordance with the treasury and prudential indicators as set out in the Integrated Capital and Treasury Management Strategy and in compliance with the Treasury Management Practices.
- 8.10 During the quarter the Council has had higher than usual cash balances due to the various grant funding that it has been given by Government to pass on to businesses. Even though every effort has been made to pass the money on to businesses as quickly as possible, there has inevitably been a delay between receipt and payment. There have also been tranches of grant where the amount received has exceeded the amounts eligible for payment. Balances have also been higher due to the delays in capital spend in 2020/21. These have both been partially off-set by revenue costs and reduced income related to Covid-19. It has been necessary to keep the business grant funding very liquid, and therefore the level in short-term investments with the Debt Management Office has remained high.
- 8.11 The Council generated £0.024M of interest during the first six months of 2021/22. The average interest rate on all outstanding investments at the 30th September was 0.10%. Interest rates have continued to remain low so consequently any new investments are yielding significantly less than the average interest rate on all outstanding investments at the 31st March which was 0.41%. Based on current investments and forecasts of interest rates and cash balances for the remainder of the year, it is forecast that the Council will generate £0.050 million of interest over the whole of 2021/22. The investment strategy allows for investments in a Property Fund and Multi-Asset Fund. In July, Cabinet approved the use of a procurement waiver in relation to the selection of these funds. This selection process has subsequently been paused due to the changes that are expected in relation to the CIPFA prudential code. The current code effectively allows Council's to treat their revenue cash balances and capital borrowing requirement separately. This meant that a Council could borrow for capital (as long as it has a positive Capital Financing Requirement) even if it had revenue cash balances. It could choose to internalise that borrowing (i.e. borrow against revenue cash balances) or obtain external cash. The Council had planned to follow this approach and determined an investment strategy that invested some of its revenue cash balances on a longer-term basis (i.e. in a Property Fund and Multi-asset Fund). This would give the Council the potential benefit

of getting the improved returns from longer term investments, whilst maintaining its capital programme - even though elements of that programme are very uncertain. The revised CIPFA prudential code requires that Councils view their balances overall and only borrow externally when they have no cash remaining (subject to maintaining a buffer for cashflow purposes). The implication of this is that the Council should not embark on longer-term investments if during the expected period of that investment (i.e. 5 years+) the overall remaining cash balances would mean that the level of longer term investments would be imprudent. As a result we have been reviewing the capital forecasts for this year and future years (as part of the Corporate Business Planning process) to determine future cash balances, and whether it would be prudent to undertake longer-term investments. This has included removing capital budgets where there is not a specific plan in place (i.e. the acquisition of property investments and providing housing at market rents). These opportunities will still be investigated and if an opportunity is identified then approval will be sought from Council to add it in to the Capital Programme, and implications on the investment strategy will also be considered. Those implications could include a managed exit from any longer-term investments but ensuring that the exit point was at a time that was beneficial to the Council.

- 8.12 As at 30 September 2021 the split of investments was as shown in the table below. There were no investments with non-UK banks during the quarter due to the high Country rating that we have set for international investments.

Banks	18%
Building Societies	19%
Government	32%
Local Authorities	26%
Money Market Fund (MMF)	5%

- 8.13 The level of risk of any investment will be affected by the riskiness of the institution where it is invested and the period that it is invested for. Where an institution has a credit rating this can be used to measure its riskiness. This can be combined with the period remaining on the investment to give a historic risk of default percentage measure. The table below shows the Historic Risk of Default for outstanding investments at 30 September 2021. The most risky investment has a historic risk of default of 0.109%. It should also be noted that in general the interest rate received is correlated to the risk, so the interest income received would be less if it took on less risk.

<b>Borrower</b>	<b>Principal Invested £M</b>	<b>Interest Rate %</b>	<b>Credit Rating</b>	<b>Days to Maturity at 30 Sept</b>	<b>Historic Risk of Default %</b>
Bank of Scotland	2.0	0.03	A+	Call	0.004
Lloyds	3.0	0.05	A+	Call	0.012
Public Sector Deposit Fund (MMF)	3.0	0.03	AAmmf	Call	0
DMO (Government)	11.0	0.01	AA-	5	0
DMO (Government)	7.0	0.01	AA-	7	0
Leeds Building Society	2.0	0.03	A-	18	0.002
Coventry Building Society	2.0	0.02	A-	19	0.002



<b>Borrower</b>	<b>Principal Invested £M</b>	<b>Interest Rate %</b>	<b>Credit Rating</b>	<b>Days to Maturity at 30 Sept</b>	<b>Historic Risk of Default %</b>
Santander UK	1.0	0.09	A+	29	0.004
Nationwide Building Society	2.0	0.07	A	47	0.006
Ashford Borough Council	3.0	0.04	AA-	55	0.004
Leeds Building Society	1.0	0.1	A-	61	0.008
Blackpool Council	2.0	0.32	AA-	74	0.005
North Lanarkshire Council	2.0	0.03	AA-	111	0.007
Nationwide Building Society	1.0	0.07	A	111	0.014
Santander UK	1.0	0.08	A+	139	0.018
Santander UK	1.0	0.08	A+	144	0.019
Barclays	2.0	0.02	A+	144	0.019
Newcastle Building Society	1.0	0.11	*	151	0.058
Slough Borough Council	2.0	0.1	AA-	152	0.001
Slough Borough Council	1.0	0.1	AA-	152	0.001
West Dunbartonshire Council	5.0	0.05	AA-	260	0.017
Marsden Building Society	1.5	0.25	*	284	0.109
	56.5	0.10			

\* Unrated Building Societies Historic Risk of Default is based on a Fitch (a credit rating agency) rating of BBB.

DMO and Local Authority credit ratings are the UK credit rating.

## **9. LEGAL IMPLICATIONS**

- 9.1 Cabinet's terms of reference under 5.6.7 specifically includes "to monitor expenditure on the capital programme and agree adjustments within the overall budgetary framework". The Cabinet also has a responsibility to keep under review the budget of the Council and any other matter having substantial implications for the financial resources of the Council. By considering monitoring reports throughout the financial year Cabinet is able to make informed recommendations on the budget to Council. The Council is under a duty to maintain a balanced budget.
- 9.2 Section 151 of the Local Government Act 1972 states that:  
"every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs."
- 9.3 Asset disposals must be handled in accordance with the Council's Contract Procurement Rules.
- 9.4 The Prudential Indicators comply with the Local Government Act 2003.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 The main financial implications are covered in section 8 of the report.
- 10.2 The Authority operates a tolerance limit on capital projects that depends on the value of the scheme and on this basis over the next ten-year programme it should be anticipated

that the total spend over the period could be around £3 million higher than the budgeted £22 million.

- 10.3 The capital programme will need to remain under close review due to the limited availability of capital resources and the affordability in the general fund of the cost of using the Council's capital receipts. When capital receipts are used and not replaced the availability of cash for investment reduces. Consequently interest income from investments reduces. £1.0million currently earns the Authority approximately £1k per year in interest. The general fund estimates are routinely updated to reflect the reduced income from investments. When the Capital Financing Requirement (CFR) reaches zero the Council will need to start charging a minimum revenue provision to the general fund for the cost of capital and will need to consider external borrowing for further capital spend. The CFR at the 31 March 2021 was negative £5.18million.
- 10.4 The Council also aims to ensure that the level of planned capital spending in any one year matches the capacity of the organisation to deliver the schemes to ensure that the impact on the revenue budget of loss of cash-flow investment income is minimised.

## **11. RISK IMPLICATIONS**

- 11.1 The inherent risks in undertaking a capital project are managed by the project manager of each individual scheme. These are recorded on a project risk log which will be considered by the Project Board (if applicable). The key risks arising from the project may be recorded on Pentana (the Council's Performance & Risk management software). Some of the major capital projects have been included in the Council's Corporate Risks (such as the new North Hertfordshire Museum). The Corporate Risks are monitored by the Finance, Audit and Risk Committee and Cabinet.
- 11.2 Risks associated with treasury management and procedures to minimise risk are outlined in the Treasury Management Practices document, TMP1, which was adopted by Cabinet in July 2003 and is revisited annually as part of the Treasury Strategy review. The risk on the General Fund of a fall of investment interest below the budgeted level is dependent on banks and building societies need for borrowing.

## **12. EQUALITIES IMPLICATIONS**

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 There are no direct equalities implications directly arising from the adoption of the Capital Programme for 2020/21 onwards. For any individual new capital investment proposal of £50k or more, or affecting more than two wards, an equality analysis is required to be carried out. This will take place following agreement of the investment proposal.

## **13. SOCIAL VALUE IMPLICATIONS**

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

## **14. ENVIRONMENTAL IMPLICATIONS**

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

## **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1 There are no direct human resource implications.

## **16. APPENDICES**

- 16.1 Appendix A, Capital Programme Detail including Funding 2021/22 onwards.  
16.2 Appendix B, Treasury Management Update.

## **17. CONTACT OFFICERS**

- 17.1 Report Writer – Dean Fury, Corporate Support Accountant, Tel 474509,  
[Dean.fury@north-herts.gov.uk](mailto:Dean.fury@north-herts.gov.uk)

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

Antonio Ciampa, Accountancy Manager, Tel 474566, email,  
[Antonio.ciampa@north-herts.gov.uk](mailto:Antonio.ciampa@north-herts.gov.uk)

Reuben Ayavoo, Policy and Communities Manager, Tel 474212, email,  
[Reuben.ayavoo@north-herts.gov.uk](mailto:Reuben.ayavoo@north-herts.gov.uk)

## **18. BACKGROUND PAPERS**

- 18.1 Investment Strategy (Integrated Capital and Treasury Strategy)  
<https://democracy.north-herts.gov.uk/documents/b8344/Items%20Referred%20from%20Other%20Committees%20-%206b%20-%20Investment%20Strategy%20Capital%20and%20Treasury%2011th-Feb-202.pdf?T=9>

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Project	Service Directorate	Spend / Forecast Spend						Funding				Balance funded from Capital Receipts/ Set-aside receipts/ Borrowing
		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	
Refurbishment and improvement of community facilities	Legal and Community	265,300	0	0	0	0	0	0	0	0	0	265,300
Refurbishment of lifts at Lairage Car Park	Resources	353,300	0	0	0	0	0	0	0	0	0	353,300
Renovate play area Howard Park, Letchworth	Place	75,000	0	0	0	0	0	0	0	0	0	75,000
Replace and enhance lighting at St Mary's Car Park	Resources	60,000	0	0	0	0	0	0	0	0	0	60,000
Replace items of play equipment Holroyd Cres, Baldock	Place	10,000	0	0	0	0	0	0	0	0	0	10,000
Replace items of play equipment Wilbury Recreation Ground, Letchworth	Place	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	65,000
Resurface Lairage Car Park	Resources	0	350,000	0	0	0	0	0	0	0	0	350,000
Royston Leisure Centre extension	Place	0	1,000,000	0	0	0	0	0	0	0	0	1,000,000
Royston Leisure Centre Changing Village Refurbishment	Place	0	225,000	0	0	0	0	0	0	0	0	225,000
Royston Leisure Centre Dry Side Toilet Refurbishment	Place	0	30,000	0	0	0	0	0	0	0	0	30,000
Royston Leisure Centre Future Refurbishment	Place	0	0	0	0	0	300,000	0	0	0	0	300,000
Royston Leisure Centre Members Changing Refurbishment	Place	0	0	0	150,000	0	0	0	0	0	0	150,000
Royston Leisure Centre Solar Thermal Installation	Place	50,000	0	0	0	0	0	0	0	0	0	50,000
S106 Projects	Various	75,000	0	0	0	0	0	0	0	75,000	0	0
Security - Firewalls	Customers	10,800	14,000	0	16,000	0	36,000	0	0	0	0	76,800
St John's Cemetery Footpath	Place	0	0	0	40,000	0	0	0	0	0	0	40,000
Tablets - Android Devices	Customers	18,900	18,000	12,000	17,000	17,000	56,000	0	0	0	0	138,900
Telephony system	Customers	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	65,000
Transport Plans implementation (GAF)	Regulatory	0	250,000	0	0	0	0	0	250,000	0	0	0
Voice Recorders Careline	Customers	6,600	0	0	0	0	0	0	0	0	0	6,600
Walsworth Common Pavilion - contribution to scheme	Place	0	300,000	0	0	0	0	250,000	0	37,000	0	13,000
Waste and Street Cleansing Vehicles	Place	0	0	0	0	4,000,000	0	0	0	0	3,200,000	800,000
Weston Hills LNR Footpath Renovation	Place	0	20,000	0	0	0	0	0	0	0	0	20,000
Wilbury Hills Cemetery Footpaths	Place	14,400	0	10,000	10,000	0	30,000	0	0	0	0	64,400
WiFi Upgrade	Customers	0	0	0	0	40,000	0	0	0	0	0	40,000
		<b>3,044,800</b>	<b>6,107,400</b>	<b>1,143,000</b>	<b>2,788,000</b>	<b>5,224,000</b>	<b>3,959,000</b>	<b>298,300</b>	<b>856,000</b>	<b>382,400</b>	<b>3,235,200</b>	<b>17,494,300</b>

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# Treasury Management Update

Quarter Ended 30th September  
2021

This report is intended for the use and assistance of customers of Link Group. It should not be regarded as a substitute for the exercise by the recipient of its own judgement. Link Group exists to provide its clients with advice primarily on borrowing and investment. We are not legal experts and we have not obtained legal advice in giving our opinions and interpretations in this paper. Clients are advised to seek expert legal advice before taking action as a result of any advice given in this paper. Whilst Link Group makes every effort to ensure that all information provided by it is accurate and complete, it does not guarantee the correctness or the due receipt of such information and will not be held responsible for any errors therein or omissions arising there from. Furthermore, Link Group shall not be held liable in contract, tort or otherwise for any loss or damage (whether direct, or indirect or consequential) resulting from negligence, delay or failure on the part of Link Group or its officers, employees or agents in procuring, presenting, communicating or otherwise providing information or advice whether sustained by Link Group customer or any third party directly or indirectly making use of such information or advice, including but not limited to any loss or damage resulting as a consequence of inaccuracy or errors in such information or advice. All information supplied by Link Group should only be used as a factor to assist in the making of a business decision and should not be used as a sole basis for any decision.

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## Contents

<b>Treasury Management Update .....</b>	<b>3</b>
<b>Quarter Ended 30th September 2021 .....</b>	<b>3</b>
<b>1. Economics update .....</b>	<b>3</b>
<b>2. Interest rate forecasts.....</b>	<b>5</b>
<b>3. Annual Investment Strategy .....</b>	<b>8</b>
<b>4. Borrowing.....</b>	<b>13</b>
<b>5. Debt Rescheduling.....</b>	<b>155</b>
<b>6. Compliance with Treasury and Prudential Limits.....</b>	<b>155</b>
<b>APPENDIX 1: Prudential and Treasury Indicators for 2021-22 as at 30th September 2021.....</b>	<b>16</b>

# Treasury Management Update

## Quarter Ended 30th September 2021

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that members be updated on treasury management activities regularly (annual, mid-year or quarterly reports). This report, therefore, ensures this Council is implementing best practice in accordance with the Code.

### 1. Economics update

#### MPC meeting 24.9.21

- The Monetary Policy Committee (MPC) voted unanimously to leave Bank Rate unchanged at 0.10% and made no changes to its programme of quantitative easing purchases due to finish by the end of this year at a total of £895bn; two MPC members voted to stop the last £35bn of purchases as they were concerned that this would add to inflationary pressures.
- There was a major shift in the tone of the MPC's minutes at this meeting from the previous meeting in August which had majored on indicating that some tightening in monetary policy was now on the horizon, but also not wanting to stifle economic recovery by too early an increase in Bank Rate. In his press conference after the August MPC meeting, Governor Andrew Bailey said, "the challenge of avoiding a steep rise in unemployment has been replaced by that of ensuring a flow of labour into jobs" and that "the Committee will be monitoring closely the incoming evidence regarding developments in the labour market, and particularly unemployment, wider measures of slack, and underlying wage pressures." In other words, it was flagging up a potential danger that labour shortages could push up wage growth by more than it expects and that, as a result, CPI inflation would stay above the 2% target for longer. It also discounted sharp increases in monthly inflation figures in the pipeline in late 2021 which were largely propelled by events a year ago e.g., the cut in VAT in August 2020 for the hospitality industry, and by temporary shortages which would eventually work their way out of the system: in other words, **the MPC had been prepared to look through a temporary spike in inflation.**
- So, in August the country was just put on alert. However, this time the MPC's words indicated there had been a marked increase in concern that more recent increases in prices, particularly the increases in gas and electricity prices in October and due again next April, are, indeed, likely to lead to **faster and higher inflation expectations and underlying wage growth, which would in turn increase the risk that price pressures would prove more persistent next year than previously expected. Indeed, to emphasise its concern about inflationary pressures, the MPC pointedly chose to reaffirm its commitment to the 2% inflation target in its statement;** this suggested that it was now willing to look through the flagging economic recovery during the summer to prioritise bringing inflation down next year. This is a reversal of its priorities in August and a long way from words at earlier MPC meetings which indicated a willingness to look through inflation overshooting the target for limited periods to ensure that inflation was 'sustainably over 2%'. Indeed, whereas in August the MPC's focus was on getting through a winter of temporarily high energy prices and supply shortages, believing that inflation would return to just under the 2% target after reaching a high around 4% in late 2021, now its primary concern is that underlying price pressures in the economy are likely to get embedded over the next year and elevate future inflation to stay significantly above its 2% target and for longer.
- Financial markets are now pricing in a first increase in Bank Rate from 0.10% to 0.25% in February 2022, but this looks ambitious as the MPC has stated that it wants to see what happens to the economy, and particularly to employment once furlough ends at the end of September. At the MPC's meeting in February it will only have available the employment figures for November: to get a clearer picture of employment trends, it would need to wait until the May meeting when it would have data up until February. At its May meeting, it will also have a clearer understanding of the likely peak of inflation.
- **The MPC's forward guidance on its intended monetary policy** on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows: -
  1. Placing the focus on raising Bank Rate as "the active instrument in most circumstances".
  2. Raising Bank Rate to 0.50% before starting on reducing its holdings.
  3. Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.

4. Once Bank Rate had risen to at least 1%, it would start selling its holdings.

- **COVID-19 vaccines.** These have been the game changer which have enormously boosted confidence that **life in the UK could largely return to normal during the summer** after a third wave of the virus threatened to overwhelm hospitals in the spring. With the household saving rate having been exceptionally high since the first lockdown in March 2020, there is plenty of pent-up demand and purchasing power stored up for services in hard hit sectors like restaurants, travel and hotels. The big question is whether mutations of the virus could develop which render current vaccines ineffective, as opposed to how quickly vaccines can be modified to deal with them and enhanced testing programmes be implemented to contain their spread.
- **US.** See comments below on US treasury yields.
- **EU.** The slow roll out of vaccines initially delayed economic recovery in early 2021 but the vaccination rate has picked up sharply since then. After a contraction in GDP of -0.3% in Q1, Q2 came in with strong growth of 2%, which is likely to continue into Q3, though some countries more dependent on tourism may struggle. Recent sharp increases in gas and electricity prices have increased overall inflationary pressures but the ECB is likely to see these as being only transitory after an initial burst through to around 4%, so is unlikely to be raising rates for a considerable time.
- **German general election.** With the CDU/CSU and SPD both having won around 24-26% of the vote in the September general election, the composition of Germany's next coalition government may not be agreed by the end of 2021. An SPD-led coalition would probably pursue a slightly less restrictive fiscal policy, but any change of direction from a CDU/CSU led coalition government is likely to be small. However, with Angela Merkel standing down as Chancellor as soon as a coalition is formed, there will be a hole in overall EU leadership which will be difficult to fill.
- **China.** After a concerted effort to get on top of the virus outbreak in Q1 2020, economic recovery was strong in the rest of the year; this enabled China to recover all the initial contraction. During 2020, policy makers both quashed the virus and implemented a programme of monetary and fiscal support that was particularly effective at stimulating short-term growth. At the same time, China's economy benefited from the shift towards online spending by consumers in developed markets. These factors helped to explain its comparative outperformance compared to western economies during 2020 and earlier in 2021. However, the pace of economic growth has now fallen back after this initial surge of recovery from the pandemic and China is now struggling to contain the spread of the Delta variant through sharp local lockdowns - which will also depress economic growth. There are also questions as to how effective Chinese vaccines are proving. In addition, recent regulatory actions motivated by a political agenda to channel activities into officially approved directions, are also likely to reduce the dynamism and long-term growth of the Chinese economy.
- **Japan.** 2021 has been a patchy year in combating Covid. However, after a slow start, nearly 50% of the population are now vaccinated and Covid case numbers are falling. After a weak Q3 there is likely to be a strong recovery in Q4. The Bank of Japan is continuing its very loose monetary policy but with little prospect of getting inflation back above 1% towards its target of 2%, any time soon: indeed, inflation was negative in July. New Prime Minister Kishida has promised a large fiscal stimulus package after the November general election – which his party is likely to win.
- **World growth.** World growth was in recession in 2020 but recovered during 2021 until starting to lose momentum more recently. Inflation has been rising due to increases in gas and electricity prices, shipping costs and supply shortages, although these should subside during 2022. It is likely that we are heading into a period where there will be a reversal of **world globalisation** and a decoupling of western countries from dependence on China to supply products, and vice versa. This is likely to reduce world growth rates from those in prior decades.
- **Supply shortages.** The pandemic and extreme weather events have been highly disruptive of extended worldwide supply chains. At the current time there are major queues of ships unable to unload their goods at ports in New York, California and China. Such issues have led to mis-distribution of shipping containers around the world and have contributed to a huge increase in the cost of shipping. Combined with a shortage of semi-conductors, these issues have had a disruptive impact on production in many countries. Many western countries are also hitting up against a difficulty in filling job vacancies. It is expected that these issues will be gradually sorted out, but they are currently contributing to a spike upwards in inflation and shortages of materials and goods on shelves.

## 2. Interest rate forecasts

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

The latest forecast on 29<sup>th</sup> September is compared below to the previous forecast on 10<sup>th</sup> May. A comparison of these forecasts shows that some PWLB rates have increased marginally and there are now three increases in Bank Rate, to end at 0.75%, instead of one to only 0.25%. However, many PWLB rates were significantly lower than forecast during the earlier part of quarter 2.

Link Group Interest Rate View		29.9.21									
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	
<b>BANK RATE</b>	0.10	0.10	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.75	
3 month ave earnings	0.10	0.10	0.20	0.20	0.30	0.40	0.50	0.50	0.60	0.70	
6 month ave earnings	0.20	0.20	0.30	0.30	0.40	0.50	0.60	0.60	0.70	0.80	
12 month ave earnings	0.30	0.40	0.50	0.50	0.50	0.60	0.70	0.80	0.90	1.00	
5 yr PWLB	1.40	1.40	1.50	1.50	1.60	1.60	1.60	1.70	1.70	1.70	
10 yr PWLB	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	
25 yr PWLB	2.20	2.20	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.60	
50 yr PWLB	2.00	2.00	2.10	2.20	2.20	2.20	2.20	2.30	2.30	2.40	

Link Group Interest Rate View		10.5.21											
	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	
<b>BANK RATE</b>	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.25	0.25	0.25	
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.30	0.30	0.30	
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.20	0.30	0.40	0.40	0.40	
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.30	0.30	0.40	0.50	0.50	0.50	
5 yr PWLB	1.20	1.20	1.30	1.30	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	
10 yr PWLB	1.70	1.70	1.70	1.80	1.80	1.90	1.90	1.90	2.00	2.00	2.00	2.00	
25 yr PWLB	2.20	2.20	2.30	2.40	2.40	2.40	2.50	2.50	2.50	2.50	2.50	2.60	
50 yr PWLB	2.00	2.00	2.10	2.20	2.20	2.20	2.30	2.30	2.30	2.30	2.30	2.40	

The coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings.

### Forecasts for Bank Rate

Bank Rate is not expected to go up fast after the initial rate rise as the supply potential of the economy has not generally taken a major hit during the pandemic, so should be able to cope well with meeting demand without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the surge to around 4% towards the end of 2021. Three increases in Bank rate are forecast in the period to March 2024, ending at 0.75%. However, these forecasts may well need changing within a relatively short time frame for the following reasons: -

- There are increasing grounds for viewing the economic recovery as running out of steam during the summer and now into the autumn. This could lead into stagflation which would create a dilemma for the MPC as to which way to face.
- Will some current key supply shortages e.g., petrol and diesel, spill over into causing economic activity in some sectors to take a significant hit?
- Rising gas and electricity prices in October and next April and increases in other prices caused by supply shortages and increases in taxation next April, are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflation. Then we have the

Government's upcoming budget in October, which could also end up in reducing consumer spending power.

- On the other hand, consumers are sitting on around £200bn of excess savings left over from the pandemic so when will they spend this sum, in part or in total?
- There are 1.6 million people coming off furlough at the end of September; how many of those will not have jobs on 1<sup>st</sup> October and will, therefore, be available to fill labour shortages in many sectors of the economy? So, supply shortages which have been driving up both wages and costs, could reduce significantly within the next six months or so and alleviate the MPC's current concerns.
- There is a risk that there could be further nasty surprises on the Covid front, on top of the flu season this winter, which could depress economic activity.

In summary, with the high level of uncertainty prevailing on several different fronts, it is likely that these forecasts will need to be revised again soon - in line with what the new news is.

It also needs to be borne in mind that Bank Rate being cut to 0.10% was an emergency measure to deal with the Covid crisis hitting the UK in March 2020. At any time, the MPC could decide to simply take away that final emergency cut from 0.25% to 0.10% on the grounds of it no longer being warranted and as a step forward in the return to normalisation. In addition, any Bank Rate under 1% is both highly unusual and highly supportive of economic growth.

## Forecasts for PWLB rates and gilt and treasury yields

The current PWLB rates are set as margins over gilt yields as follows: -

- **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
- **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

**Gilt yields.** Since the start of 2021, we have seen a lot of volatility in gilt yields, and hence PWLB rates. During September, gilt yields from 5 – 50 years have steadily risen and rose further after the hawkish tone of the MPC's minutes last week. Our forecasts show a steady, but slow, rise in both Bank Rate and gilt yields during the forecast period to March 2024.

While monetary policy in the UK will have a major impact on gilt yields, there is also a need to consider the potential impact that rising treasury yields in America could have on gilt yields. **As an average since 2011, there has been a 75% correlation between movements in US 10 year treasury yields and UK 10 year gilt yields. This is a significant UPWARD RISK exposure to our forecasts for longer term PWLB rates. However, gilt yields and treasury yields do not always move in unison.**

**US treasury yields.** During the first part of the year, US President Biden's, and the Democratic party's, determination to push through a \$1.9trn (equivalent to 8.8% of GDP) fiscal boost for the US economy as a recovery package from the Covid pandemic was what unsettled financial markets. However, this was in addition to the \$900bn support package already passed in December 2020. This was then followed by additional Democratic ambition to spend further huge sums on infrastructure and an American families plan over the next decade which are caught up in Democrat / Republican haggling. Financial markets were alarmed that all this stimulus was happening at a time when: -

1. A fast vaccination programme has enabled a rapid opening up of the economy.
2. The economy has been growing strongly during 2021.
3. It started from a position of little spare capacity due to less severe lockdown measures than in many other countries.
4. And the Fed was still providing stimulus through monthly QE purchases.

These factors could cause an excess of demand in the economy which could then unleash strong inflationary pressures. This could then force the Fed to take much earlier action to start increasing the Fed rate from near zero, despite their stated policy being to target average inflation. It is notable that in the September Fed meeting, Fed members again moved forward their expectation of when the first increases in the Fed rate will occur. In

addition, shortages of workers appear to be stoking underlying wage inflationary pressures which are likely to feed through into CPI inflation. A run of stronger jobs growth figures could be enough to meet the threshold set by the Fed of “substantial further progress towards maximum employment” for a first increase in the Fed rate.

A further concern in financial markets is when will the Fed end QE purchases of treasuries and how will they gradually wind them down. These purchases are currently acting as a downward pressure on treasury yields. In his late August speech at the Jackson Hole conference, Fed Chair Powell implied that the central bank plans to start tapering its asset purchases before the end of this year. But the plan is conditional on continued improvement in the labour market, which the August employment report suggests is proceeding more slowly than the Fed anticipated. That may mean that any announcement of tapering is pushed back, possibly even into early 2022.

As the US financial markets are, by far, the biggest financial markets in the world, any upward trend in treasury yields will invariably impact and influence financial markets in other countries. Inflationary pressures and erosion of surplus economic capacity look much stronger in the US compared to those in the UK, which would suggest that Fed rate increases are likely to be faster and stronger than Bank Rate increases in the UK. Nonetheless, any upward pressure on treasury yields could put upward pressure on UK gilt yields too.

There are also possible **DOWNSIDE RISKS** from the huge sums of cash that the UK populace have saved during the pandemic; when savings accounts earn little interest, it is likely that some of this cash mountain could end up being invested in bonds and so push up demand for bonds and support their prices i.e., this would help to keep their yields down. How this will interplay with the Bank of England eventually getting round to not reinvesting maturing gilts and then later selling gilts, will be interesting to keep an eye on.

### **Significant risks to the forecasts**

- COVID vaccines do not work to combat new mutations and/or new vaccines take longer than anticipated to be developed for successful implementation.
- The pandemic causes major long-term scarring of the economy.
- The Government implements an austerity programme that suppresses GDP growth.
- The MPC tightens monetary policy too early – by raising Bank Rate or unwinding QE.
- The MPC tightens monetary policy too late to ward off building inflationary pressures.
- Major stock markets e.g. in the US, become increasingly judged as being over-valued and susceptible to major price corrections. Central banks become increasingly exposed to the “moral hazard” risks of having to buy shares and corporate bonds to reduce the impact of major financial market sell-offs on the general economy.
- Geo-political risks are widespread e.g. German general election in September 2021 produces an unstable minority government and a void in high-profile leadership in the EU when Angela Merkel steps down as Chancellor of Germany; on-going global power influence struggles between Russia/China/US.

### **The balance of risks to the UK economy: -**

- The overall balance of risks to economic growth in the UK is now to the downside, including residual risks from Covid and its variants - both domestically and their potential effects worldwide.

### **The balance of risks to medium to long term PWLB rates: -**

- There is a balance of upside risks to forecasts for medium to long term PWLB rates.

### **A new era – a fundamental shift in central bank monetary policy**

One of the key results of the pandemic has been a fundamental rethinking and shift in monetary policy by major central banks like the Fed, the Bank of England and the ECB, to tolerate a higher level of inflation than in the previous two decades when inflation was the prime target to bear down on so as to stop it going above a target rate. There is now also a greater emphasis on other targets for monetary policy than just inflation, especially on ‘achieving broad and inclusive “maximum” employment in its entirety’ in the US before consideration would be given to increasing rates.

- The Fed in America has gone furthest in adopting a monetary policy based on a clear goal of allowing the inflation target to be symmetrical, (rather than a ceiling to keep under), so that inflation averages out the dips down and surges above the target rate, over an unspecified period of time.

- The Bank of England has also amended its target for monetary policy so that inflation should be 'sustainably over 2%' and the ECB now has a similar policy.
- **For local authorities, this means that investment interest rates and very short term PWLB rates will not be rising as quickly or as high as in previous decades when the economy recovers from a downturn and the recovery eventually runs out of spare capacity to fuel continuing expansion.**
- Labour market liberalisation since the 1970s has helped to break the wage-price spirals that fuelled high levels of inflation and has now set inflation on a lower path which makes this shift in monetary policy practicable. In addition, recent changes in flexible employment practices, the rise of the gig economy and technological changes, will all help to lower inflationary pressures.
- Governments will also be concerned to see interest rates stay lower as every rise in central rates will add to the cost of vastly expanded levels of national debt; (in the UK this is £21bn for each 1% rise in rates). On the other hand, higher levels of inflation will help to erode the real value of total public debt.

### 3. Annual Investment Strategy

The Treasury Management Strategy Statement (TMSS) for 2021/22, which includes the Annual Investment Strategy, was approved by the Council on 11th February 2021. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:

- Security of capital
- Liquidity
- Yield

The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite. In the current economic climate it is considered appropriate to keep investments short-term to cover cash flow needs, but also to seek out value available in periods up to 24 months.

As shown by the interest rate forecasts in section 2, it is now impossible to earn the level of interest rates commonly seen in previous decades as all short-term money market investment rates have only risen weakly since Bank Rate was cut to 0.10% in March 2020. Given this environment and the fact that Bank Rate may only rise marginally, or not at all, before the second half of 2023, investment returns are expected to remain low.

#### **Creditworthiness.**

Significant levels of downgrades to Short and Long Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, as economies are beginning to reopen, there have been some instances of previous lowering of Outlooks being reversed.

#### **Investment counterparty criteria**

The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

#### **CDS prices**

Although CDS prices (these are market indicators of credit risk) for banks (including those from the UK) spiked at the outset of the pandemic in 2020, they have subsequently returned to near pre-pandemic levels. **However, sentiment can easily shift, so it remains important to undertake continual monitoring of all aspects of risk and return in the current circumstances.**

#### **Investment balances**

The average level of funds available for investment purposes during the quarter was **£57.9m**. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme. The Council holds **£20m** core cash balances for investment purposes (i.e. funds available for more than one year).



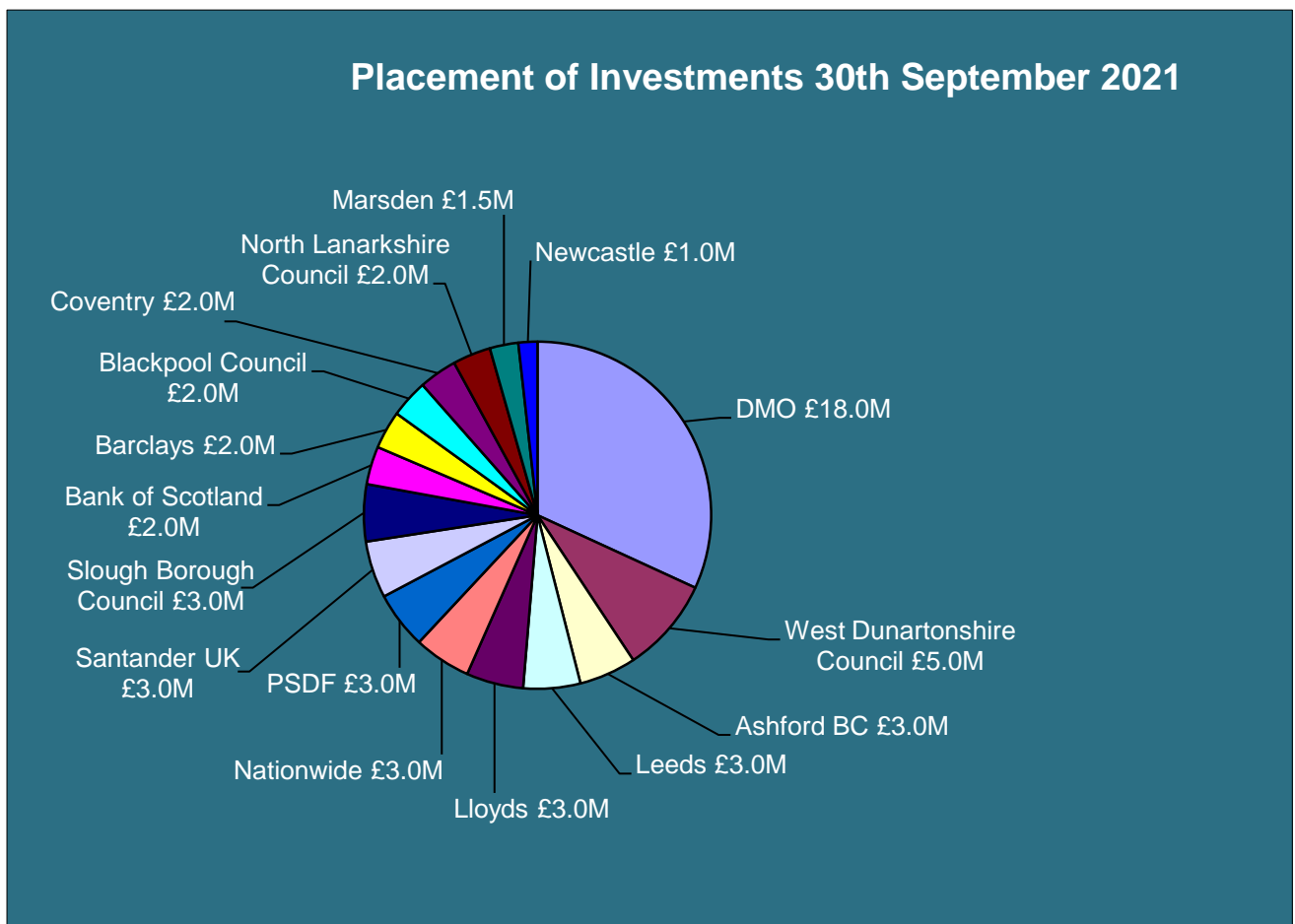
	Amount	Average
	£	Interest Rate %
<b>Managed By NHDC</b>		
Banks	10,000,000	0.05
Building Societies	8,000,000	0.06
Local Authorities	15,000,000	0.11
Money Market Fund	3,000,000	0.03
Government	18,000,000	<b>0.01</b>
<b>NHDC Total</b>	<b>54,000,000</b>	<b>0.08</b>
<b>Managed by Tradition</b>		
Building Societies	2,500,000	0.21
<b>Tradition Total</b>	<b>2,500,000</b>	<b>0.21</b>
<b>TOTAL</b>	<b>56,500,000</b>	<b>0.10</b>

In percentage terms, this equates to:

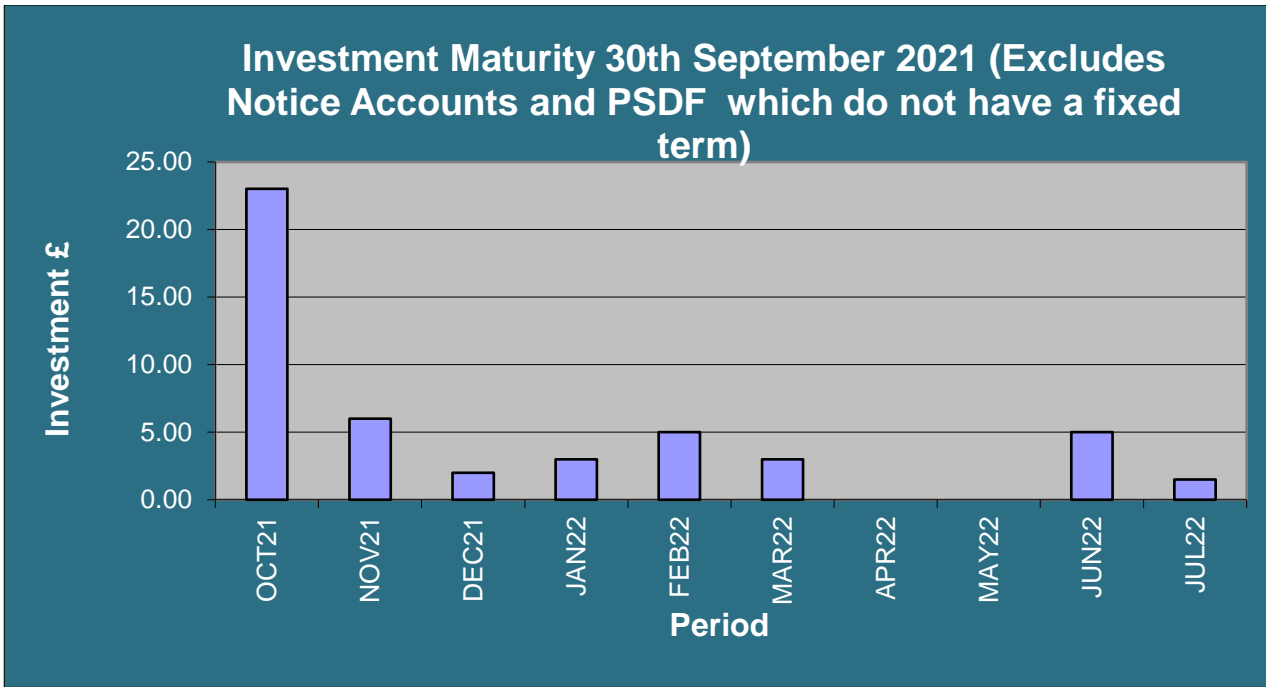
	Percentage
Money Market Fund	5
Government	32
Banks	18
Building Societies	19
Local Authorities	26

The approved 21/22 strategy is that no more than 60% of investments should be placed with Building Societies and Property Funds with a maximum value of £17M. The value at 30 September was £10.5M.

The pie chart below shows the spread of investment balances as at 30 September 2021. This is a snapshot in time that demonstrates the diversification of investments.

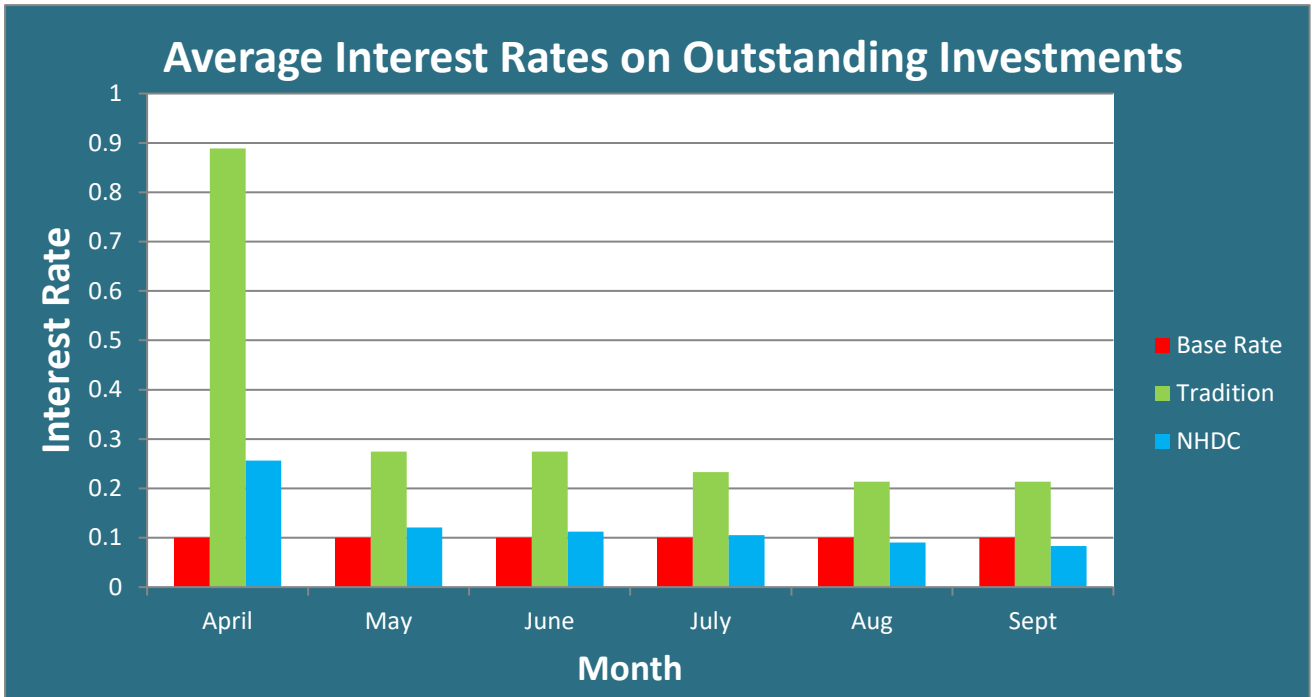


The chart below shows the Council's investment maturity profile. This does not include the £3.0M held in the Public Sector Deposit Fund Money Market account nor the £5.0M held in Notice Accounts.



The Council's Original budgeted investment return for 2021/22 was £0.103M. The projection at the 1st quarter was a reduction of £0.063M to £0.040M. Based on current investments and cashflow forecasts this is expected to increase to £0.050M of interest.

The graph below shows the average rate of interest on outstanding investments at 30 September.



The higher rates achieved through Tradition reflect that these are longer-term investments. In general, the Council can currently achieve similar rates for the same length of investment. The Council only undertakes new investments through Tradition where the rate achieved (after fees) are greater than what the Council could achieve for a similar investment. There are two Tradition deals totalling £2.5M.

**Approved limits**

Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the quarter ended 30th September 2021.

## 4. Borrowing

No borrowing was undertaken during the quarter ended / year to 30th September 2021

It is anticipated that further borrowing will not be undertaken during this financial year but this is dependant on the profiled spend in the Capital Programme.

Based on 2nd quarter estimates for capital expenditure, the Council's capital financing requirement (CFR) for 2021/22 is expected to be -£4.095M (-£5.182M at the end of 20/21). The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions and future forecasts.

Loans Outstanding at 30 September 2021:

	Amount	Average Interest Rate
	£	%
Public Works Loans Board	£395k	10.03

Estimated outstanding debt:

Year	Forecast Borrowing £m	Forecast other long-term liabilities £m	Forecast Total External Debt £m	Operational Boundary £m	Authorised Limit £m
31 <sup>st</sup> March 2022 (Forecast)	0.387	1.119	1.506	7.9	12
31 <sup>st</sup> March 2023 (Forecast)	0.367	0.616	0.983	7.1	11
31 <sup>st</sup> March 2024 (Forecast)	0.347	0.113	0.460	7.4	12
31 <sup>st</sup> March 2025 (Forecast)	0.325	0	0.325	13.6	18
31 <sup>st</sup> March 2026 (Forecast)	0.305	0	0.305	14.2	19

\* Comprises the finance lease relating to Letchworth Multi-storey car park and impact of the finance lease for waste vehicles.

The external borrowing forecast can be used to give an indication of the borrowing that may be required, which is combined with outstanding existing borrowing. The Council will also borrow for short-term cash-flow needs if required. The actual borrowing that is taken out will depend on the latest forecasts and the offers that are available at the time that it is required. There will also be a consideration of when any other borrowing becomes due, with the aim of achieving a spread of these dates. This is to try and avoid refinancing risk. The Council is

required to set indicators for the maturity structure of its borrowing. Given the low level of borrowing that the Council currently has and is forecast to have, it is considered appropriate to maintain full flexibility as to the exact duration of any borrowing undertaken.

To manage refinancing risk, the Council sets limits on the maturity structure of its borrowing. However, these indicators are set relatively high to provide sufficient flexibility to respond to opportunities to repay or take out new debt (if it was required), while remaining within the parameters set by the indicators. Due to the low level of existing borrowing, the under 12 months limits have a broad range to allow for cash-flow borrowing (if it was required).

Maturity Period	Lower %	Upper %
Under 12 months	0	100
12 months to 2 years	0	50
2 years to 5 years	0	60
5 years to 10 years	0	100
10 years to 20 years	0	100
20 years and above	0	100

The Prudential Indicator below considers the cost of borrowing as a % of the net revenue budget of the Council.

Year	Estimated cost of borrowing £m	Forecast net revenue budget £m	Estimated cost of borrowing as a % of net revenue budget
2021/22	0.040	19.361	0.207
2022/23	0.039	17.328	0.225
2023/24	0.037	17.028	0.217
2024/25	0.035	16.949	0.207
2025/26	0.035	16.822	0.208

The Council is required to set a prudential indicator that estimates financing costs (cost of borrowing less income from investments) as a percentage of its net revenue budget.

Year	Estimated cost of borrowing £m	Less: Forecast of interest earned £m	Net Financing Costs £m	Forecast net revenue budget £m	Estimated cost of borrowing as a % of net revenue budget
2021/22	0.040	0.050	-0.010	19.361	-0.052
2022/23	0.039	0.102	-0.063	17.328	-0.364
2023/24	0.037	0.097	-0.060	17.028	-0.351
2024/25	0.035	0.096	-0.061	16.949	-0.361
2025/26	0.035	0.092	-0.057	16.822	-0.338

## 5. Debt Rescheduling

No debt rescheduling was undertaken during the quarter.

## 6. Compliance with Treasury and Prudential Limits

The prudential and treasury Indicators are shown in Appendix 1.

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits, During the year to date as at 30th September 2021, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2021/22.

All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

## September 2021

Treasury Indicators	2021/22 Budget £'000	30.09.21 Actual £'000
Authorised limit for external debt	12,000	395
Operational boundary for external debt	7,900	395
Gross external debt	5,248	395
Investments	23,200	56,500
Net borrowing	17,952	56,105
<b>Maturity structure of fixed rate borrowing</b>		
Under 12 months	18	18
12 months to 2 years	282	19
2 years to 5 years	1,291	62
5 years to 10 years	4,126	55
Upper limit for principal sums invested over 365 days	11,000 Max	0

Prudential Indicators	2021/22 Budget £'000	31.3.21 Actual £'000
Capital expenditure *	16,169	436
Capital Financing Requirement (CFR) *	5,100	-5,040
In year borrowing requirement	5,248	0
Ratio of financing costs to net revenue stream	0.71%	-0.02%



**CABINET**  
**21 December 2021**

**PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: SECOND QUARTER REVENUE BUDGET MONITORING 2021/22**

REPORT OF: THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR FINANCE AND IT

COUNCIL PRIORITY: BE A MORE WELCOMING, INCLUSIVE AND EFFICIENT COUNCIL

**1. EXECUTIVE SUMMARY**

1.1. The purpose of this report is to inform Cabinet of the summary position on revenue income and expenditure forecasts for the financial year 2021/22, as at the end of the second quarter. The forecast variance is a £1.256m decrease on the net working budget of £19.361million, with an ongoing impact in future years of a £228k decrease and requests to carry forward budget totalling £160k to fund specific projects in 2022/23. The reduction in the forecast outturn to £18.105million primarily relates to a £1.1million reduction in the estimated additional financial support required by SLL to maintain operations at the Council's leisure centres. All other significant component variances are detailed and explained in table 3.

**2. RECOMMENDATIONS**

2.1. That Cabinet note this report.

2.2. That Cabinet approves the changes to the 2021/22 General Fund budget, as identified in table 3 and paragraph 8.2, a £1.256million decrease in net expenditure.

2.3. That Cabinet notes the changes to the 2022/23 General Fund budget, as identified in table 3 and paragraph 8.2, a total £68k decrease in net expenditure. These will be incorporated in the draft revenue budget for 2022/23.

**3. REASONS FOR RECOMMENDATIONS**

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

**4. ALTERNATIVE OPTIONS CONSIDERED**

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

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

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

## 6. FORWARD PLAN

- 6.1. The report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 20<sup>th</sup> August 2021.

## 7. BACKGROUND

- 7.1. Council approved the revenue budget for 2021/22 of £18.441million in February 2021. As at the end of Quarter Two, the working budget has increased to £19.361million. Table 1 below details the approved changes to this budget to get to the current working budget:

**Table 1 - Current Working Budget**

	<b>£k</b>
Original Revenue Budget for 2021/22 approved by Full Council	18,441
Quarter 3 2020/21 Revenue Budget Monitoring report – 2021/22 budget changes approved by Cabinet (March 2021)	(17)
2020/21 Revenue Budget Outturn Report – 2021/22 budget changes approved by Cabinet (June 2021)	377
Quarter 1 2021/22 Revenue Monitoring report - 2021/22 variances approved by Cabinet (September 2021)	560
<b>Current Working Budget</b>	<b>19,361</b>

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

**Table 2 – Service Directorate Budget Allocations**

<b>Service Directorate</b>	<b>Working Budget at Q1</b>	<b>Changes approved at Q1</b>	<b>Other Budget Changes during Q1</b>	<b>Current Net Direct Working Budget</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>
Managing Director	2,234	96	(109)	2,221
Commercialisation	(267)	27	18	(222)
Customers	3,897	162	54	4,113
Legal & Community	2,232	11	31	2,274
Place	6,892	144	6	7,042
Regulatory Services	1,196	131	(3)	1,324
Resources	2,617	(11)	3	2,609
<b>TOTAL</b>	<b>18,801</b>	<b>560</b>	<b>0</b>	<b>19,361</b>

- 7.3. It was noted in the Quarter One report that the external audit of the Council's Final Accounts for 2020/21 was due to commence in November. At the time of writing this report, the audit has commenced but is not yet complete. Further changes to the General Fund balance may arise as a result of the audit.

## 8. RELEVANT CONSIDERATIONS

- 8.1. Service Managers are responsible for monitoring their expenditure and income against their working budget. Table 3 below highlights those areas where there are forecast to be differences. An explanation is provided for each of the most significant variances, which are generally more than £25k. The final columns detail if there is expected to be an impact on next year's (2022/23) budget:

**Table 3 - Summary of significant variances**

<b>Budget Area</b>	<b>Working Budget £k</b>	<b>Forecast Outturn £k</b>	<b>Variance £k</b>	<b>Reason for difference</b>	<b>Carry Forward Request £k</b>	<b>Estimated Impact on 2022/23 £k</b>
District Council Offices Second Floor Letting Income – Contribution to overheads and service charge	0	(63)	(63)	Forecast outturn represents the tenant's contribution towards the overhead costs of the building (primarily energy costs & business rates), which is based on the proportion of space occupied, as well as those costs directly associated with the second floor (e.g., cleaning costs). The tenant is also required to pay a service charge relating to the use of the communal areas and lifts at the DCO. The current year estimate includes eligible charges for the period of occupancy prior to April 2021.	0	(39)
Temporary Accommodation Net Cost	220	292	+72	The forecast outturn indicates the cost of nightly paid placements in hotels for homeless households. As most of the homeless households qualify for housing benefit, much of the additional cost to the Council relates to the estimated shortfall in Housing Benefit Subsidy, with housing benefit payments in respect of temporary accommodation not eligible for full reimbursement through the subsidy. In addition, the increase in demand for accommodation following the crisis in Afghanistan has led to the Council also having to use more expensive hotels, where the cost exceeds the housing benefit payment. Options to increase the supply of supported housing units are underway with specialist providers. While timescales are not yet certain, once in place hotel use should reduce significantly.	0	0
Housing Benefit Overpayments – Bad Debt Provision	300	0	(300)	The reduction in the estimated contribution required to the bad debt provision in 21/22 follows a much lower level of overpayments raised in 2020/21, as highlighted and explained in the Q1 revenue monitoring report 2020/21. The consequence is that the level of debt that has aged and now needs to be included in the provision calculation is significantly lower relative to previous years, which has contributed to a reduction in the overall provision required. Overpayments raised in this financial year are however exceeding 20/21 levels, as claimants' incomes return to pre-pandemic levels and benefit entitlement adjusts accordingly, so at this point no permanent adjustment to the budget estimate is recommended.	0	0

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2022/23 £k
Legal & Community Directorate Staffing Costs	1,694	1,657	(37)	Underspend variance is due to several vacancies in Community Engagement and Electoral Registration service areas.	0	0
Net cost of May 2021 elections	67	28	(39)	The lower than budgeted net cost of administering the elections in May follows grant contributions received from both Hertfordshire County Council and central government. The total amount of grant income, which was provided to ensure all appropriate measures were identified and put in place to minimise the Covid-19 related risks from holding the elections, was ultimately greater than the additional costs incurred from implementation. This was partly due to the work that was undertaken by existing staff.	0	0
Brexit Grant funded expenditure	32	0	(32)	A carry forward of this budget is requested to fund an increase in the contracted weekly hours of the Procurement Officer post in Legal Services, from 18.5 to 37 hours in 2022/23, as described in the corresponding revenue investment proposal included in the draft budget for next year. The role will include working with local businesses and other Local Authorities on post Brexit procurement matters.	32	0
Fly Tipping	43	72	+29	Since the onset of the Covid-19 pandemic, there has been a significant rise in the number of fly tipping incidents. This was attributed to more people clearing out their properties whilst in lockdown or furloughed and either disposing of waste illegally or using waste carriers who ultimately disposed of waste illegally. The higher level of fly tipping activity has however continued during this year, despite promotion of the message warning against illegal dumping.	0	0
Paper Recycling						
Income from the sale of paper collected	(93)	(164)	(71)	Increase in sales income follows the start of a new contract, procured alongside the Hertfordshire Waste Consortium, in June. The sale price for paper achieved each month is now dependent on the market price which, while variable, has so far been significantly higher than the fixed price per tonne agreed under the previous contract. The decline however in the volume of paper collected each month continues, with the forecast amount of recycling credit income from Hertfordshire County Council adjusted to reflect current levels of paper collected.	0	(71)
Recycling credits income from Hertfordshire County Council	(90)	(72)	+18		0	18
<b>Net Total</b>	<b>(183)</b>	<b>(236)</b>	<b>(53)</b>		<b>0</b>	<b>(53)</b>

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2022/23 £k
Commingled Recycling - Recycling credits income from Hertfordshire County Council	(473)	(581)	(108)	While the volume of commingled recycling collected in this financial year is lower than the prior year, where tonnages peaked during lockdowns, tonnages remain higher than those recorded in the equivalent period prior to the Covid-19 pandemic. The higher recycling tonnages therefore increase the eligible amount of recycling credits income from HCC.	0	(108)
Leisure Centre management – additional finance support to Stevenage Leisure Limited (SLL)	1,183	81	(1,102)	In January Council approved additional budget of £2m to support SLL in maintaining operations at the Council's leisure centres, which included the waiver of £817k of management fee income due to the Council. Reduction in forecast financial support required is based on activity levels in the first half of the year and assumes no further Covid-19 related restrictions on operations in the second half of the year.	0	0
Regulatory Directorate Staffing Costs	3,710	3,637	(73)	Underspend reflects some turnover in staff with several retirements and resignations during the first half of the year. Posts were held vacant during the recruitment process and in some cases for an extended period while successful candidates observed contractual notice periods at their previous employer prior to commencing their new role at NHC.	0	0
Strategic Planning – Supplementary Planning Documents	167	67	(100)	At its meeting in March 2021 Cabinet approved the reallocation of existing approved revenue budgets for Community Infrastructure Levy (£87k carried forward from 2020/21) and the potential Single Issue Review of the Local Plan (£80k, of which £40k carried forward from 2020/21) to create a budget for the delivery of the work on a revised and updated programme of Supplementary Planning Documents. Progress in developing the programme of Supplementary Planning Documents has however been delayed due to the focus on masterplanning and the secondment of Strategic Planning staff to support Development Management. It is therefore requested to carry forward the forecast unspent budget of £100k to fund the progress of this work in 2022/23.	100	0

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2022/23 £k
Local Plan						
Expenditure	0	96	+96	Costs related to the Local Plan in this year include the inspector's costs for completing the final report and associated legal costs. The final total remains subject to the complexity of any issues raised in the Inspector's final report and the approval process. Additional costs in progressing the Local Plan were highlighted as a financial risk when the budget was approved by Council in February. The contribution of £39k from the Local Plan reserve represents the entire balance remaining in the reserve at the start of the year.	0	0
Contribution from earmarked reserve	0	(39)	(39)		0	0
<b>Net total</b>	<b>0</b>	<b>57</b>	<b>+57</b>		<b>0</b>	<b>0</b>
Planning Appeals	25	104	+79	Consultant and legal costs were incurred due to a public enquiry and a legal appeal respectively concerning planning application decisions made by the Council's Planning Committee. The total also includes costs awarded to the appellant of £43k.		
Development Control						
Pre-application planning advice income	(63)	(45)	+18	Forecast underachievement of pre-application income is due to developers going through the masterplanning process to agree the framework for development on large sites, rather than paying for pre application advice. In future in these circumstances there will be planning performance agreements (PPAs) in place, where landowners pay a fee for the service provided by the Council. While the income from PPAs is ultimately expected to offset a corresponding future reduction in pre-application income, the PPA's are still being worked on and the fees have yet to be agreed, hence the temporary loss of income anticipated in this year.	0	0
Planning Applications Income	(890)	(820)	+70		The delay in the adoption of the Local Plan has resulted in a delay in determining major applications for outline planning permission. Significant income will be achieved when follow up reserved matters applications are submitted, but until the outline permissions are granted this cannot happen. The Local Plan is expected to be adopted at some point during 2022.	0
<b>Total:</b>	<b>953</b>	<b>865</b>	<b>+88</b>		<b>0</b>	<b>0</b>

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2022/23 £k
Car Parking Fees Income	(1,873)	(1,585)	+288	Income recorded from ticket sales during Quarter 2 was approximately 80% of that anticipated in the budget, up from around 70% achieved during Quarter 1 when restrictions on social activities were in place. The forecast variance assumes that activity will remain at around 80-85% of the budget expectation for the rest of the financial year. While it is possible that the recovery will continue to strengthen and the level of income receipts increase above the forecast level, achieving the revised projection remains dependent on there being no further pandemic related restrictions imposed by government in the coming months.	0	0
Car Park Season Ticket Income	(256)	(165)	+91	While income from season ticket sales at the end of the second quarter surpassed the total recorded for the whole of 20/21, income receipts remain only slightly more than half that generated prior to the Covid-19 pandemic. The forecast outturn assumes that sales will remain at around current levels in the second half of the year. While the reduction in demand is attributed to the greater levels of home working adopted in response to the pandemic, at this stage it may also indicate that the change in work patterns and routines, initially adopted out of necessity, may continue on a more permanent basis.	0	0
Parking Lines & Signs maintenance	74	46	(28)	The majority of the £55k budget carried forward from 20/21 is expected to be spent, however not all the planned works will be completed due to the capacity of staff to manage the projects. The forecast unspent budget is therefore requested to be carried forward to fund the cost of those works that will now be completed in 2022/23.	28	0
<b>Total of explained variances</b>	<b>3,777</b>	<b>2,546</b>	<b>(1,231)</b>		<b>160</b>	<b>(200)</b>
Other minor balances	15,584	15,559	(25)		0	(28)
<b>Overall Total</b>	<b>19,361</b>	<b>18,105</b>	<b>(1,256)</b>		<b>160</b>	<b>(228)</b>

8.2. Cabinet are asked to approve the differences highlighted in the table above (a £1.256million decrease in spend), as an adjustment to the working budget (recommendation 2.2). Cabinet are asked to note the estimated impact on the 2022/23 budget (£68k decrease in budget, which includes the request to carry forward £160k of budget from 2021/22 to 2022/23), which will be incorporated in to the 2022/23 budget setting process (recommendation 2.3).

8.3. The original approved budget for 2021/22 (and therefore working budget) included efficiencies totalling £286k, which were agreed by Council in February 2021. Any under or over delivery of efficiencies will be offset up by any budget variances (table 3

above). However, there can be off-setting variances which mean that it is unclear whether the efficiency has been delivered. Where this is the case, this will be highlighted. The forecast at the end of Quarter One was that £307k of efficiencies would be delivered in 2021/22, an overachievement of £21k. At Quarter Two, the forecast is that £286k of efficiencies will be achieved in 2021/22. The £21k reduction in total forecast savings at Quarter Two relates to the additional £3k commercial rents income originally anticipated upon completion of the capital scheme for the replacement of Newark Close, Royston and the reduction in property management costs, as well as additional rent income, from the planned renovations at Thomas Bellamy house in Hitchin (£18k). As highlighted and explained in the Second Quarter Investment Strategy (Capital and Treasury combined) Review 2021/22 report, neither capital scheme will be completed in this year, hence the associated revenue savings will not materialise in this year. The revenue impact of the savings not being realised in this year has been absorbed by other offsetting variances.

- 8.4. At the start of the financial year, the working budget for 2021/22 included budgets totalling £719k 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 2020/21 but was delayed into 2021/22. At Quarter One, it was forecast that £51k of the total carried forward will not be spent in 2021/22. At Quarter Two it is forecast that £195k of the budget carried forward will not be spent in the current financial year. The £144k increase in forecast unspent budget comprises;
- £12k - Parking Lines and Signs - £12k of the £55k budget carried forward will not be spent in this year and is requested to be carried forward again to fund planned works in 2022/23.
  - £87k - Community Infrastructure Levy - As noted in table 3, the £87k budget carried forward for this purpose will instead now form part of financing the programme of supplementary planning documents to support the Local Plan.
  - £13k - Single Issue Local Plan – £13k of the £40k budget carried forward is forecast to be unspent. As noted in table 3, this carry forward budget was also reallocated to fund the preparation of updated supplementary planning documents. The unspent budget has been requested to be carried forward to form a total carry forward budget of £100k (£13k+£87k) to deliver the programme of work in 2022/23.
  - £32k – Brexit Grant funded expenditure - £32k of the £43k carried forward will not be spent in this financial year and has been requested to be carried forward in to 2022/23, as explained in table 3 above.
- 8.5. There are 4 key corporate 'financial health' indicators identified in relation to key sources of income for the Council. Table 4 below shows the performance for the year. A comparison is made to the original budget to give the complete picture for the year. Each indicator is given a status of red, amber or green. A green indicator means that they are forecast to match or exceed the budgeted level of income. An amber indicator means that there is a risk that they will not meet the budgeted level of income. A red indicator means that they will not meet the budgeted level of income.
- 8.6. At the end of Quarter One, three of the indicators were green and one of the indicators was red. At the end of Quarter Two, two of the indicators are green and two of the indicators are red. The additional red indicator at Quarter Two relates to planning application fees income, as highlighted in table 3 above. The further reduction in forecast car parking fees income is also itemised in table 3. The projected overachievement of Land Charges income is unchanged from that reported and explained at Quarter One.



**Table 4 - Corporate financial health indicators**

Indicator	Status	Original Budget	Actual to Date	Projected Outturn	Variance
		£k	£k	£k	£k
Planning Application Fees (including fees for pre-application advice)	Red	(953)	(768)	(865)	88
Land Charges	Green	(164)	(78)	(176)	(12)
Car Parking Fees	Red	(1,975)	(777)	(1,585)	390
Parking Penalty Charge Notices	Green	(573)	(286)	(573)	0

**FUNDING, RISK AND GENERAL FUND BALANCE**

- 8.7. The Council's revenue budget is funded primarily from Council Tax and Retained Business Rates income. The Council was notified by Central Government in February 2021 of the amount of New Homes Bonus, Lower Tier Services Grant and Covid-19 Emergency Grant Funding it could also expect to receive in 2021/22 and planned accordingly.
- 8.8. 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. In 2021/22 the Council must make a contribution from the General Fund of £77k to the Council Tax Collection Fund and £7.9m to the Business Rates Collection Fund. These represent the estimated deficits for 2020/21 declared to government in January 2021. Both contributions are included in the calculation of the projected General Fund balance in table 6 below (the £77k Council Tax contribution is included in the estimated 'Funding' total).
- 8.9. At the end of the second quarter, there is forecast to be a small deficit on the NHDC share of the Council Tax Collection Fund of around £100k and an estimated deficit on the Business Rates Collection Fund of around £6.5million. The most significant components of the business rates deficit are; £2.5m relating to the difference between the January estimate and the 2020/21 final outturn, as explained in the Revenue Outturn report 2020/21; £4.2m due to the impact in the current financial year of business rate reliefs introduced in response to the Covid-19 pandemic (for which the Council receives equivalent compensating grant from government). These amounts have been slightly offset by the level of collectable business rates being marginally higher than anticipated when the estimate for 2021/22 was prepared in January. The forecast deficit amounts are however subject to movements in provisions for uncollected debt and appeals, the impact of which will not be known before the end of the year and are very difficult to predict at this stage. In any case neither of the Council Tax or Business Rates Collection Fund deficits forecast for 2021/22 will impact the 2021/22 funding total or the projected general fund balance shown in table 6. The repayment of the deficits will instead affect the funding position for 2022/23.
- 8.10. 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. NHDC expects to receive a grant allocation of £1.794m for non-Covid related reliefs in 2021/22, which includes an amount of £142k received as compensation for the Government's decision to freeze the business rates multiplier for 2021/22, as well as a further £4.2m for temporary rate reliefs introduced in response to the Covid-19 pandemic. The multiplier compensation is included in the funding total in table 6 below. The rest of the grant received will be held in reserve to fund the repayment of business

rate collection fund deficits recorded. Some of the amount held in reserve will therefore be used to fund the £7.9m deficit repayment required in this year.

- 8.11. 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 2021/22 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. In 2020/21 the Council benefited from a 'pooling gain' (reduction to levy contribution) of £54k. There are however a range of potential outcomes for the current year, with the final outcome depending on the actual level of rates collected by both North Herts as well as the other collection authorities in the Pool. The Council's contribution to the pool levy in 2021/22 will, in any case, be funded from the grant held in reserve and as such will have a net zero impact on the General Fund balance at the end of the year.
- 8.12. The Council has received from government non-ringfenced emergency grant funding in 2021/22 of £558k and a Council Tax Support Grant of £230k to help mitigate the financial impact of the Covid-19 pandemic. In addition, the MHCLG (now DLUHC) scheme inviting Local Authorities to apply for compensation for loss of sales, fees and charges income due to the impact of Covid-19 affecting demand covers to the end of the first quarter of 2021/22. The estimate prepared at Quarter One indicated a total eligible amount of £185k. This however assumed that the first 5% of annual losses in 2021/22 would have to be funded by the Council. In the event, however, the Council is required to finance the first 5% of the first quarter losses only. As a result, income compensation is now forecast to total around £300k.
- 8.13. The most significant financial impact of the pandemic in 2021/22 relates to the financial support required for SLL to maintain operations at the Council's Leisure Centres during the year. Estimated support was determined and approved by Council in January, with additional expenditure provision of £2m included in the original revenue budget for 2021/22. Based on the experience of the first half of the financial year, the additional support required is now forecast to reduce from the budgeted total of £2m to a revised total of £0.9m. This reduction of £1.1m is included in the forecast outturn for 2021/22.
- 8.14. The original revenue budget was not adjusted for ongoing financial impacts in other service areas, with the risk instead reflected in the calculation of the minimum General Fund balance required at the start of the year. Table 5 below itemises those other service areas where the impact of Covid-19 in 2021/22 is significant and compares the relevant working budget changes recommended in this report and at Quarter One with the full year forecast declared to Government in the latest Covid-19 monitoring return.

**Table 5 – COVID-19 Financial Impact on General Fund**

Budget Area	Revenue Budget Impact reported at Q1	Revenue Budget Impact reported at Q2	Total Working Budget Adjustment 2021/22	Full Year Forecast Impact as reported to Government	Covered by Income guarantee *	Estimated Sales, Fees and Charges (SFC) Contribution	Balance not covered by SFC contribution
	£k	£k	£k	£k		£k	£k
Homeless Accommodation	160	72	232	232	No	0	232
Hitchin Town Hall	25	0	25	52	Yes	17	35
Car Parking Fees Income	102	288	390	390	Yes	78	312
Car Park Season Ticket Income	61	91	152	152	Yes	43	109
Trade Waste and Recycling	32	0	32	32	Yes	14	18
<b>Total</b>	<b>380</b>	<b>451</b>	<b>831</b>	<b>858</b>		<b>152</b>	<b>706</b>

\* Support from Government covers 75% of relevant losses incurred up to the end of June 2021 that are in excess of 5% of the original budget for the first quarter.

- 8.15. Table 6 below summarises the impact on the General Fund balance of the position at Quarter Two detailed in this report.

**Table 6 – General Fund impact**

	Working Budget	Projected Outturn	Difference
	£k	£k	£k
<b>Brought Forward balance (1<sup>st</sup> April 2021)</b>	<b>(8,865)</b>	<b>(8,865)</b>	<b>-</b>
Net Expenditure	19,361	18,105	(1,256)
Funding (Council Tax, Business Rates, NHB, Lower Tier Services Grant)	(15,135)	(15,135)	0
Contribution from Funding Equalisation Reserve	(398)	(398)	0
Contribution to Business Rates Collection Fund	7,911	7,911	0
Funding from Reserves (including Business Rate Relief Grant)	(9,904)	(9,904)	0
Covid-19 un-ringfenced government grant funding	(117)	(558)	(441)
Covid-19 related income losses compensation to June 2021	(185)	(308)	(123)
Covid-19 Council Tax Support Grant	(230)	(230)	0
<b>Carried Forward balance (31<sup>st</sup> March 2022)</b>	<b>(7,562)</b>	<b>(9,382)</b>	<b>1,820</b>

- 8.16. 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 £2,101k, and at the end of the second quarter a total of £534k has come to fruition. The identified risks realised in the second quarter relate to

- Usage of bed and breakfast accommodation for homeless households (as highlighted in table 3 above) - £72k.
- Costs associated with appeals against planning decisions (as highlighted in table 3 above) - £79k.
- Lower than budgeted income from planning applications as a result of delay to Local Plan progress (as highlighted in table 3 above) - £70k.
- Additional costs associated with progressing the Local Plan (as highlighted in table 3 above) - £96k

**Table 8 – Known financial risks**

	<b>£'000</b>
<b>Original allowance for known financial risks</b>	<b>2,101</b>
Known financial risks realised in Quarter 1	(217)
Known financial risks realised in Quarter 2	(317)
<b>Remaining allowance for known financial risks</b>	<b>1,567</b>

## **9. LEGAL IMPLICATIONS**

- 9.1. The Cabinet has a responsibility to keep under review the budget of the Council and any other matter having substantial implications for the financial resources of the Council. Specifically, 5.6.8 of Cabinet's terms of reference state that it has remit "*to monitor quarterly revenue expenditure and agree adjustments within the overall budgetary framework*". By considering monitoring reports throughout the financial year Cabinet is able to make informed recommendations on the budget to Council. The Council is under a duty to maintain a balanced budget and to maintain a prudent balance of reserves.

## **10. FINANCIAL IMPLICATIONS**

- 10.1. Members have been advised of any variations from the budgets in the body of this report and of any action taken by officers.

## **11. RISK IMPLICATIONS**

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

## **12. EQUALITIES IMPLICATIONS**

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment,

victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

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

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

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

### **14. ENVIRONMENTAL IMPLICATIONS**

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

### **15. HUMAN RESOURCE IMPLICATIONS**

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

### **16. APPENDICES**

- 16.1. None.

### **17. CONTACT OFFICERS**

- 17.1. Antonio Ciampa, Accountancy Manager  
[antonio.ciampa@north-herts.gov.uk](mailto:antonio.ciampa@north-herts.gov.uk); ext 4566
- 17.2. Jodie Penfold, Group Accountant  
[jodie.penfold@north-herts.gov.uk](mailto:jodie.penfold@north-herts.gov.uk); ext 4332
- 17.3. Ian Couper, Service Director – Resources  
[ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk); ext 4243
- 17.4. Jo Keshishian, Acting Human Resources Services Manager  
[Jo.Keshishian@north-herts.gov.uk](mailto:Jo.Keshishian@north-herts.gov.uk); ext 4314
- 17.5. Isabelle Alajooz, Legal Commercial Team Manager  
[isabelle.alajooz@north-herts.gov.uk](mailto:isabelle.alajooz@north-herts.gov.uk); ext 4346
- 17.6. Reuben Ayavoo, Policy and Community Engagement Manager  
[reuben.ayavoo@north-herts.gov.uk](mailto:reuben.ayavoo@north-herts.gov.uk); ext 4212

### **18. BACKGROUND PAPERS**

- 18.1. None.

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**Cabinet**  
**21 December 2021**

**\*PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: COUNCIL TAX REDUCTION SCHEME 2022/2023**

**REPORT OF: SERVICE DIRECTOR - CUSTOMERS**

**EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR FINANCE & IT**

**COUNCIL PRIORITY: BE A MORE WELCOMING, INCLUSIVE & EFFICIENT COUNCIL**

**1. EXECUTIVE SUMMARY**

- 1.1 To provide Cabinet with an update on how the Scheme is operating.
- 1.2 To consider whether any changes should be made to the Council Tax Reduction Scheme (CTRS) for year ten (2022/2023).

**2. RECOMMENDATIONS**

- 2.1. That Cabinet recommends to Council that the CTRS position relating to this and previous financial years is noted.
- 2.2. That Cabinet recommends to Council that it is noted that a full review of the CTRS had commenced and has been postponed due to the consequences on the scheme of the COVID-19 pandemic.
- 2.3 That Cabinet recommends to Council that the funding allocated for distribution to Parish, Town & Community Councils in relation to CTRS in 2022/2023 is unchanged from 2021/2022.
- 2.4 That Cabinet recommends to Council that no changes to the CTRS be made for 2022/2023.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1. To update Cabinet on how the Scheme is working and to note that the full review planned to take place was postponed due to the impact of the COVID-9 pandemic and this remains the case. However, work is planned to start in January 2022.

**4. ALTERNATIVE OPTIONS CONSIDERED**

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

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

- 5.1 For reasons which will be explained in the report, no changes are recommended to the Scheme for 2022/2023. Any changes would be the subject of consultation with Hertfordshire County Council, the **Page 11** Commissioner for Hertfordshire, and

the public. As no changes are being recommended, this consultation was carried out with a light touch approach by simply asking for comments if any consultee does not agree. No comments on the proposal were received from Hertfordshire County Council, the Police & Crime Commissioner for Hertfordshire, or the public.

## **6. FORWARD PLAN**

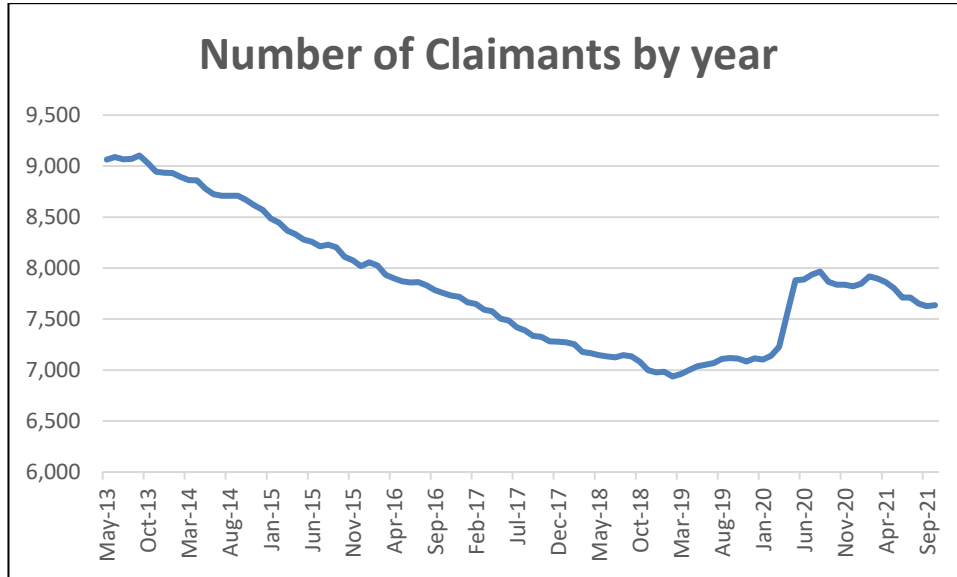
- 6.1 This report does not contain a recommendation on a key Executive decision and has therefore not been referred to in the Forward Plan.

## **7. BACKGROUND**

- 7.1 Council Tax Benefit was abolished on 1 April 2013 and was replaced by locally defined Council Tax Reduction Schemes. 2022/2023 is the tenth year of the Scheme, which is now fully embedded.
- 7.2 The Council's Scheme is based on the old Council Tax Benefit Scheme and is therefore means-tested with a standard percentage reduction being made to the final award. This reduction was 33.13% for the first two years of the Scheme and has been reduced to 25% for the subsequent years.
- 7.3 The Scheme has been generally accepted within North Hertfordshire. The Council has received very little feedback on the Scheme and collection rates have been well maintained considering the recent period of austerity and the effects of the COVID-19 pandemic and this remains the case.
- 7.4 The Scheme continues to cost less than originally anticipated due in the main to the reduction in the number of claimants. This has been a steady year-on-year reduction until the early part of 2018/2019, when the claimant numbers plateaued out and then fell slightly. The numbers rose steadily during 2019/2020 with a sharp rise in March 2020 followed by a significant increase in claims in 2020/2021 due to the COVID-19 pandemic. The steady reduction in numbers meant that the Scheme costs did not escalate even though Council Tax levels increased. With claimant numbers now increasing significantly, and the tendency for all Major Preceptors to apply the maximum increase in Council Tax without triggering a local referendum, the value of awards is increasing. There could still be some significant increases following the end of the furlough scheme, although this is not apparent as yet. Further, maximum expected increases in Council Tax for 2022/2023, eliminates any scope available to make the Scheme more generous.
- 7.5 Chart 1 below shows how claimant numbers had been steadily reduced since the Scheme was introduced.

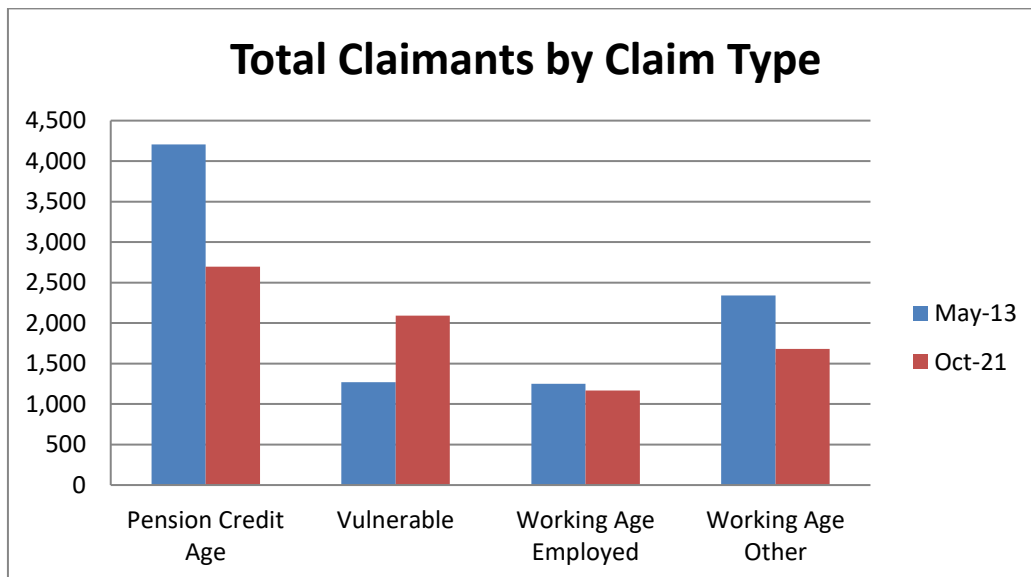


**Chart 1**



7.6 Chart 2 below shows the difference in number of claimants by claimant type from May 2013 (the earliest data we have) to October 2021. There has been a significant reduction in the number of Pension Credit Age claimants with 1,508 less or 35.9%. The number of Working Age claimants not working is 660 less or 28.2% and this gap has reduced in the last year as expected because of the pandemic. The number of Working Age claimants in work has remained fairly constant with 82 less or 6.6%, however the number of Vulnerable claimants, i.e. those in receipt of a Disability Premium has increased significantly with 821 more or 64.6%.

**Chart 2**



## 8. RELEVANT CONSIDERATIONS

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

- 8.1 In previous years, Cabinet has considered whether any changes to the Housing Benefit Regulations should be reflected within the Council's CTRS Scheme.
- 8.2 Where it has been recommended to make any changes to the Scheme, these have to be the subject of public consultation before a final recommendation is made to the Council for adoption or not into the Scheme.
- 8.3 There have been no changes to the Housing Benefit Regulations, which require adoption within the Council's CTRS for 2022/2023.

### **Other Considerations**

- 8.4 In response to the COVID-19 pandemic, the Government announced a Council Tax Hardship Scheme which provided up to an additional £150 for every working age CTRS claimant during 2020/2021. There is some residual funding of £230,800 remaining which will be distributed as an additional amount of up to £100 to every eligible working age CTRS claimant by 31 March 2022.
- 8.5 The Council Tax Hardship Scheme is for one year only and is funded from a Section 31 Grant payable by the Government and does not form part of the Council's CTRS.
- 8.6 At its meeting on 17 December 2019, Cabinet resolved "*That it be noted that a full review of the CTRS is underway and that further recommendations for changes to the Scheme will be presented to Cabinet in 2020 for implementation in 2021/2022*".
- 8.7 Work commenced on this review in the autumn of 2019 and good progress was being made, however work was halted when the Covid-19 pandemic started.
- 8.8 The intention of the review is to make the Scheme as simple as possible and to retain its fairness and financial viability.
- 8.9 One of the consequences of the COVID-19 pandemic is that it has made financial modelling of any changes to the Scheme impossible because the present very high number of claimants and high cost of the Scheme has distorted the data beyond reasonable use under "normal" circumstances.
- 8.10 It has therefore been agreed with the Executive and Deputy Executive Members for Finance & IT that the review should be delayed until more normal circumstances return and work on modelling a new scheme is therefore expected to start in early 2022.

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

- 8.11 When CTRS was introduced in 2013, the Government provided funding to each Billing Authority to compensate for the reduction in their Tax Bases as CTRS was to be treated as a Discount and was no longer reimbursed on a pound for pound basis through subsidy arrangements. Each Billing Authority was also given a sum of money to distribute amongst its Parish, Town & Community Councils to compensate for their reduction in the Tax Base. For the first year of the CTRS (2013/2014) this amount was £90,850.
- 8.12 This funding is no longer separately identifiable within the Council's financial settlement from the Government and the principle that has been adopted each year is that the

amount of money distributed by the Council will reduce in line with its own reduction in Government support.

- 8.13 By 2017/2018, this amount had reduced to £38,885 and it has remained at that level since then, as the Council no longer receives any Revenue Support Grant (RSG). It had been expected that the next reduction would take place when negative RSG was imposed on the Council. However, this has not happened yet and is not expected to happen in 2022/23. This will be confirmed as part of the Local Government settlement, and it is expected that this will take place in advance of the meeting.
- 8.14 Whilst the decision on how much funding to provide to Parish, Town and Community Councils is not related to the CTRS scheme, and is essentially a budget decision, the Parish, Town and Community Councils do reflect how much CTRS money that they are getting in calculating their precept. It is therefore beneficial for it to be determined earlier than the Council meeting in February. Cabinet are therefore asked to recommend to Council that the funding allocated for CTRS related payments to Parish, Town and Community Councils remain at the same level for 2022/23 and will be reviewed again as part of the 2023/24 Medium Term Financial Strategy/ Budget process. This reflects that the Council will not see a reduction in RSG related funding from Government.

## **9. LEGAL IMPLICATIONS**

- 9.1 The Council is required to maintain and annually review its Council Tax Reduction Scheme in accordance with Section 13A and Schedule 1A of the Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012). Section 5(2) of Schedule 4 of the Local Government Finance Act 2012, which inserts Schedule 1A to the Local Government Finance Act 1992 requires the Council to set its Council Tax Reduction Scheme by 31 January preceding the start of the financial year in which it is to apply. This has been further amended by Regulation 2 of The Council Tax Reduction Schemes (Amendment) (England) Regulations 2017 to 11 March.
- 9.2 Full Council's terms of reference include at 4.4.1 (z) "approving the Council Tax Reduction Scheme". Cabinet's terms of reference include at 5.6.44 recommending to Full Council "The Council Tax Reduction Scheme".
- 9.3 Section 3(1) of Schedule 4 of the Local Government Finance Act 2012, which inserts Schedule 1A to the Local Government Finance Act 1992 requires the Council to consult on any changes to its scheme as follows:
- Consult any Major Precepting Authority which has power to issue a precept to it
  - Publish a draft scheme in such manner as it thinks fit
  - Consult such other persons as it considers are likely to have an interest in the operation of the scheme
- 9.4 For the original scheme implemented for 2013/2014, it was necessary to carry out comprehensive consultation to ensure that the Council complied with the legal requirement to consult and did not leave itself open to challenge. Very minor changes were made to the Scheme in year two and a restricted consultation exercise was carried out inviting members of the public to comment on the Council's web site. Only minor changes have been made in subsequent years, with the resulting restricted consultation. As no changes are being recommended for 2022/2023, consultation has taken the form outlined at 5.1 above

9.5 Cabinet should note that changes to the Scheme cannot be made later in the financial year due to the need to consult before any changes can be implemented.

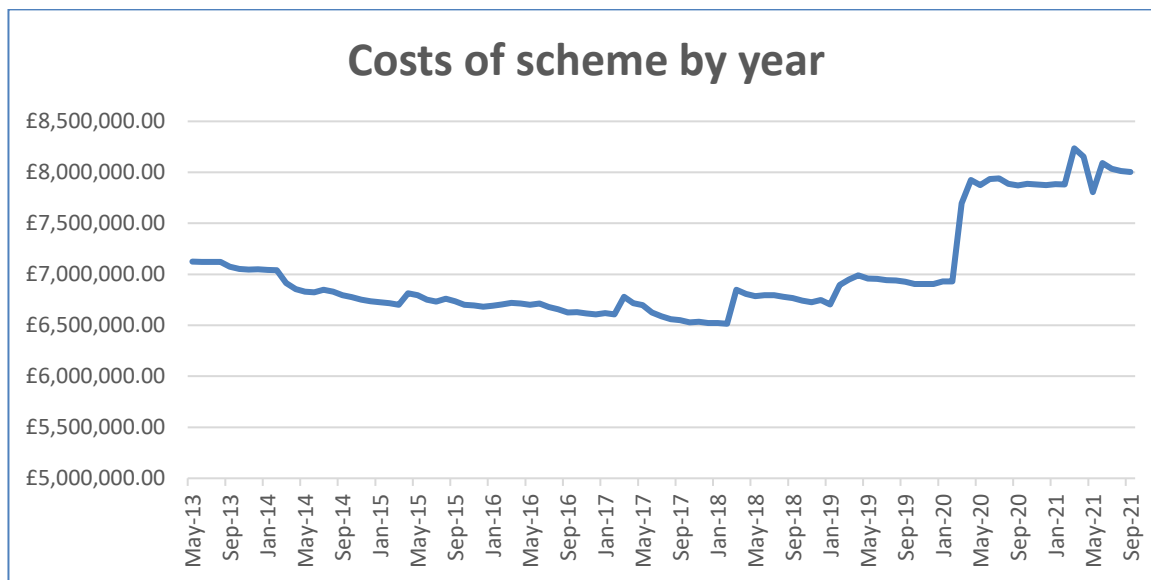
## 10. FINANCIAL IMPLICATIONS

10.1 For the first six years of this Scheme, the costs reduced steadily despite increases in Council Tax levels. This was due to the gradual reduction in claimant numbers.

10.2 The costs of the Scheme started to increase during the fourth quarter of 2018/2019 and remained fairly constant however, following the pandemic there has been a significant increase in spend, which should start to decrease as the economy starts to recover.

10.3 Chart 3 shows the costs of the Scheme in terms of Council Tax Support awarded year-on-year.

**Chart 3**



10.4 The cost of the scheme at the end of October 2021 is just over £8million compared with just under £7.9million at this time last year, and just over £6.9million in early 2020 (pre Covid-19).

10.5 Although the costs of the Scheme can be monitored through their monetary value, the Scheme is applied by the award of a Council Tax Discount, which means that there is a subsequent reduction in the Council Tax Base. The higher the value of CTRS awards, there is a subsequent reduction in the Council Tax Base. This changed in 2013 with the introduction of CTRS as the previous Council Tax Benefit Scheme was funded directly by DWP through the Council Tax Benefit Subsidy Scheme, which reimbursed Councils on a pound for pound basis for the amount of Council Tax Benefit it awarded.

10.6 Any reduction in the Council Tax Base inhibits the precepting authorities from raising revenue through Council Tax.

10.7 The current estimate is that the Council Tax Base for 2022/2023 has increased by about 1.35% this follows a reduction in the 2021/2022 Council Tax Base of 1.17%.

- 10.8 Claimant numbers are still increasing at this present time and a crucial time is just ahead as the furlough scheme unwinds with the potential of further job losses in the economy. This will continue to have a detrimental effect on the Council Tax Base if claimant numbers increase.
- 10.9 The Medium-Term Financial Strategy (MTFS) assumes that the Council Tax Base (in terms of number of band D equivalent properties) in 2022/2023 will be in line with 2021/2022. That is on the assumption that any further decline in the base number due to increased CTRS eligibility will be offset by property growth. For 2023/2024 onwards an annual growth of 0.5% is assumed.). The previous assumption had been that there would be a net 1% growth and therefore this revised assumption affects the future funding of the Council.
- 10.10 The impact of increasing costs of CTRS and therefore a potential deficit on the Collection Fund is split between North Herts District Council, Hertfordshire County Council and the Police and Crime Commissioner in proportion to their rates of Council Tax. Therefore, the impact of a £1M cost would roughly be split as follows: NHDC £127k, HCC £766k, PCC £107k. As this is administered through the Collection Fund any shortfall in 2022/2023 won't have an impact until 2023/2024.

## **11. RISK IMPLICATIONS**

- 11.1 The only way to mitigate the risk of increasing numbers of CTRS claimants is to make the Scheme less generous. This in turn will mean increases in the amount of Council Tax to be collected, which may prove counter-productive and move the problem into increased bad debts.
- 11.2 It is still difficult to know when the economy can expect to see a reasonable recovery. There have been some signs of that starting to happen but has been countered by the further waves of COVID-19 and the consequences of the furlough scheme coming to an end.
- 11.3 On balance and taking into consideration that any decision to reduce the level of awards will disadvantage the most vulnerable of our customers, make collection of Council Tax more difficult and it is unknown what the situation will be in April 2022, it is not considered that this is an approach that the Council should take at this time.

## **12. EQUALITIES IMPLICATIONS**

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 By conducting extensive consultation when the scheme was first implemented, the Council sought to collect information from those who may be potentially affected by these proposals. The public consultation showed broad support for the scheme. By substantially retaining the same scheme since 2013/2014, the Council continues to meet its obligations under the Equality Act. The proposed review will eventually identify any adverse impacts and an equality impact analysis may be required to capture these.

## **13. SOCIAL VALUE IMPLICATIONS**

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

**14. 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 Human Resources implications in this report.

**16. APPENDICES**

16.1 None

**17. CONTACT OFFICERS**

17.1 Jo Dufficy: Service Director - Customers  
[jo.dufficy@north-herts.gov.uk](mailto:jo.dufficy@north-herts.gov.uk); ext. 4555

Anne Banner: Benefits Manager  
[anne.banner@north-herts.gov.uk](mailto:anne.banner@north-herts.gov.uk); ext. 4610

Geraldine Goodwin, Revenues Manager  
[Geraldine.goodwin@north-herts.gov.uk](mailto:Geraldine.goodwin@north-herts.gov.uk) ext. 4277

Ian Couper, Service Director – Resources  
[ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk) ext. 4243

Isabelle Alajooz, Legal Commercial Team Manager and Deputy Monitoring Officer  
[Isabelle.alajooz@north-herts.gov.uk](mailto:Isabelle.alajooz@north-herts.gov.uk) ext.4346

Alice Sims, Trainee Policy Officer  
[Alice.sims@north-herts.gov.uk](mailto:Alice.sims@north-herts.gov.uk), ext. 4240

Rachel Cooper, Controls, Risk and Performance Manager  
[Rachel.cooper@north-herts.gov.uk](mailto:Rachel.cooper@north-herts.gov.uk) ext.4606

**17. BACKGROUND PAPERS**

17.1. None

**CABINET**  
**21 December 2021**

**PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: DE-COMMISSION OF THE LOCAL STRATEGIC PARTNERSHIP**

REPORT OF: *Policy and Communities Manager*

EXECUTIVE MEMBER: Executive Member for Community Engagement

COUNCIL PRIORITY: BE A MORE WELCOMING AND INCLUSIVE COUNCIL

**1. EXECUTIVE SUMMARY**

1.1 This report seeks to review one of the Council's current engagement structures – the non statutory Local Strategic Partnership (LSP) which is currently known as the North Hertfordshire Partnership.

**2 RECOMMENDATIONS**

2.1. That Cabinet support and approve the dissolution of the LSP for the reasons set out in this report.

**3 REASONS FOR RECOMMENDATIONS**

3.1 North Hertfordshire Council widely engages with statutory and voluntary and community organisations in numerous ways. Much has changed since the establishment of the LSP in 2001. Due to a range of factors: the emergence of new thematic partnerships and networks, the complete allocation of the Performance Reward Grant (PRG) and the reduced attendance and engagement of external partners at the Partnership meeting, consideration must be made to dissolving the LSP.

**4. ALTERNATIVE OPTIONS CONSIDERED**

4.1 To continue to arrange biannual meetings of the LSP with reduced partnership involvement.

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

5.1 The Executive Member and Deputy for Community Engagement have been briefed on the relevant matter in this report. Officers have sought the comments from the listed partners in regard to the proposed dissolution of the LSP. No comments were received during the consultation period from any of the external LSP partners.

## **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 30 April 2021.

## **7. BACKGROUND**

- 7.1 Cabinet approved the establishment of an LSP on the 18 December 2001 in accordance with guidance issued under the provisions of the Local Government Act 2000. LSPs comprised of non-statutory public, private and voluntary and community sector organisations. Section 4 of the Local Government Act 2000 (repealed in 2015) required all local authorities to prepare a Sustainable Community Strategy (SCS) for promoting or improving the economic, social, and environmental well-being of their area. In the preparation of this strategy, authorities were required to consult with other partners and organisations through the structure of an LSP to develop the SCS. Central Government provided no prescription about its membership, or terms of governance. The Council adopted an Executive and Board structure to consult with over 50 partners organisations to produce the Strategy. As LSPs were unincorporated entities, the responsibility for appropriate spend of the Central Government Performance Reward Grant (PRG) remained with the local authority on the LSP's behalf. The LSP made recommendations for project funding and Cabinet made the final approval to release the funding.
- 7.2 The structure of the LSP has been continually reviewed from 2011 to 2019. These changes to the partnership reflected the complete allocation of Central Government funding (Performance Reward Grant), National Indicator Sets, the removal of, and a general reduction in partnership resource to attend. The Partnership evolved into a single partnership arrangement (originally the LSP agreed a two-tiered management structure with an Executive Group and General Partnership Board) with a more focussed membership and sought to provide information sharing and networking opportunities.
- 7.3 As of 2019, the LSP membership included thirteen partners: - North Hertfordshire District Council, Hertfordshire County Council, North Hertfordshire College, North Hertfordshire Centre for Voluntary Services, Hertfordshire Constabulary, Hertfordshire Fire and Rescue Service, North Hertfordshire Minority Ethnic Forum, Hertfordshire Local Enterprise Partnership, settle, Citizens Advice Bureau and the East and North Hertfordshire Clinical Commissioning Group.

## **8. RELEVANT CONSIDERATIONS**

### **Duty to prepare a Sustainable Community Strategy (SCS)**

- 8.1 As indicated above, the duty to prepare a Sustainable Community Strategy was repealed (under Section 100 of the Deregulation Act 2015). This repeal of Section 4 of the Local Government Act 2000 (the duty for local authorities to prepare a Sustainable Community Strategy) was made as part of the Localism Agenda and gave authorities the freedom to decide whether or not a Sustainable Community Strategy was needed for their area. With this change, the LSP moved away from the SCS to a set of 3 aspirations (1. To support individuals and businesses to develop and grow by provision of training and skills, 2. To support 'civic engagement' and 3. To play its part in the global effort to avoid climate change) to guide the activity of the LSP. There is no statutory requirement to have such a partnership or develop a SCS, which was one of the primary functions of the LSP.



## **LAA1 Performance Reward Grant**

- 8.2 The first round of the Local Area Agreement (LAA1) between Hertfordshire and central government ran between June 2006 and 31<sup>st</sup> March 2009. In March 2010, the Local Area Agreement Performance Reward Grant Fund was allocated to Hertfordshire County Council. As noted by Cabinet on the 30 March 2010, 'half the money earned would go to the County LSP to reflect their progress against countywide targets... and that the other half would be divided equally among the District LSPs for them to allocate according to agreed local priorities'.<sup>1</sup>
- 8.3 The LSP was the vehicle for the allocation of the Performance Reward Grant (PRG) from 2008 to 2014 for North Hertfordshire. The total funds of £434,413.74 was intended to advance the local Sustainable Community Strategy, and North Herts as the 'place'. The final allocation of the Performance Reward Grant award was made in December 2015. The LSP's function of recommending projects ceased at this time.

## **Partnership working**

- 8.4 In 2019, the consensus amongst attendees was that the LSP provided an opportunity to network and stimulated discussion between partners. However, the governance arrangements, administration, and selection of topic themes of the partnership was solely carried out by NHC officers and this was resource intensive. It is also noted that attendance at LSP meetings, since the complete allocation of the Performance Reward Grant, had dropped considerably. Of the thirteen listed partners, there was regular attendance from only a small group. This may be attributed to a lack of partner resource or the benefits of attending the LSP were no longer clear to partners.
- 8.5 Other thematic partnerships exist across the district and continue to emerge for partners to engage across the district and county. For example, the Public Health Board, the Health and Wellbeing Partnership and NHDC Healthy Hub address health and wellbeing matters; the Hertfordshire Climate Change and Sustainability Partnership (HCCSP), and Herts Waste Aware Partnership, (with NHC officers contributing to the partnership and leading the Biodiversity sub group for HCCSP) are in place to assess environmental matters; the Hertfordshire Infrastructure Planning Partnership, the Hertfordshire Growth Board Joint Committee and the Hertfordshire Local Enterprise Partnership look to address economic and planning issues. There are also a number of Strategic County Co-ordinating Cells that interact with the district councils.
- 8.6 The Council have also set up a number of Cabinet Panels to engage with public and a number of voluntary sector networks across the district and county. These all provide ample space for collaboration between organisations to work together to achieve clear outcomes and deliver change. The aspirations of the LSP are covered by these networks and partnerships.

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<sup>1</sup> March Cabinet 2010 [https://srvmodgov01.north-herts.gov.uk/Data/Cabinet/201003301930/Agenda/\\$att635.doc.pdf](https://srvmodgov01.north-herts.gov.uk/Data/Cabinet/201003301930/Agenda/$att635.doc.pdf)

- 8.7 Partnership working remains a key theme for NHC. We continue to work together with a wide number of organisations and stakeholders across all sectors. For the reasons set out above, it is considered on balance, that the LSP duplicates a number of other structures already in place, does not work in its current format and should be dissolved. This would allow all partners to focus their resources to engaging at the most appropriate levels to ensure strong partnerships.

## **9. LEGAL IMPLICATIONS**

- 9.1. Section 5 of the Constitution sets the function of Cabinet. Under the terms of reference section 5.6.24 endorses Cabinet ' to promote and develop external partnerships to meet strategic objectives and under section 5.6.26 'to confer with other local authorities, government departments statutory bodies, voluntary bodies, the police, or other external agencies in order to discharge the responsibilities vested in the Cabinet.
- 9.2. Under section 14.6.8(b)(iii) 4 of the Constitution, the Executive Member for Community Engagement is the lead Member for partnerships and liaisons with external agencies.
- 9.3. As already set out above, there is no legal requirement to have an LSP.

## **10. FINANCIAL IMPLICATIONS**

- 10.1. There are no specific revenue or capital implications or state arising from this report.

## **11. RISK IMPLICATIONS**

- 11.1 There are no direct risk implications arising from the changes highlighted in the report. The recommendations seek to make best use of the opportunities which the council engages with other partner organisations, and reduce duplication.

## **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 attached to the recommendation of this report.

## **13. SOCIAL VALUE IMPLICATIONS**

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

## **14. ENVIRONMENTAL IMPLICATIONS**

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

## **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1 The administration of the LSP is currently carried out by the Policy Team. The disbanding of the LSP will allow the team to support other partnerships and networks throughout the district and county.

## **16. APPENDICES**

16.1 None.

## **17. CONTACT OFFICERS**

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

### Contributors

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

17.4 Jo Keshishian Interim Human Resources Services Manager:  
Email: [Jo.kershishian@north-herts.gov.uk](mailto:Jo.kershishian@north-herts.gov.uk) 01462 474314.

17.5 Jeanette Thompson Service Director – Legal and Community Monitoring Officer:  
Email: [Jeanette.thompson@north-herts.gov.uk](mailto:Jeanette.thompson@north-herts.gov.uk) 01462 474370.

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

17.6 Georgina Chapman Corporate Policy Officer:  
Email: [Georgina.chapman@north-herts.gov.uk](mailto:Georgina.chapman@north-herts.gov.uk) 01462 474121.

## **18. BACKGROUND PAPERS**

18.1 None.

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**CABINET**  
**21 December 2021**

**\*PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: STRATEGIC PLANNING MATTERS**

REPORT OF: *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 and information in Appendices A to C be noted and endorsed by Cabinet.

**3. REASONS FOR RECOMMENDATIONS**

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

**4. ALTERNATIVE OPTIONS CONSIDERED**

4.1. None

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

5.1. Executive Members and Deputies have been briefed on the relevant matters in this report. The Local Plan Project Board has been 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** – Welwyn Hatfield paused the process of identifying additional sites [to seek clarity from the Department for Levelling Up, Housing & Communities \(DLUHC\)](#) on the Prime Minister’s Party Conference speech which suggested a potential policy change on greenfield development sites.
- 8.2. Welwyn Hatfield [received a response](#) from the Housing Minister, Christopher Pincher MP, which reiterates that the government’s priority for ensuring local plans are in place by 2023 has not changed, and that plan makers should continue to work under the existing guidelines.
- 8.3. The [Inspector has now written to Welwyn Hatfield](#) setting out that, now they are in receipt of a response, the Council should progress swiftly. If this cannot be achieved, the Inspector will issue a brief report explaining the main areas of unsoundness but pointing out that given the history of this Examination, he no longer has confidence that a sound plan can be achieved within a reasonable period of time and that consequently the examination should close.
- 8.4. **Greater Cambridgeshire** – Consultation on [First Proposals for the new Local Plan](#) (produced jointly by South Cambridgeshire and Cambridge City Councils) opened in November 2021 and closes on 13 December 2021.
- 8.5. Officers have reviewed the consultation material. The main development proposals for the period to 2041 are, at this stage, focused to the west, north and east of Cambridge. None of the [sites put forward for development near the administrative boundary](#) with North Hertfordshire have been included with the exception of a small proposed allocation in Melbourn.
- 8.6. A response to the consultation has been prepared and will be included in January’s report to Cabinet.

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

- 8.7. It was [reported to September Cabinet](#) that the anticipated receipt of the Inspector's report had been delayed from "early Autumn" to November. In November [officers contacted the Programme Officer](#) seeking clarification on the likely timetable.
- 8.8. [The Inspector responded](#) to state that he was still preparing the report. Once ready it would need to go through internal peer review at the Planning Inspectorate and provided to DLUHC for information prior to being issued to the Council for fact checking. The Inspector stated he was not going to be drawn into any further forecasting about when the report would be completed.
- 8.9. Officers are aware that the Programme Officer is advising examination participants that this will now not be until the New Year, reflecting the outstanding steps above.
- 8.10. Notwithstanding these delays, Officers and Members are continuing to take steps to ensure the outcomes of the examination can be successfully implemented. In line with [the Cabinet resolutions of March 2021](#), an internal Strategic Sites and Masterplanning Project Board is being established to guide the implementation of strategic and significant housing sites in line with emerging Policy SP9. Masterplan briefs are being prepared for individual development sites supported by Planning Performance Agreements to secure the resources and input required to deliver these. A further update will be provided in the January 2022 Cabinet report.

### ***Neighbourhood Plans***

- 8.11. The Ashwell Neighbourhood Plan is subject to a separate report to this meeting.
- 8.12. An independent examiner, Nigel McGurk, has been appointed to examine the [Knebworth Neighbourhood Plan](#). This examination is ongoing and the examiner has issued his clarification questions for the Parish Council to respond to. Any further update will be reported verbally to the meeting.

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

- 8.13. The minutes of the September HGB meeting are [available from the Growth Board website](#) including items on the work programme, Growth and Housing Prospectus, an update on the County Deal, establishing the Hertfordshire Infrastructure and Development Board and NEC Growth Corridor work programmes.

### ***Government announcements***

- 8.14. In 2020, DLUHC temporarily suspended legal requirements to make certain planning documents available for physical inspection as part of their response to Covid-19. These will expire on 31 December 2021. From the New Year, it will be necessary to make relevant documents available on request at the Council offices and other relevant locations (such as libraries). Officers will review the implications of this in terms of the Inspector's report and any final decision on adoption of the new Local Plan.

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

- 8.15. Officer meetings regarding the **proposed expansion for London Luton Airport** (LLA) are continuing. As part of the Development Consent Order (DCO) process, London Luton Airport Limited (LLAL) prepared a draft Statement of Community Engagement to which Officers in consultation with the with Exec Members for Planning, Transport and Community Development submitted a response. A copy of the response is attached at Appendix A.
- 8.16. LLAL, rebranded as Luton Rising are yet to formally publish their revised timetable for the submission of their DCO application to the Planning Inspectorate. It is anticipated that they will undertake a formal statutory consultation exercise on their revised scheme early in the new year before submitting their DCO application. Any updates on the timetable will be reported verbally to the meeting.
- 8.17. The Council commissioned consultants to prepare a response on behalf of the Council to the London Luton Airport S73 proposed planning conditions amendment to allow for an increase from 18 to 19 million passengers per annum. The application was presented to the Luton Borough Council Development Management Committee(DMC) on 30 November. Permission was granted. NHDC supported a letter submitted by HCC to Luton Borough Council expressing the view that the published report to the DMC on 30<sup>th</sup> November did not form a sufficiently robust basis to enable the Committee to come to a properly informed view and decision on the planning application before them. Following grant of permission HCC are now submitting a letter to Secretary of State for Levelling Up, Housing and Communities to call in the application predominantly on noise grounds. Any further updates will be reported at the meeting.
- 8.18. **LCWIP (Local Cycling and Walking Infrastructure Plan)** – A second Stakeholder Workshop was held on 29 November and 1 December to which Parish Councils, Royston Town Council, Members as well as other key organisations and community groups were invited to attend. Hosted by the County Council (HCC) and WSP, (HCC's consultants) with NHDC officers in attendance, the workshop provided the opportunity for WSP to share their revised cycling and walking routes in the four main towns and Knebworth following the outcome of their on-site audits. The workshops provided the opportunity for those in attendance to comment and provide feedback. All comments will be analysed and will assist in reviewing and prioritising the proposed network and infrastructure improvement plans before the LCWIP is completed. It is anticipated that the LCWIP will be completed early in the new year and will undergo a 4-week consultation period prior to its adoption.
- 8.19 **Sustainable Travel Towns** – as previously reported, Outline Plans for both Letchworth and Royston were prepared and agreed by all parties, i.e. being the Letchworth Garden City Heritage Foundation (who made the initial Letchworth STT application), the Royston Town Council (who made the initial Royston STT application) and North Herts for submission to the HCC Highways and Transport Cabinet Panel meeting on 4 Nov 2021 for inclusion in the full STT programme.
- 8.20 The purpose of the Outline Plans is to demonstrate that it will be possible to develop a package of measures that can deliver a significant switch to sustainable transport. Both plans have been successful and were agreed by the Panel to proceed to the full programme. This approval will now enable wider engagement and further development work to take place with



key stakeholders and local organisations in preparing a more detailed Implementation Plan for Letchworth and Royston. Copies of the Letchworth and Royston STT Outline Plans are attached at Appendix B and C respectively for information.

- 8.21 HCC are leading on the project and they are yet to contact the LGCHF, Royston town Council and officers at North Herts Council to start work on the Implementation Plans. It is anticipated that this work will commence in the new year where a programme of work will be formulated including agreeing the process for key partner and wider stakeholder engagement. Any updates will be reported verbally to the meeting.

## **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.
- 9.3. The setting of discretionary fees and charges for planning services are delegated to the Service Director: Regulatory in consultation with the Executive Member for Planning.

## **10. FINANCIAL IMPLICATIONS**

- 10.1. The costs of preparing the Local Plan and running the examination are reviewed on a regular basis and are reported through the quarterly revenue monitoring reports to Cabinet.
- 10.2. The general costs of preparing Supplementary Planning Documents, responding to consultations on neighbouring authorities' Plans, neighbourhood plans and Government consultations and the other activities identified in this report are met through existing revenue budgets or benefit from external funding or other arrangements to recover costs.
- 10.3. The Government has confirmed that funding is available for local planning authorities in respect of neighbourhood planning for 2021/22. A claim of £5k for the designation of the Charlton Neighbourhood Forum, [reported to Cabinet in September](#), will be submitted before the end of the month.
- 10.4. As previously reported, Planning Performance Agreements will also be used to seek contributions to the master planning process from developers going forward. The principles and approach that will be used to determine fees for any Planning Performance Agreements are being finalised. Further information will be included in the January 2022 update to Cabinet.

10.5. The draft 2022/23 Budget is subject to a separate report to this meeting. This sets out the proposed approach to funding of growth bids for the strategic planning service including the use of existing planning reserves.

## **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. An initial review of the existing risks for planning and development has been undertaken. It was concluded that it was best to revisit these risks once the Inspector's report has been received and / or any final decision on adoption of the new Local Plan has been taken.

## **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. As above, the planning service's proposals for the draft 2022/23 budget are subject to a separate report.

## **16. APPENDICES**

16.1. Appendix A – NHDC Response to Draft SoCC

16.2. Appendix B – Copy of Letchworth STT Outline Plan

16.3. Appendix C – copy of Royston STT Outline Plan

## **17. CONTACT OFFICERS**

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

### **Contributors**

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

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

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

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

17.6 Jodie Penfold, Group Accountant  
01462 474332 [jodie.penfold@north-herts.gov.uk](mailto:jodie.penfold@north-herts.gov.uk)

17.7 Jo Keshishian, Human Resources Operations Manager  
01462 474314 [Jo.keshishian@north-herts.gov.uk](mailto:Jo.keshishian@north-herts.gov.uk)

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

## **18. BACKGROUND PAPERS**

18.1 [Local Plan Implementation – Report to Cabinet 16 March 2021](#)

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## NORTH HERTFORDSHIRE DISTRICT COUNCIL

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

Telephone: (01462) 474000

Text Phone: (01462) 474800

DX 31317, Letchworth



Graham Olver  
LLAL Chief Executive  
Hart House Business Centre  
Kimpton Road  
Luton  
LU2 0LA

Our Ref:

Contact Officer: Louise Symes  
Direct Line: 01462 474359  
Email: [Louise.Symes@north-herts.gov.uk](mailto:Louise.Symes@north-herts.gov.uk)

Date: 17 September 2021

### Sent by Email

Dear Mr Olver

### **Future LuToN - Statement of Community Consultation (SoCC) - Statutory Consultation – January 2022**

Thank you for the opportunity to comment on the Statement of Community Consultation – Statutory Consultation 2022 (SoCC).

The Council notes that there will be a “digital first” approach to the consultation and that the Statement of Community Consultation has made provision for continuing the consultation in the event that COVID-19 restrictions are re-introduced during the consultation period. We also note that many of the community engagement methods for the forthcoming consultation are the same as the consultation methods outlined in the 2019 Statement of Community Consultation.

However, there are a couple of detailed comments that we would like to raise before the SoCC is finalised:

#### **Section 1- Introduction**

##### **Consultation to Date – Section 1.3**

At paragraph 1.1.3 an 8 week consultation period is proposed. Given the substantial amount of material and supporting documentation that will be available as part of the consultation, the scale of which may make it challenging to many parties wishing to engage in the process, it is suggested that serious consideration be given to extending the proposed consultation period to 10 or even 12 weeks.

Assuming that the summary of comments to the Statutory Consultation held in Autumn 2019 is completed, it is suggested and in the interests of assisting the public, that the feedback report is uploaded earlier rather than waiting to publish this as part of the launch of the second statutory consultation and suggest that paragraph 1.3.5 is amended accordingly.

##### **Project Description – Section 1.4**

At paragraph 1.4.3 the Council notes that there is no mention in the main elements of the project list about managing air quality and noise impacts, creating employment opportunities or seeking to

address wider surface access impacts beyond Luton Borough. Nor is there reference to working with neighbouring authorities at paragraph 1.4.5.

It is suggested that LLAL may wish to consider inclusion of these points in SoCC before it is published.

### **Changes to our proposals and updated supporting information – Section 1.5**

At paragraph 1.5.3, the Council expresses its disappointment that there appears to be no mention of an updated surface access/transport report included in the list. As the Council would expect such work will have been undertaken in light of the comments received to the 2019 Autumn consultation and in seeking to address the requirements of the new PIER and the airport's Green Managed Growth Report.

### **Green Managed Growth – Section 1.6**

The Council is of the view that more detail should be provided in the SoCC on the how GMG approach will be monitored and reported.

## **Section 3 - Statutory Consultation**

### **Document Inspection Venues – Section 3.2**

At paragraph 3.2.4, please note that currently, our Customer Service Centre is only open for essential appointments only and would not be fully open for members of the public to inspect the consultation documents on demand.

As a matter of detail, the SoCC will need to be updated to reflect the opening hours for the Council Offices before it is published.

The Council considers that additional document inspection venues should be added for North Hertfordshire at the libraries in Baldock, Knebworth and Letchworth Garden City as these venues were previously included as Document Inspection Venues in the 2019 SoCC and will be affected by the airport's expansion proposals.

Consideration should be given to reinstating the full list of document availability locations and if not, provide an explanation as to why changes have been made

### **Consultation events – Section 3.3**

At paragraph 3.3.6, while the Council welcomes that, subject to Covid regulations, events will be held in Breachwood Green, Whitwell and Hitchin, the 2019 consultation programme included events in Letchworth and Royston. The Council is disappointed that there are no events planned for either Letchworth Garden City or Royston. Apart from reference to Covid regarding the risk of face-to-face meetings the draft SoCC provides no further reason or justification for the reduction in the number of exhibition points.

Consideration should be given to including additional events in these locations, most certainly within Letchworth Garden City and should be included on the Events Location Map at Appendix 1.

## **Section 5 – Engagement**

### **Hard-to-reach Groups – Section 5.4**

At Para 5.4.4 reference is made to making use of local authority contacts with the traveller communities in the local area to ensure that people without permanent addresses who reside in the

local area are informed about the consultation. The Council queries the reference to '*We will offer to support local authorities to deliver face-to-face engagement with these groups*' and why the applicant is expecting local authorities to deliver face-to-face meetings on the proposal?

Clarity is sought on this point. The Council is willing to provide contacts but does not consider its role to deliver face to face engagement on behalf of the applicant.

## **Appendices**

### **Map of development boundary**

The first SoCC contained a map of the proposed development boundary as Appendix 1. It would be helpful for this SoCC to do likewise.

Yours faithfully

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

Councillor Sam Collins  
Executive Member for Enterprise, the Arts and Transport.

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# LETCHWORTH SUSTAINABLE TRAVEL TOWN



## OUTLINE PLAN

Development

Draft v.1	29/4/2021
Draft v 2	30/4/2021
Draft v 3	13/5/2021
Draft v 4	24/6/2021
Draft v 5	10/9/2021
Draft v 6	24/9/2021

## **LETCHWORTH SUSTAINABLE TRAVEL TOWN OUTLINE PLAN**

### **CONTENTS PAGE**

1. Background
2. Objectives
3. Geographical Area and Key Partners
4. Scheme Proposals
5. Statement of Support

Appendix A – HCC Sustainable travel town programme criteria

## 1. BACKGROUND

- 1.1 The Sustainable Travel Town programme forms part of Hertfordshire County Council's (HCC) Local Transport Plan, and aims to increase the number of people walking, cycling and using public transport.
- 1.2 The Outline Plan is the first stage in developing the programme of schemes that will be necessary to ensure success. Their purpose is to ensure that there are suitable measures that can be delivered and is a high level of support from the key partners.
- 1.3 The Outline Plan is the gateway to entering the full Sustainable Travel Towns programme. The initial application was submitted by Letchworth Garden City Heritage Foundation with support from North Herts Council. While Hertfordshire County Council is the overall lead on the programme, the intention is that the ideas are generated and owned by the local community. This Outline Plan has been prepared in partnership with the Letchworth Garden City Heritage Foundation (LGCHF), HCC and North Herts Council
- 1.4 Once entry has been achieved, there will be full public engagement to refine the existing measures and to develop new ones, enabling the production of an Implementation Plan. The level of technological change, new government initiatives and changes in legislation that may occur during the life of this programme is likely to be considerable and it will be important that the Implementation Plan will be a living document which adapts to emerging issues, is responsive to change and provides a flexible approach to ensure future adaptation of policy actions.
- 1.5 This Plan outlines the key objectives for Letchworth Garden City as set out by LGCHF, it identifies a number of scheme proposals and measures that will need to be investigated and monitored by all partners and key stakeholders as listed in Section 3 in working towards a Sustainable Travel Town.
- 1.6 It includes a position statement from North Herts Council setting out how the Council could support the Plan having regard to a number of sustainable travel town programme criteria set by HCC in relation to parking, planning, highway and other measures (see Section 5). These criteria are set as the standards to which all Sustainable Travel Towns should aspire to, and it is recognised that some deviations from these standards may be required in specific towns because of the unique opportunities and challenges of each settlement.
- 1.7 It should be noted that the delivery of any scheme in the Sustainable Travel Town is still subject to funding being available. Opportunities for partnership working and third-party funding will be explored as part of the next stage.

## 2. OBJECTIVES

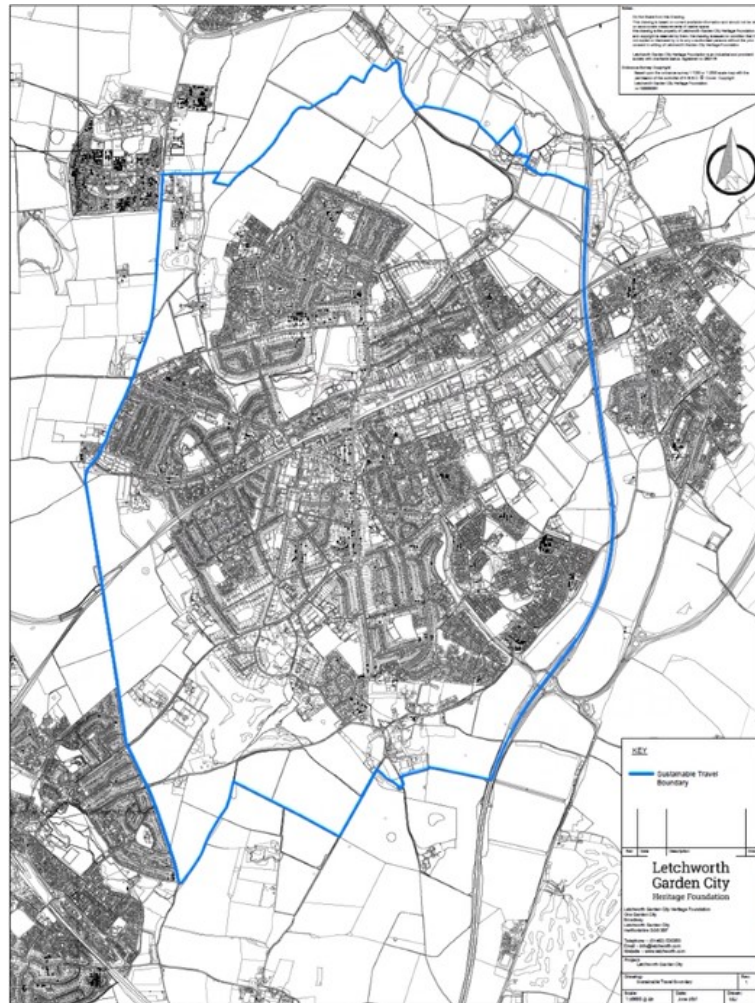
- 2.1 The following objectives are taken from Letchworth Garden City's Heritage Foundation submission to the Sustainable Travel Town programme:
- [1] Make cycling safer and more attractive incorporating the ideas set out in the Letchworth Cycling Strategy.
  - [2] Enhancements to the station forecourt to create a transport hub, incorporating buses, safe and secure cycling access and storage, pedestrian access and taxis, whilst enhancing the physical environment as an important gate way and entry point to the Garden City.
  - [3] Enhance the use of footpaths and level of pedestrian activity by identifying paths that could be improved in terms of usability, safety and attractiveness.
  - [4] Enriching the biodiversity and attractiveness of sustainable travel routes and public spaces.
  - [5] Improved access to the countryside via the Letchworth Garden City Greenway.
  - [6] Improved sustainable travel links to adjoining towns and villages.
  - [7] Encourage greater use of the Letchworth Garden City Greenway by the development and implementation of a Greenway Improvement Plan.
  - [8] Ensure that the planned expansion sites included in the North Herts Local Plan in Letchworth provide a range of non-car travel opportunities for new residents and those who live in existing nearby neighbourhoods.
  - [9] Increase the number of people cycling and walking

### 3. GEOGRAPHICAL AREA and KEY PARTNERS

#### Geographical Area

- 3.1 The area covered by the Letchworth Garden City Sustainable Travel Town is set out in Figure 1. It is the full area covered by Letchworth Garden City.

*Figure 1 – Geographical Scope of Letchworth Sustainable Travel Town*



- 3.2 Letchworth Garden City, commonly known as Letchworth was laid out by Raymond Unwin as a demonstration of the principles established by Ebenezer Howard creating an alternative to the industrial city by combining town and country living.
- 3.3 The principles of a sustainable travel town are similar, creating a town that is easy to travel around using walking and cycling and reducing the need for car travel.

Key Partners

3.4 The partners that have been involved in the development of the Outline Plan to date are:

- Letchworth Garden City's Heritage Foundation
- North Herts Council
- Hertfordshire County Council

3.5 The following partners will be included in the development of the Sustainable Travel Town once it has achieved entry into the full programme.

- Letchworth Business Improvement District (BID)
- Govia Thameslink Railway (GTR)
- Bus operators
- Taxi companies
- Local cycle groups
- Businesses
- North Herts CVS
- Transition Towns Letchworth

+ other groups to be identified

#### **4. SCHEME PROPOSALS**

- 4.1 A number of programmes and strategies are already in existence for the Letchworth area, some of which contain action plans and proposed lists of schemes. This Sustainable Travel Town Outline Plan has been developed by selecting appropriate schemes/interventions that will promote modal shift to more sustainable modes, from the following:
- North Central Growth & Transport Plan Consultation Document (Hertfordshire County Council 2020)
  - Letchworth Garden City Heritage Foundation Cycling Strategy (2018)
  - Hertfordshire County Council Rights of Way Improvement Plan (2017)
- 4.2 The Sustainable Travel Town Outline Plan includes a new stream of work to collect data around the current modal split and some public engagement to find out what the barriers are to walking, cycling and using public transport in Letchworth. The STT project will also require a monitoring programme to be established to determine if the objectives are being met and that the modal split for sustainable modes is increasing.
- 4.3 The Outline Plan is the first stage in developing the programme of schemes that will be necessary to enable modal shift to more sustainable modes in Letchworth. The next stage of the programme will be to refine the list of schemes in this Outline Plan and develop new ones (particularly behavioural change measures) to allow the development of an Implementation Plan, this will be achieved through local engagement.
- 4.4 The scheme table is set out in Table 1. It should be noted that a number of schemes appear in more than one of the documents listed at 4.1 above.



**Table 1 - Scheme Summary Table**

The schemes outlined in this table are indicative of those which will be required for the final plan. All schemes are subject to further refinement and assessment of their feasibility. The delivery of any of the schemes listed is subject to funding being available.

<b>Scheme / Programme</b>	<b>Source</b>	<b>Objective Delivered</b>	<b>Lead</b>	<b>Resources Required</b>	<b>Timescales / Dependencies</b>
<b>DATA COLLECTION</b>					
Modes of transport data collection	New	-	HCC	Revenue Staff	To be delivered before any scheme is implemented.
Traffic data collection and scheme monitoring	New	-	HCC	Revenue Staff	To look at before, during and after implementation of measures
Gain further understanding of current behaviour regarding the pattern of travel	New	-	HCC/ LGCHF/ North Herts Council	Revenue Staff	To be gathered through local engagement once the Outline Plan has been agreed
<b>BEHAVIOUR CHANGE</b>					
Develop a package of measures to allow the removal of free parking	New	[1],[3]	North Herts Council /LGCHF/HCC	Revenue Staff	Package of alternative measures to be investigated, developed and monitored over a period of between two to five years after the Covid-19 recovery period in consultation with the BID and other stakeholders and dependent upon other transport schemes identified and implemented within the plan.

Letchworth STT – Outline Plan

Scheme / Programme	Source	Objective Delivered	Lead	Resources Required	Timescales / Dependencies
Behaviour change programme [to be developed – but potentially to include actions listed below]	New	[1], [3],[7], [8].	HCC/ North Herts Council / LGCHF	Revenue Staff Volunteers	Early delivery within the programme
Launch events (pre-opening, opening and post-opening) for new sustainable transport infrastructure.	New	[9]	Project implementation team	To be determined	This needs to co-ordinated with the Behaviour change programme, (see above).
School travel plans for all schools	New	[1],[9]	HCC	Existing resources are available	
Business travel plans for all organisations over 50 employees.	New	[1],[9]	HCC	Existing resources are available	
Sustainable transport surgeries.	New	[9]	To be determined	Potentially Local Partner groups eg TTL and LALG And Local Housing Associations (Clarion, Settle and FGCH)	
Sustainable transport information packs for all new homes.	New	[8],[9]	HCC/ North Herts Council / LGCHF	Planning requirement	As new housing developments come forward.

Scheme / Programme	Source	Objective Delivered	Lead	Resources Required	Timescales / Dependencies
Interactive sustainable transport information pages on local authority websites	New	[9]	HCC/ North Herts Council	Existing resources are available	
Review of directional material provided by key local organisations.	New	[9]	HCC/ North Herts Council / LGCHF	Staff	
Adult cycle training programme	LGCHF Cycle Strategy NCGTP	[1],[2]	HCC	Existing cycle training programmes are available	This needs to co-ordinated with the Behaviour change programme, (see above).
Develop a programme of community cycle events	LGCHF Cycle Strategy	[1],[7]	HCC/North Herts Council /LGCHF/local cycling groups, (the latter to be identified).	Revenue Staff Volunteers (Letchworth Cyclists), local businesses (eg Trisports) Local Housing Associations (Clarion, Settle and FGCH)	
Driver behaviour cycle awareness campaign	LGCHF Cycling strategy	[1],[6]	HCC		
Development of cycle to school strategy	LGCHF Cycling strategy	[1]	HCC		

Scheme / Programme	Source	Objective Delivered	Lead	Resources Required	Timescales / Dependencies
Mitigating path user conflict on the Greenway	LGCHF Cycling strategy	[1],[3],[7]	LGCHF	Capital	
<b>ACTIVE TRAVEL INFRASTRUCTURE</b>					
<b>WALKING</b>					
Letchworth/Baldock Greenway – surface and vegetation improvements	HCC -ROW	[3],[4],[7]	HCC/LGCHF	Capital Possibility of grant funding as part of the LGCHF ongoing partnership with Natural England	
Norton Common – Lighting	HCC - ROW	[1],[3],	HCC/North Herts Council	Capital	Develop, specify & cost
PR71 A505 Pedestrian Crossing	Package 11 North Central Herts GTP	[3]	HCC	Capital	
<b>CYCLING</b>					
Schemes identified in the North Central Hertfordshire Growth and Transport Plan (Packages below)	North Central Herts GTPLGCHF Cycling Strategy HCC/NHDC	[1], [2], [6], [7], [8].	HCC	Capital	

Scheme / Programme	Source	Objective Delivered	Lead	Resources Required	Timescales / Dependencies
SM82 Stevenage to Letchworth Cycle Route	Package 6 North Central Herts GTP  LGCHF Cycling Strategy  HCC/NHDC	[1]	HCC	Capital	
SM85 Reconfigure B197/A505 junction Upgrade NCR 12	Package 6 North Central Herts GTP	[1]	HCC	Capital	
PR105 B197 London Road Cycle enhancements	Package 6 North Central Herts GTP	[1]	HCC	Capital	
PR63 Cycle network signage	Package 11 North Central Herts GTP	[1]	HCC/North Herts Council	Capital	
PR65 Letchworth town centre cycle parking	Package 11 North Central Herts GTP	[1]	HCC/North Herts Council	North Herts Council LGCHF BID	

Scheme / Programme	Source	Objective Delivered	Lead	Resources Required	Timescales / Dependencies
SM62 Baldock to Letchworth Cycle Route	Package 11 North Central Herts GTP  LGCHF Cycling Strategy  HCC/NHDC	[1],[6]	HCC	Capital	
PR68 Letchworth rail station cycle parking	Package 12 North Central Herts GTP	[2]		Capital	
SM67 Connections for site LG1- land north of Letchworth	Package 12 North Central Herts GTP	[2],[8]		Capital	
SM69 North Letchworth cycling connections	Package 12 North Central Herts GTP  LGC Cycle Network Plan (2017)  HCC/North Herts Council	[1]		Capital	

Scheme / Programme	Source	Objective Delivered	Lead	Resources Required	Timescales / Dependencies
Package 14: SM95 Cycle Routes to Henlow Camp and Stotfold	Package 14 North Central Herts GTP  HCC/North Herts Council Central Beds. Council	[1],[6]		Capital	Discussion with Central Beds. Council probably required at some point on this scheme as it's cross- boundary.
Shared Pedestrian Cycle Lane	LGC Cycle Network Plan (2017)	[1]		Capital	
Cycle parking New and Additional cycle parking	GTP / North Central Herts LGCHF Cycling strategy HCC/North Herts Council	[6], [7], [8]		Capital	Locations to be defined in Local Cycling & Walking Improvement Plan LCWIP development (to be completed December 2021)
Development of secondary north-south cycle corridor from Jackmans Estate in the south to Grange estate in the north via Dunham's Lane	LGCHF Cycling strategy  HCC/North Herts Council	[1],[6]		Capital	

Scheme / Programme	Source	Objective Delivered	Lead	Resources Required	Timescales / Dependencies
East-west cycle corridor improvements	LGCHF Cycling strategy	[1],[6]		Capital	
Re-route Greenway away from Wilbury Road mini-roundabouts	LGCHF Cycling strategy	[7]		Capital	
Surfacing and access improvements to Greenway	LGCHF Cycling strategy	[5],[7]	LGCHF	Capital	
Green link from Standalone Farm to Norton Common	LGCHF Cycling strategy	[4]	HCC/NHDC/LGCHF	Capital	
Improve NCN12 link to Stevenage	LGCHF Cycling strategy  HCC/North Herts Council	[6]		Capital	
Create cycling link from Letchworth Gate to town centre	LGCHF Cycling strategy	[1]		Capital	
Improvements to cycling network in and north of Grange Estate	LGCHF Cycling strategy  HCC/North Herts Council	[1],[8]		Capital	



Scheme / Programme	Source	Objective Delivered	Lead	Resources Required	Timescales / Dependencies
Improve wayfinding for cyclists	LGCHF Cycling strategy	[1]		Capital	
Cycle track priority over junction mouths	LGCHF Cycling strategy	[1]		Capital	
Tightening junction turning radii	LGCHF Cycling strategy	[1]		Capital	
Designating more footway as shared use	LGCHF Cycling strategy	[1],[3]		Capital	
Creation of leisure cycle hub	LGCHF Cycling strategy	[1]		Capital	
Town centre access improvements for cyclists	LGCHF Cycling strategy	[1]		Capital	
Broadway improvements for cyclists	LGCHF Cycling strategy	[1]		Capital	
Improving cyclists' access to North Herts Leisure Centre	LGCHF Cycling strategy	[1]		Capital	
<b>TRAIN IMPROVEMENTS</b>					
Redesign station forecourt		[2]	HCC		

Scheme / Programme	Source	Objective Delivered	Lead	Resources Required	Timescales / Dependencies
PR76 Sustainable access to Hitchin, Letchworth and Stevenage from eastern A507 corridor	Package 12 North Central Herts GTP/	[6],[8]	HCC, GTR		
<b>BUS IMPROVEMENTS</b>					
SM66 Bus Access to development – Letchworth North	Package 12 North Central Herts GTP	[8]		Capital	
Bus related schemes/improvements in light of the publication of the National Bus Strategy for England	Bus Service Improvement Plan North Central Herts GTP HCC/North Herts Council	[2],[8]	HCC		
National Express Coach Service – consideration given to opportunities to raise the profile of the service which operates 24/7	New	[6]			
Promote existing Letchworth Plus Bus scheme better.	New	[2]	HCC		

Scheme / Programme	Source	Objective Delivered	Lead	Resources Required	Timescales / Dependencies
<b>OTHER MEASURES</b>					
EV charging in council car parks	New		North Herts Council	External funding / Partnership arrangement	North Herts Council is undertaking a feasibility study of all car parks across the district which it owns / manages to identify where EV charging would be viable and to consider potential partnership arrangements for EV charging. Anticipated completion in March 2023

## 5. STATEMENT OF DISTRICT COUNCIL SUPPORT

5.1 The Council will support the application by LGCHF for a Sustainable Travel Town as set out in the objectives in Section 2 and the subsequent requirements of HCC as part of the STT programme (as set out in Appendix A), in the following ways:

### 5.2 Parking measures

5.2.1 North Herts Council through its adopted Parking Strategy is supportive of the principle of working towards the removal of free parking in its town centres to encourage modal shift towards more active and sustainable travel through walking, cycling and public transport. Similarly, the Council will work towards achieving no net gain in parking spaces, both for on-street in the town centre and in off-street facilities where it is within the Council's power to do so. This will be dependent on the type, mix, location and use of the facility and the suitability, availability of and opportunities for public transport, alongside measures to promote accessibility for pedestrians and cyclists.

5.2.2 The removal of free parking would be a phased approach working closely with LGCHF, the Letchworth BID, Hertfordshire County Council, bus and rail operators. This will include the implementation of policies concerning town centre parking in the *NHDC Car Parking Strategy 2019-2031*<sup>1</sup>. It is acknowledged that there will be a number of challenges that will need to be addressed, and careful management will be required to ensure that new parking provision and controls in the town centre are aligned with the Council's economic, social, planning and transport priorities.

5.2.3 With the impact of Covid-19 and the subsequent challenges this has placed on all town centres across the District, including Letchworth, the town centres need time to recover and as far as possible to allow what will be the new normal way of life to establish itself. The Council is currently working with the Local BIDs through the Welcome Back Fund in preparing Town Centre Recovery Plans which in turn will provide the evidence base for the review of its Town Centre Strategies as identified in '*Policy SP4 – Town Centres, Local Centres and Community Shops, criteria 'e'*' of the Emerging Local Plan<sup>2</sup>. Consideration of parking measures and more sustainable modes of travel would form part of the review.

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<sup>1</sup> NHDC Parking Strategy and Operational Guidelines, <https://www.north-herts.gov.uk/home/parking/parking-strategy>

<sup>2</sup> NHDC Emerging Local Plan 2011-2031 See Illustrative version containing further proposed Main modifications. <https://www.north-herts.gov.uk/planning/planning-policy/local-plan/local-plan-examination/further-main-modifications-2021>

5.2.4 It is therefore important that this phased approach is carefully balanced against the recovery of the town centre together with the introduction of other more cost effective and efficient sustainable travel measures to ensure that high quality and safe alternatives are available prior to the removal of free parking. It would also be important to ensure that disabled badge users would still be able to access free short-term parking as is presently the case and servicing needs for local businesses are met.

### 5.3 Planning

5.3.1 The Council's current Parking Standards as set out in the Emerging Local Plan '*Policy T2 – Parking*' seeks to influence car use through application and assessment of parking standards and promoting the use of alternative modes of transport and travel planning, particularly in relation to development within the town centres and in close proximity to railway stations. The Council when assessing planning applications needs to carefully balance the reduction in car parking standards against '*Policy SP6 - Sustainable Transport*' of the Emerging Local Plan and the principles of paragraph 105 of the NPPF<sup>3</sup>. Each application would have to be judged on its merits working together with the developer, HCC as the Transport and Highway authority and other public transport providers in terms of agreeing the measure to be put in place at the start of the development and demonstrating how the development would link into other more sustainable modes of transport to key destinations.

5.3.2 The Council is however, looking to provide further guidance on its parking standards and sustainable transport initiatives through the production of a Sustainable Development SPD within the next twelve months. The Council is also committed to an early whole plan review of the Emerging Local Plan (*Policy IMR2 - Local Plan Early Review*) following its adoption to commence by the end of 2023. This will include reviewing the policies relating to sustainable transport and parking matters.

5.3.3 On 16th March 2021 the Council adopted a revised *NHDC Climate Change Strategy*<sup>4</sup>, following the Council declaration of a Climate Emergency in 2019. The objectives for the strategy have been defined to:

- Achieve carbon neutrality for the Council's own operations by 2030
- Ensure all operations and services are resilient to the impacts of climate change.
- Achieve a net zero carbon district by 2040.

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<sup>3</sup> NPPF - National Planning Policy Framework 2021 – Section 9 on promoting sustainable transport. <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

<sup>4</sup> Climate Change Strategy and Action Plan (2021) <https://www.north-herts.gov.uk/home/council-data-and-performance/policies/climate-change>

- Become a district that is resilient to unavoidable impacts of climate change.

5.3.4 The North Herts Council Climate Change Strategy will act as the lead strategy from which other relevant policies / strategies will follow. This will include the Sustainable Development SPD which will seek to support policies in the Emerging Local Plan that encourage the use of sustainable forms of transport, including electric vehicles and other cleaner air initiatives, designed to support the Climate Change Strategy.

5.3.5 The promotion of sustainable transport and the use of local facilities are two of the key design concepts in *Policy SP6 and SP9* of the Emerging Local Plan. The Local Plan is supported by the *NHDC Transport Strategy*<sup>5</sup> which seeks to apply *LTP4's Policy 1: Transport User Hierarchy* to future development to ensure that new development has sustainable transport built in with links to the town centres and other key destinations.

5.3.6 *Policy SP6: Sustainable Transport* seeks to:

- “..b. Encourage development in locations which enable sustainable journeys to be made to key services and facilities;*
- c. Work with Hertfordshire County Council, neighbouring authorities, Highways England and service providers to ensure that a range of sustainable transport options are available to all potential occupants or users. This may involve new or improved pedestrian, cycle and passenger transport (including rail and/or bus) links and routes;*
- d. at the earliest reasonable opportunity to implement sustainable travel infrastructure on Strategic Housing Sites and other development sites in order to influence the behaviour of occupiers or users, along with supporting Travel Plans in order that sustainable travel patterns become embedded at an early stage;*
- g. Protect existing rights of way, cycling and equestrian routes and, should diversion be unavoidable, require replacement routes to the satisfaction of the Council.”*

5.3.7 *Policy SP9 Design and Sustainability* considers good design and requires the production of Masterplans for Strategic sites and significant developments to:

- “b.ii. Create integrated, accessible and sustainable transport systems with walking, cycling and public transport designed to be the most attractive forms of transport and effectively linking into the surrounding areas;*

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<sup>5</sup> NHDC Transport Strategy (2017) Section 5 Aims & Objectives. <https://www.north-herts.gov.uk/files/ed14-nhdc-transport-strategy-october-2017pdf-0>

*b. iii. Provide a clear structure and hierarchy of pedestrian friendly streets and well-connected footpaths and cycleways integrate with the wider built and natural environment and communities; and*

*b. iv. Plan for integrated and mixed-use communities with walkable locally accessible community, employment and retail facilities;”*

5.3.8 However these will need to be balanced against other forms of infrastructure requirements and developer contributions. In using these policies in combination, and working together with HCC, developers and other service providers the Council ensures that:

- new proposals will provide high quality walking and cycling routes to existing facilities;
- New developments are required to link to the existing sustainable transport network; and
- be located in close proximity to existing services and/or provide new services on-site if necessary.

5.3.9 The Council is currently working with HCC and other key Stakeholders including the LGCHF in preparing a Local Cycling and Walking Infrastructure Plan (LCWIP) for North Hertfordshire. The LCWIP will identify a number of interventions that are required to complete and improve the cycling and walking network in Letchworth. The LCWIP will take into consideration other documents listed as para 4.1 above.

5.3.10 The Council working with the HCC Intalink Partnership is fully committed to ensuring that new housing and employment development sites are comprehensively served by sustainable transport options including bus services as outlined in Policy SP6 of the Emerging Local Plan, this is further supported by NHDC’s Transport Strategy.

5.3.11 The Council currently recognises that the limited bus services in Letchworth act as one of the biggest challenges for encouraging modal shift to sustainable transport. This in turn directly impacts on the provision of parking, as limiting parking without suitable public transport alternatives will likely lead to anti-social parking and associated issues. The main bus services operates every 30 mins between Letchworth & Hitchin and Letchworth & Stevenage Mon – Sat daytime, with limited services in the evenings, on Sundays and Bank Holidays.

5.3.12 The Council considers that there would be merit in discussing with the Integrated Transport Unit at HCC and their counterparts at Central Bedfordshire Council in the process of producing BSIP (Bus Service Improvement Plans) opportunities to consider improvements to cross boundary bus services that either:

- Identified schemes or improvements that include Letchworth either as a destination or en route.
- Would consider schemes and improvements that include Letchworth.

### *Park and Ride*

5.3.13 It is the Council's view that such a scheme would not be suitable for a town the size of Letchworth, the preference would be for the utilisation and enhancement of existing bus services, as well as the introduction of new bus services as part of the wider local bus network, that can be promoted for both inter-urban and local journeys adopting a link and ride approach instead<sup>6</sup>.

## **5.4 Highway measures**

### *Reallocation of Road Space*

5.4.1 The Council fully supports the re-allocation of road space to introduce measures such as bus and cycle lanes where appropriate. Working with HCC Highways, we support the policy commitments contained in the recently published national cycling and walking strategy 'Gear Change: a bold vision for cycling and walking' (2020)<sup>7</sup> and national bus strategy 'Bus Back Better: National Bus Strategy for England' (2021)<sup>8</sup> by the DfT. The Council notes that both strategies outline an expectation that local authorities will champion schemes to promote sustainable transport that require the re-allocation of road space for dedicated cycle ways and bus lanes.

5.4.2 Whilst there are some locations and stretches of road that offer the opportunity for the consideration of re-allocation of road space, the Council is aware that due to the historic character of Letchworth not all roads may be suitable.

5.4.3 Similarly, where appropriate the Council is fully committed to supporting trials of road closures to cars in consultation with local councillors, LGCHF, Letchworth BID, local businesses and residents.

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<sup>6</sup> University of the West of England - Implications of new transport technologies for traditional public transport operations (2018):

[http://travelwatchsouthwest.org/wpcontent/uploads/2018/10/Parkhurst\\_TWSW\\_061018.pdf](http://travelwatchsouthwest.org/wpcontent/uploads/2018/10/Parkhurst_TWSW_061018.pdf)

<sup>7</sup> Gear Change: a bold vision for cycling and walking (2020):

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/904146/gear-change-a-bold-vision-for-cycling-and-walking.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/904146/gear-change-a-bold-vision-for-cycling-and-walking.pdf)

<sup>8</sup> Bus Back Better: National Bus Strategy for England (2021):

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/980227/DfT-Bus-Back-Better-national-bus-strategy-for-England.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/980227/DfT-Bus-Back-Better-national-bus-strategy-for-England.pdf)



### *Bus Priority Measures*

- 5.4.4 The Council is willing to support the installation of bus priority measures to make bus services more attractive and convenient for both existing passengers and to encourage patronage growth, by enabling faster and more direct services. Further the Council welcomes the opportunity provided by the recently published national bus strategy and requirement for local transport authorities to produce a Bus Service Improvement Plan, with the requirement to deliver appropriate bus priority measures in Letchworth. In addition, as referred to above the Council would anticipate and welcome HCC working with neighbouring local authorities, to explore opportunities where appropriate.
- 5.4.5 The Council's commitment to the implementation of bus priority measures was further demonstrated when it successfully submitted an application for Hitchin in 2019 to be selected as a location for a feasibility study to be undertaken by the Intalink Enhanced Partnership for one of the three annual studies that they are committed to delivering as part of the Enhanced Partnership agreement.

### *Cycling Measures*

- 5.4.6 The Council is currently in the process of producing an LCWIP for the District in partnership with HCC Highways. Initially focusing on the five main towns in the District including Letchworth, following DfT guidance, when completed the LCWIP will identify and prioritise cycling and walking routes for funding and delivery. Those documents listed at para 4.1 will be taken into consideration in preparing the LCWIP.
- 5.4.7 Anticipated measures in the LCWIP include identifying locations for the:
- delivery of new cycle and walking routes with accompanying infrastructure.
  - junction and crossing improvements that will prioritise cycling and walking.
  - deliver improved wayfinding infrastructure of a similar style and quality as outlined in the national cycling and walking strategy.

## **5.5 Other measures**

### *Funding*

- 5.5.1 As one means of demonstrating the Council's support for the Sustainable Travel Town applications, North Herts Council is willing to allocate the S106 funds for sustainable transport measures for Letchworth that the Council currently holds to deliver such schemes. These contributions would be in accordance with the regulations of being fairly related to the development in scale and kind.

5.5.2 The Council will commit to support partners bids for other funding streams and opportunities that periodically are open to local authorities to support measures contained in the Sustainable Travel Town programme. Where appropriate the Council will bid directly for other funding streams.

### *Seating*

5.5.3 The Council will work with HCC and the LGCHF in providing additional seating in town centre locations and on key routes subject to availability of suitable locations and funding availability.

### *Promotion*

5.5.4 The Council is happy to make available and use our corporate communications team and resources and work with its partners in order to help support the broader aims of the Sustainable Travel Town programme as well as individual initiatives and events.

5.5.5 This includes:

- 'Outlook' magazine (both paper and digital formats) that is sent to residents three times per year containing information about Council services and events.
- 'NH Now' (digital only) that is produced two times per year exploring all the great things North Hertfordshire has to offer.
- Council run social media channels.
- Regularly updated website.
- 

### *New Technology*

5.5.6 Equally the Council is willing to support the use of new technology where possible to encourage the aims and objectives of the Sustainable Travel Town programme.

### *Cleaning*

5.5.7 The Council's Waste and Street Cleaning Contract provides a range of front-line services related to the cleaning of footpaths, and the public realm within town centres. The standard provided is on a 'needs' basis depending on the type of cleansing regime required. The town centres are classified as Enhanced Cleaning Zones where a continuous cleaning presence is provided seven days a week which includes a schedule to clean/tidy footways and removal of litter.

5.5.8 The Council has an online reporting tool which allows residents to report any issues relating to streets or areas that require cleansing.

5.5.9 The Council only has limited resources and any additional street cleaning of the public realm within town centres would need to be funded by a third party such as the LGCHF or the BID, however it is the Council's view that under the current contract this is not required. For other parts of the town, the Council has recently launched a campaign to support and work with volunteers to adopt an area to make a real community effort to reduce litter. Such initiatives will continue to be promoted.

## Appendix A

### HCC Sustainable travel town programme criteria

The criteria listed below have been set by the county council for the programme as a whole, and represents the standards to which all Sustainable Travel Towns should aspire. The criteria are focussed on the areas in which the district / borough council is either the lead or has the ability to support. It is recognised that some deviations from these standards may be required in specific towns because of the unique opportunities and challenges of each settlement, and this will be reflected in the statement from the district / borough council.

#### Parking measures

- *Working towards the removal of free parking in town centres.*
- *To ensure that there is no net gain in parking spaces both on-street and in off-street facilities.*

#### Planning

- *To reduce parking standards for new developments, wherever this can be achieved due to location and availability of other modes of transport.*
- *To ensure that new housing and employment developments have high quality walking and cycling routes to existing facilities such as shops and health centres.*
- *To ensure that new housing and employment developments make full provision to accommodate bus services.*
- *To enable the delivery of park and ride facilities where appropriate.*

#### Highway measures

- *Support the re-allocation of road space away from the private car to enable measures such as bus lanes, cycle lanes, HOV lanes and wider footways to be delivered.*
- *Support trials of road closures (part-time or full-time) and the subsequent permanent implementation where trials are successful.*
- *Support the implementation of bus priority measures such as bus lanes and priority at traffic lights.*

- *Support the delivery of new cycle routes and other cycling infrastructure, including in town centres.*
- *Support the adjustment of signal-controlled crossings to give greater time to pedestrians and cyclists.*
- *To provide or enable high quality signing and other wayfinding infrastructure, including trials of electronic wayfinding tools.*

## **Other measures**

- *To commit to the use of Section 106 (S106) and CIL receipts to help deliver the sustainable travel town measures.*
- *To bid for other funding streams open to districts / boroughs which could be used to fund sustainable travel town measures.*
- *To provide or enable additional seating in town centre locations and on key routes to trip attractors.*
- *To use district / borough resources (e.g. websites and publications) to support the promotion of active travel campaigns.*
- *To support the use of new technology to influence travel behaviours (for the positive encouragement of sustainable transport and/or the discouragement of single-occupancy car travel).*
- *To give a high priority to the cleaning of footways and the public realm*



# Royston

## Sustainable Travel Town



## Outline Plan

## Development

Draft v.1	22/4/21
Draft v.5	27/5/21
Draft v.6	14/6/21
Version 7	17/6/21
Version 8	15/7/21
Version 9 – Member consultation	16/7/21
Version 10	17/8/21
Version 11 – TC working group	14/9/21
Version 12	24/9/21



# **Royston Sustainable Travel Town outline Plan**

## **Contents page**

1. Background
2. Objectives
3. The geographical area and key partners
4. Scheme proposals
5. Statement of North Herts Council support

Appendix A – HCC Sustainable travel town programme criteria

## 1. Background

- 1.1 The Sustainable Travel Town programme forms part of the county council's Local Transport Plan, and aims to increase the number of people walking, cycling and using public transport.
- 1.2 The Outline Plan is the first stage in developing the programme of schemes that will be necessary to ensure success. Their purpose is to ensure that there are suitable measures that can be delivered, and that there is a high level of support from the key partners.
- 1.3 The Outline Plan is the gateway to entering the full Sustainable Travel Towns programme. The initial application was submitted by Royston Town Council with support from North Herts Council. While Hertfordshire County Council (HCC) is the overall lead on the programme, the intention is that the ideas are generated and owned by the local community. This Outline Plan has been prepared in partnership with the Town Council, Royston First BID, HCC and North Herts Council.
- 1.4 Once entry has been achieved, there will be full public engagement to refine the existing measures and to develop new ones, enabling the production of an Implementation Plan. The level of technological change, new government initiatives and changes in legislation that may occur during the life of this programme is likely to be considerable and it will be important that the Implementation Plan will be a living document which adapts to emerging issues, is responsive to change and provides a flexible approach to ensure future adaptation of policy actions.
- 1.5 This Plan outlines the key objectives for Royston as set out by the Town Council, and identifies a number of scheme proposals and measures that will need to be investigated and monitored by all partners and key stakeholders as listed in Section 3 in working towards a Sustainable Travel Town.
- 1.6 It includes a position statement from North Herts Council setting out how the Council could support the Plan having regard to a number of sustainable travel town programme criteria set by HCC in relation to parking, planning, highway and other measures (see Appendix A). These criteria are set as the standards to which all Sustainable Travel Towns should aspire to, and it is recognised that some deviations from these standards may be required in specific towns because of the unique opportunities and challenges of each settlement.
- 1.7 It should be noted that the delivery of any scheme in the Sustainable Travel Town programme is still subject to funding and resources being available. Opportunities for partnership working and third-party funding will be explored as part of the next stage.

## 2. Objectives

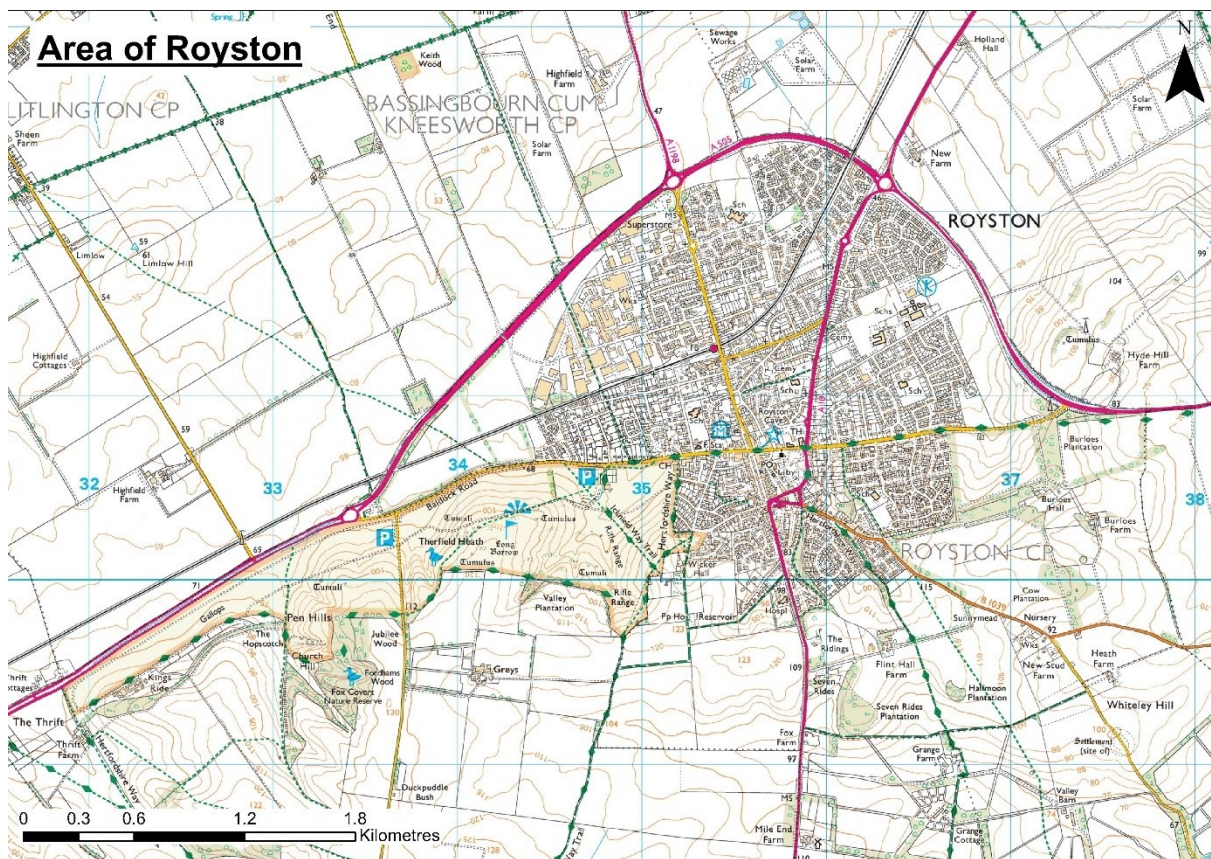
- 2.1 The overall objectives for the Royston Sustainable Travel Town are as follows:
- [1] We would like Royston to be a town that is safe
  - [2] We would like Royston to be a town that is healthy
  - [3] We would like Royston to be a town that is vibrant
  - [4] We would like Royston to be a town that is environmentally conscious
  - [5] We would like Royston to be a town that is efficient to get around
  - [6] We would like the default mode of travel not to be the private car for a greater number of our residents than at present
  - [7] Residents moving into new housing estates choose to walk or cycle to work and thus build healthy travel habits into their daily routines
  - [8] Families safely walk, cycle or take the bus into Royston's town centre, and visit shops and businesses and linger in cafes, unconstrained by parking restrictions
  - [9] Residents feel empowered to take meaningful actions to address the climate emergency by reducing their travel related CO<sub>2</sub> emissions
  - [10] There is improved connectivity of bus and train services to provide better integration between different public transport modes
  - [11] Increase the shift from the car to more active travel by improving the linkage of walking and cycling routes

### 3. The geographical area and key partners

#### Geographical area

3.1 The area covered by the Royston Sustainable Travel Town will be the whole of the main area of Royston and Therfield Heath. Royston is illustrated by the map below. The plan will include links to the town centre, the railway station and to the industrial and retail gateway area to the north of the town including to other key destinations such as schools, community centres and recreation facilities.

Figure 1 – A map of Royston



#### Key partners

3.2 The partners that have been involved in the development of the outline plan to date are:

- Royston Town Council (RTC)
- Royston First Business Improvement District (BID)
- North Herts Council
- Hertfordshire County Council (HCC)

- 3.3 The following partners and stakeholders will be included during the later stages of the development of the action plan and in the development and delivery of the implementation plan:

**Public Transport:**

**Buses:**

- HCC / Intalink Enhanced Partnership
- A2B
- Richmond's
- Stagecoach
- Herts Lynx DRT bus service

**Coach:**

- National Express

**Train:**

- Govia Thameslink Railway
- Network Rail

**Taxi companies\*:**

- Ashwell Taxis
- Royston Taxis
- Airport Taxi
- Royston Airport Services
- Butlers Car Services

\*Note this list may not include all the taxi companies operating in Royston but features most of them

**Royston & District Community Transport**

## 4. Scheme proposals

- 4.1 A number of programmes and strategies that are either already in existence or under preparation for the Royston area, some of which contain action plans and proposed lists of schemes. This Sustainable Travel Town Outline Plan has been developed by referencing appropriate schemes/interventions that will promote modal shift to more sustainable modes from the following documents:
- North Central Growth & Transport Plan Consultation Document (Hertfordshire County Council 2020)
  - Hertfordshire County Council Rights of Way Improvement Plan (2017)
  - Local Transport Plan 4 (Hertfordshire County Council 2018)
  - North Hertfordshire District Council (NHDC) Transport Strategy 2017 (evidence base to NHDC Proposed Submission Local Plan 2011-2031)
  - Draft North Hertfordshire Local Cycling & Walking Infrastructure Plan 2021 – under preparation
- 4.2 The Sustainable Travel Town Outline Plan includes a new stream of work to collect data around the current modal split and some public engagement to find out what the barriers are to: walking, cycling and using public transport in Royston. The STT project will also require a monitoring programme to be established to determine if the objectives are being met and that the modal split for sustainable modes is increasing.
- 4.3 The Outline Plan is the first stage in developing the programme of schemes that will be necessary to enable modal shift to more sustainable modes in Royston. The next stage of the programme will be to refine the list of schemes in this Outline Plan and develop new ones (particularly behavioural change measures) to allow the development of an Implementation Plan, this will be achieved through local engagement.
- 4.4 The scheme summary table is set out in Figure 2 below.
- 4.5 The table shows in column one, the list of schemes/programme, and then in column two, the source for each initiative. Column three links the schemes back to the objectives for Royston sustainable travel town. Then the following columns detail the lead/s for the scheme and the suggested form of funding for this, and then whether it has been completed, or when it is due to be finished.

**Figure 2. The scheme summary table\***

The schemes outlined in this table are indicative of those which will be required for the final plan. All schemes are subject to further refinement and assessment of their feasibility. The delivery of any of the schemes listed is subject to funding being available.

Scheme / programme	Source	Objective delivered	Lead	Resources required	Timescales / dependencies
<b>Data collection</b>					
Modes of transport data collection	New	-	HCC	Revenue Staff	To be delivered before any scheme is implemented
Traffic data collection and scheme monitoring	New	-	HCC	Revenue Staff	To look at before, during and after the implementation of measures
Gain further understanding of current behaviour regarding the pattern of travel	New	-	HCC / RTC / North Herts Council	Revenue Staff	To be gathered through local engagement once the Outline Plan has been agreed
<b>Behaviour change</b>					
Develop a package of measures to allow the removal of free parking	New	[4], [7], [8], [11]	North Herts Council / RTC / BID / HCC	Revenue Staff	Package of alternative measures to be investigated, developed and monitored over a period of between two to five years after the Covid-19 recovery period and dependent upon other transport schemes identified and implemented within the plan
Review or develop new travel plans for the local schools: <ul style="list-style-type: none"> <li>- King James Academy All Through School</li> <li>- Icknield Walk First School</li> </ul>	New	[2], [4]	HCC	Revenue Staff	

Scheme / programme	Source	Objective delivered	Lead	Resources required	Timescales / dependencies
<ul style="list-style-type: none"> <li>- Roman Way Academy (First)</li> <li>- St Mary's Catholic Primary School</li> <li>- Studlands Rise First School</li> <li>- Tannery Drift First School</li> </ul> Proposed new school (more information to follow on this)					
Business travel plans for all main employers	New	[2], [4]	HCC	Revenue Staff	Employers to be included will be considered once Outline Plan has been agreed
Travel plans for supermarket sites: <ul style="list-style-type: none"> <li>- Tesco</li> <li>- Aldi</li> <li>- M&amp;S</li> </ul>	New	[2], [4]	HCC	Revenue Staff	
Royston Station travel plan	New	[2], [4], [10]	GTR	Revenue Staff	To tie in with the potential pilot programme currently being considered by GTR
Adult cycle training programme	New	[2], [4], [6]	HCC	Revenue Staff Volunteers	To be made available throughout the programme, but to be particularly focussed when new cycling infrastructure or travel plans are launched
Launch events (pre-opening, opening and post-opening)	New	[2], [4]	RTC	Revenue Staff	To be coordinated with the delivery of any new infrastructure scheme



Scheme / programme	Source	Objective delivered	Lead	Resources required	Timescales / dependencies
for new sustainable transport infrastructure.					
Sustainable transport surgeries	New	[2], [4]	RTC	Revenue Staff Volunteers	
Sustainable transport information packs for all new homes	New	[2], [4], [7]	North Herts Council / HCC	Revenue	To be timed with the occupancy of new developments
Interactive sustainable transport information pages on local authority websites	New	[2], [4], [9]	HCC / North Herts Council / RTC	Staff	A quick win which should be targeted for immediate delivery
Review of directional material provided by key local organisations	New	[2], [4]	HCC / North Herts Council / RTC / Royston First BID	Staff	A quick win which should be targeted for immediate delivery
Further measures to be developed through public engagement	New	[2], [4], [9]			To be developed through local engagement once Outline Plan has been agreed
<b>Active travel infrastructure</b>					
Walking infrastructure – (a network of improved and high-quality walking routes. Appropriate schemes will	GTP / HCC/ North Herts	[2], [3], [4], [5], [6], [7], [8], [9], [10], [11]	HCC / North Herts Council	Capital	To be defined in LCWIP development (to be completed December 2021) and further local engagement as to what else may be included in this programme

Scheme / programme	Source	Objective delivered	Lead	Resources required	Timescales / dependencies
emerge from the North Herts Local Cycling and Walking Improvement Plan (LCWIP) – due to be completed by the end 2021	Council LCWIP				
Cycling network infrastructure (a network of high-quality radial routes, with orbital connectivity along residential streets)	GTP / HCC/ North Herts Council LCWIP	[2], [3], [4], [5], [6], [7], [8], [9], [10], [11]	HCC / North Herts Council	Capital	Routes to be further defined in LCWIP development (to be completed December 2021) and further local engagement as to what else may be included in this programme
Cycle parking (in town centre, at neighbourhood retail centres and other key service locations including improved cycling facilities at the Railway station)	GTP / HCC/ North Herts Council LCWIP	[2], [3], [4], [5], [6], [7], [8], [9], [10]  As above	HCC / North Herts Council	Capital	Locations to be defined in LCWIP development (to be completed December 2021)
Industrial Estate Connectivity (Improved connections to the industrial estate which includes upgraded pedestrian infrastructure with more frequent crossings as well as pedestrian and cyclist wayfinding from the town centre and rail station)	GTP / HCC/ North Herts Council LCWIP	[10], [11]	HCC/ North Herts Council	Capital	Routes to be further defined in LCWIP development (to be completed by December 2021)

Scheme / programme	Source	Objective delivered	Lead	Resources required	Timescales / dependencies
<p>Melbourn Greenway connectivity (Extend the Melbourn Greenway route across the A505 into Royston. Wayfinding to rail station, industrial area, and Royston town centre)</p>	<p>GTP / Cambridge-shire local authorities</p>	<p>[2], [3], [4], [5], [6], [7], [8], [9], [10], [11]</p>	<p>HCC / Cambridge-shire local authorities</p>	<p>Capital</p>	<p>Subject to final agreement between HCC and Cambridgeshire local authorities</p> <p>The Greater Cambridge Partnership have commissioned consultants to progress all of the Greenway routes, including Melbourn Greenway and A505 Bridge. The consultants will be working together on some of the common aspects, of the routes such as surfacing materials and signage detail to ensure consistency across the network. At present they expect a prelim report on all Greenway routes within two to three months, that will inform their priorities and programme for work going forward</p> <p>Detailed design on the bridge has not yet been progressed, however this work will begin shortly, and HCC will be involved in this ongoing process. Funding, designs construction and future maintenance of the bridge, are yet to be formally agreed between GCP/HCC</p>
<p>A505 Rights of Way (RoW) connectivity improvement</p>	<p>New (RoW)</p>	<p>[2], [4], [7], [11]</p>			<p>Development dependent</p>

Scheme / programme	Source	Objective delivered	Lead	Resources required	Timescales / dependencies
Additional seating in town centre and on key routes	New	[3], [6]	HCC / North Herts Council / RTC		Part of public realm considerations and identification of suitable locations to be informed by the LCWIP project
Royston town centre – widened pavements and planters, and consideration of potential semi-pedestrianisation in the future	New	[2], [3], [4], [5], [6], [7], [8], [9], [10]	HCC / North Herts Council	Capital (High street project)	<p>Current HCC scheme is subject to discussion if the planters should remain in place – this is dependent on Royston Town Council, Royston First BID &amp; residents' views</p> <p>More evidence studies to be undertaken for consideration of retaining or expanding possible semi-pedestrianisation of the High Street and would require involvement and support of the Bid and local businesses and residents' views</p>
<b>Bus &amp; rail improvements</b>					
Bus interchange improvement	GTP / HCC / North Herts Council / GTR / Network Rail	[10]	HCC / North Herts Council / GTR / Network Rail	Capital	GTR and Network Rail will need to be involved for any interchange improvements at Royston train station

Scheme / programme	Source	Objective delivered	Lead	Resources required	Timescales / dependencies
Bus service improvements (improve on interurban bus service levels)	GTP / HCC / bus operators	[10]	HCC / North Herts Council	Revenue	Explore opportunities with neighbouring local authorities Cambridgeshire & Peterborough Combined Authority and Essex County Council and bus operators, to improve cross boundary services that include Royston either as a destination or en route
Industrial estate connectivity (Shuttle bus service)	New (BID)	[5], [10]	HCC / North Herts Council / Royston First BID	Revenue	To be investigated and promoted as an alternative to travelling into the Town Centre by car, alternatively explore opportunities to incorporate the proposed shuttle bus into the existing 16 Royston Town bus service
16 circular town bus service	HCC	[10]	HCC	Revenue from S106 funding	Some S106 funds already held by HCC, trigger points for others likely to be met soon to enhance this service
Investigate the possibility of a DRT pilot being extended to cover services within Royston	HCC	[10]	HCC	Revenue	Will be investigated after the current pilot has been evaluated
<b>Other measures</b>					
Speed reduction programme	New	[1]	HCC / Police	Capital	
Town wide parking review	New	[4], [7], [8], [11]	North Herts Council	Revenue	Extent of parking review includes introducing parking restrictions to address commuter and town centre parking issues within residential areas adjacent to the railway station and town centre. However, this needs to be reviewed in light of impacts of the

Scheme / programme	Source	Objective delivered	Lead	Resources required	Timescales / dependencies
					pandemic with more people working from home regarding support for such measures going forward and how the review can support alternative modes of transport. Ongoing at present completion anticipated in March 2022
Investigate other initiatives to replace the scratch card scheme over time with a sustainable transport alternative or other forms of discount offered within the town centre	New	[2]	HCC / North Herts Council / Royston First BID	Revenue	To be considered in the light of the town centre economic recovery plan following the pandemic and would be phased out over time in accordance with the introduction of other initiatives, predominantly around enhanced public transport, cycling and walking schemes
Royston Greenway proposal	New	[2], [5], [11]	North Herts Council / HCC PROW	Capital	Proposal being developed by North Herts Council, Natural England and Therfield Heath Conservators to be taken forward with HCC PROW Team
EV charging hub within the town centre and / or train station	New	[4], [9]	North Herts Council	External Funding / Partnership arrangement	Options to be investigated in accordance with the EV strategies if not directly installed by landowners
EV charging in council car parks	New	[4], [9]	North Herts Council	External funding / Partnership arrangement	North Herts Council is undertaking a feasibility study of all car parks across the district which it owns / manages to identify where EV charging would be viable and to consider potential partnership arrangements for EV

Royston Sustainable Travel Town Outline Plan

Scheme / programme	Source	Objective delivered	Lead	Resources required	Timescales / dependencies
					charging. Anticipated completion in March 2023

*\*Please note that funding opportunities for schemes to be confirmed*

## 5. Statement of North Herts Council Support

- 5.1 The council will support the application of the Royston Town Council for a Sustainable Travel Town in the following ways taking into consideration the sustainable travel town programme criteria set out at Appendix A.

### 5.2 Parking measures

- 5.2.1 North Herts Council through its adopted Parking Strategy is supportive of the principle of working towards the removal of free parking in its town centres to encourage modal shift towards more active and sustainable travel through walking, cycling and public transport. Similarly, the Council will work towards achieving no net gain in parking spaces, both for on-street in the town centre and in off-street facilities where it is within the Council's power to do so. This will be dependent on the type, mix, location and use of the facility and the suitability, availability of and opportunities for public transport, alongside measures to promote accessibility for pedestrians and cyclists.
- 5.2.2 The removal of free parking would be a phased approach working closely with the Royston Town Council, the Royston BID, Hertfordshire County Council, bus and rail operators. This will include the implementation of policies concerning town centre parking in the North Hertfordshire District Council Car Parking Strategy 2019-2031<sup>1</sup>. It is acknowledged that there will be a number of challenges that will need to be addressed, and careful management will be required to ensure that new parking provision and controls in the town centre are aligned with the Council's economic, social, planning and transport priorities as well as taking into consideration the Royston First Prospectus for the viability of the town centre in supporting local businesses.
- 5.2.3 With the impact of Covid-19 and the subsequent challenges this has placed on all town centres across the District, including Royston, the town centres need time to recover and as far as possible to allow what will be the new normal way of life to establish itself. The Council is currently working with the Local BIDs through the Welcome Back Fund in preparing Town Centre Recovery Plans which in turn will provide the evidence base for the review of its Town Centre Strategies as identified in 'Policy SP4 – town centres, local centres and community shops, criteria 'e' of the emerging Local Plan<sup>2</sup>. Consideration of parking measures and more sustainable modes of travel would form part of the review.
- 5.2.4 It is therefore important that this phased approach is carefully balanced against the recovery of the town centre together with the introduction of other

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<sup>1</sup> NHDC Parking Strategy and Operational Guidelines, <https://www.north-herts.gov.uk/home/parking/parking-strategy>

<sup>2</sup> North Hertfordshire Local Plan Proposed Submission 2011-2031 See Illustrative version containing further proposed Main modifications. <https://www.north-herts.gov.uk/planning/planning-policy/local-plan/local-plan-examination/further-main-modifications-2021>



more cost effective and efficient sustainable travel measures to ensure that high quality and safe alternatives are available prior to the removal of free parking. It would also be important to ensure that disabled badge users would still be able to access free short-term parking as is presently the case and servicing needs for local businesses are met.

- 5.2.5 'Policy RY12' in the Emerging Local Plan refers to redevelopment of the town hall site for mixed use development and one of the site-specific criteria makes reference to ensuring an appropriate level of car parking is retained/ or provided across the town centre, and accords with the principle of no net gain in parking spaces.

## 5.3 Planning

- 5.3.1 The Council's current Parking Standards as set out in the Emerging Local Plan 'Policy T2 – Parking' seeks to influence car use through application and assessment of parking standards and promoting the use of alternative modes of transport and travel planning, particularly in relation to development within the town centres and in close proximity to railway stations. The Council when assessing planning applications needs to carefully balance the reduction in car parking standards against 'Policy SP6 - Sustainable Transport' of the emerging Local Plan and the principles of paragraph 105 of the NPPF<sup>3</sup>. Each application would have to be judged on its merits working together with the developer, HCC as the Transport and Highway authority and other public transport providers in terms of agreeing the measure to be put in place at the start of the development and demonstrating how the development would link into other more sustainable modes of transport to key destinations.
- 5.3.2 The Council is however, looking to provide further guidance on its parking standards and sustainable transport initiatives through the production of a Sustainable Development SPD within the next twelve months. The Council is also committed to an early whole plan review of the emerging Local Plan (Policy IMR2 - Local Plan Early Review) following its adoption to commence by the end of 2023. This will include reviewing the policies relating to sustainable transport and parking matters.
- 5.3.3 On 16<sup>th</sup> March 2021 the Council adopted a revised North Hertfordshire District Council Climate Change Strategy<sup>4</sup>, following the Council declaration of a Climate Emergency in 2019. The objectives for the strategy have been defined to:

- Achieve carbon neutrality for the Council's own operations by 2030

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<sup>3</sup> NPPF - National Planning Policy Framework 2021 – Section 9 on promoting sustainable transport.  
<https://www.gov.uk/government/publications/national-planning-policy-framework--2>

<sup>4</sup> NHDC Climate Change Strategy and Action Plan (2021) <https://www.north-herts.gov.uk/home/council-data-and-performance/policies/climate-change>

- Ensure all operations and services are resilient to the impacts of climate change.
- Achieve a net zero carbon district by 2040.
- Become a district that is resilient to unavoidable impacts of climate change.

5.3.4 The NHDC Climate Change Strategy will act as the lead strategy from which other relevant policies / strategies will follow. This will include the Sustainable Development SPD which will seek to support policies in the Emerging Local Plan that encourage the use of sustainable forms of transport, including electric vehicles and other cleaner air initiatives, designed to support the Climate Change Strategy.

5.3.5 The promotion of sustainable transport and the use of local facilities are two of the key design concepts in Policy SP6 and SP9 of the Emerging Local Plan. The Local Plan is supported by the North Hertfordshire District Council Transport Strategy<sup>5</sup> which seeks to apply LTP4's Policy 1: Transport User Hierarchy to future development to ensure that new development has sustainable transport built in with links to the town centres and other key destinations.

5.3.6 Policy SP6: Sustainable Transport seeks to

*“ ..b. Encourage development in locations which enable sustainable journeys to be made to key services and facilities;*

*c. Work with Hertfordshire County Council, neighbouring authorities, Highways England and service providers to ensure that a range of sustainable transport options are available to all potential occupants or users. This may involve new or improved pedestrian, cycle and passenger transport (including rail and/or bus) links and routes;*

*d. at the earliest reasonable opportunity to implement sustainable travel infrastructure on Strategic Housing Sites and other development sites in order to influence the behaviour of occupiers or users, along with supporting Travel Plans in order that sustainable travel patterns become embedded at an early stage;*

*g. Protect existing rights of way, cycling and equestrian routes and, should diversion be unavoidable, require replacement routes to the satisfaction of the Council.”*

5.3.7 Policy SP9 Design and Sustainability considers good design and requires the production of Masterplans for Strategic sites and significant developments to:

*“.. b.ii. Create integrated, accessible and sustainable transport systems with walking, cycling and public transport designed to be the most attractive forms of transport and effectively linking into the surrounding areas;*

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<sup>5</sup> NHDC Transport Strategy (2017) Section 5 Aims & Objectives. <https://www.north-herts.gov.uk/files/ed14-nhdc-transport-strategy-october-2017pdf-0>

*b. iii. Provide a clear structure and hierarchy of pedestrian friendly streets and well-connected footpaths and cycleways integrate with the wider built and natural environment and communities; and*

*b iv. Plan for integrated and mixed-use communities with walkable locally accessible community, employment and retail facilities;”*

5.3.8 However these will need to be balanced against other forms of infrastructure requirements and developer contributions. In using these policies in combination, and working together with HCC, developers and other service providers the Council ensures that:

- new proposals will provide high quality walking and cycling routes to existing facilities;
- New developments are required to link to the existing sustainable transport network; and
- be located in close proximity to existing services and/or provide new services on-site if necessary.

5.3.9 The Council is currently working with HCC and other key Stakeholders including the Royston Town Council in preparing a Local Cycling and Walking Infrastructure Plan (LCWIP) for North Hertfordshire. The LCWIP will identify a number of interventions that are required to complete and improve the cycling and walking network in Royston.

5.3.10 The Council working with the HCC Intalink Partnership is fully committed to ensuring that new housing and employment development sites are comprehensively served by sustainable transport options including bus services as outlined in Policy SP6 of the Emerging Local Plan, this is further supported by North Herts Council’s Transport Strategy.

5.3.11 The Council currently recognises that the limited bus services in Royston act as one of the biggest challenges for encouraging modal shift to sustainable transport. This in turn directly impacts on the provision of parking, as limiting parking without suitable public transport alternatives will likely lead to anti-social parking and associated issues. The main bus service operates between Royston and Cambridge, to the north, in contrast the current bus services from Royston to destinations west and south are very limited and to east non-existent. In addition, there are currently no bus services in the evenings, on Sundays and Bank Holidays.

5.3.12 Given Royston’s geographic location, the Council considers that there would be merit in discussing with the Integrated Transport Unit at HCC and their counterparts at both the Greater Cambridgeshire & Peterborough Combined Authority and Essex County Council in the process of producing BSIP (Bus Service Improvement Plans) opportunities to consider improvements to cross boundary bus services that either:

- Identified schemes or improvements that include Royston either as a destination or en route.
- Would consider schemes and improvements that include Royston.

5.3.13 Whilst the Council is happy to support the provision of park and ride facilities where appropriate, it is the Council's view that such a scheme would not be suitable for a town the size of Royston, the preference would be for the utilisation and enhancement of existing bus services, as well as the introduction of new bus services as part of the wider local bus network, that can be promoted for both inter-urban and local journeys adopting a link and ride approach instead.<sup>6</sup>

## 5.4 Highway measures

5.4.1 The Council fully supports the re-allocation of road space to introduce measures such as bus and cycle lanes where appropriate. Working with HCC Highways, we support the policy commitments contained in the recently published national cycling and walking strategy 'Gear Change: a bold vision for cycling and walking' (2020)<sup>7</sup> and national bus strategy 'Bus Back Better: National Bus Strategy for England' (2021)<sup>8</sup> by the DfT. The Council notes that both strategies outline an expectation that local authorities will champion schemes to promote sustainable transport that require the re-allocation of road space for dedicate cycle ways and bus lanes.

5.4.2 Whilst there are some locations and stretches of road that offer the opportunity for the consideration of re-allocation of road space, the Council is aware that due to the historic nature of Royston not all roads may be suitable.

5.4.3 Similarly, where appropriate the Council is fully committed to supporting trials of road closures to cars in consultation with local councillors, the Town Council, Royston First BID, local businesses and residents.

5.4.4 The Council is willing to support the installation of bus priority measures to make bus services more attractive and convenient for both existing passengers and to encourage patronage growth, by enabling faster and more direct services. Further the Council welcomes the opportunity provided by the recently published national bus strategy and requirement for local transport authorities to produce a Bus Service Improvement Plan, with the requirement to deliver appropriate bus priority measures in Royston. In addition, as referred to above the Council would anticipate and welcome HCC working with neighbouring local authorities, to explore opportunities where appropriate.

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<sup>6</sup> University of the West of England - Implications of new transport technologies for traditional public transport operations (2018):

[http://travelwatchesouthwest.org/wpcontent/uploads/2018/10/Parkhurst\\_TWSW\\_061018.pdf](http://travelwatchesouthwest.org/wpcontent/uploads/2018/10/Parkhurst_TWSW_061018.pdf)

<sup>7</sup> Gear Change: a bold vision for cycling and walking (2020):

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/904146/gear-change-a-bold-vision-for-cycling-and-walking.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/904146/gear-change-a-bold-vision-for-cycling-and-walking.pdf)

<sup>8</sup> Bus Back Better: National Bus Strategy for England (2021):

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/980227/DfT-Bus-Back-Better-national-bus-strategy-for-England.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/980227/DfT-Bus-Back-Better-national-bus-strategy-for-England.pdf) In

- 5.4.5 The Council's commitment to the implementation of bus priority measures was further demonstrated when it successfully submitted an application for Hitchin in 2019 to be selected as a location for a feasibility study to be undertaken by the Intalink Enhanced Partnership for one of the three annual studies that they are committed to delivering as part of the Enhanced Partnership agreement.
- 5.4.6 The Council is currently in the process of producing an LCWIP for the District in partnership with HCC Highways. Initially focusing on the five main towns in the District including Royston, following DfT guidance, when completed the LCWIP will identify and prioritise cycling and walking routes for funding and delivery.
- 5.4.7 Anticipated measures in the LCWIP include identifying locations for the:
- delivery of new cycle and walking routes with accompanying infrastructure.
  - junction and crossing improvements that will prioritise cycling and walking.
  - deliver improved wayfinding infrastructure of a similar style and quality as outlined in the national cycling and walking strategy.

## **5.5 Other measures**

- 5.5.1 As one means of demonstrating the Council's support for the Sustainable Travel Town applications, North Herts Council is willing to allocate the S106 funds for sustainable transport measures for Royston that the Council currently holds to deliver such schemes. These contributions would be in accordance with the regulations of being fairly related to the development in scale and kind.
- 5.5.2 The Council will commit to support partners bids for other funding streams and opportunities that periodically are open to local authorities to support measures contained in the Sustainable Travel Town programme. Where appropriate the Council will bid directly for other funding streams.
- 5.5.3 The Council will work with HCC and the RTC in providing additional seating in town centre locations and on key routes subject to availability of suitable locations and funding availability.
- 5.5.4 The Council is happy to make available and use our corporate communications team and resources in order to help support the broader aims of the Sustainable Travel Town programme as well as individual initiatives and events.
- 5.5.5 This includes:

- 'Outlook' magazine (both paper and digital formats) that is sent to residents three times per year containing information about Council services and events.
- 'NH Now' (digital only) that is produced two times per year exploring all the great things North Hertfordshire has to offer.
- Council run social media channels.
- Regularly updated website.

5.5.6 Equally the Council is willing to support the use of new technology where possible to encourage the aims and objectives of the Sustainable Travel Town programme.

5.5.7 The Council's Waste and Street Cleaning Contract provides a range of front-line services related to the cleaning of footpaths, and the public realm within town centres. The standard provided is on a 'needs' basis depending on the type of cleansing regime required. The town centres are classified as Enhanced Cleaning Zones where a continuous cleaning presence is provided seven days a week which includes a schedule to clean/tidy footways and removal of litter.

5.5.8 The Council has an online reporting tool which allows residents to report any issues relating to streets or areas that require cleansing.

5.5.9 The Council only has limited resources and any additional street cleaning of the public realm within town centres would need to be funded by a third party such as the Town Council or the BID, however it is the Council's view that under the current contract this is not required. For other parts of the town, the Council has recently launched a campaign to support and work with volunteers to adopt an area to make a real community effort to reduce litter. Such initiatives will continue to be promoted.

## Appendix A

### HCC Sustainable travel town programme criteria

The criteria listed below have been set by the county council for the programme as a whole, and represents the standards to which all Sustainable Travel Towns should aspire. The criteria are focussed on the areas in which the district / borough council is either the lead or has the ability to support. It is recognised that some deviations from these standards may be required in specific towns because of the unique opportunities and challenges of each settlement, and this will be reflected in the statement from the district / borough council.

#### Parking measures

- *Working towards the removal of free parking in town centres.*
- *To ensure that there is no net gain in parking spaces both on-street and in off-street facilities.*

#### Planning

- *To reduce parking standards for new developments, wherever this can be achieved due to location and availability of other modes of transport.*
- *To ensure that new housing and employment developments have high quality walking and cycling routes to existing facilities such as shops and health centres.*
- *To ensure that new housing and employment developments make full provision to accommodate bus services.*
- *To enable the delivery of park and ride facilities where appropriate.*

#### Highway measures

- *Support the re-allocation of road space away from the private car to enable measures such as bus lanes, cycle lanes, HOV lanes and wider footways to be delivered.*
- *Support trials of road closures (part-time or full-time) and the subsequent permanent implementation where trials are successful.*
- *Support the implementation of bus priority measures such as bus lanes and priority at traffic lights.*
- *Support the delivery of new cycle routes and other cycling infrastructure, including in town centres.*

- *Support the adjustment of signal-controlled crossings to give greater time to pedestrians and cyclists.*
- *To provide or enable high quality signing and other wayfinding infrastructure, including trials of electronic wayfinding tools.*



## **Other measures**

- *To commit to the use of Section 106 (S106) and CIL receipts to help deliver the sustainable travel town measures.*
- *To bid for other funding streams open to districts / boroughs which could be used to fund sustainable travel town measures.*
- *To provide or enable additional seating in town centre locations and on key routes to trip attractors.*
- *To use district / borough resources (e.g. websites and publications) to support the promotion of active travel campaigns.*
- *To support the use of new technology to influence travel behaviours (for the positive encouragement of sustainable transport and/or the discouragement of single-occupancy car travel).*
- *To give a high priority to the cleaning of footways and the public realm*

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**CABINET  
DECEMBER 21 2021**

**PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: ASHWELL NEIGHBOURHOOD PLAN – EXAMINERS REPORT**

REPORT OF: SERVICE DIRECTOR - REGULATORY

EXECUTIVE MEMBER: PLANNING

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

**1. EXECUTIVE SUMMARY**

To consider the examiner's report and the proposed modifications to the Ashwell Parish Neighbourhood Plan and to agree that officers make arrangements to conduct a referendum within the Ashwell designated neighbourhood planning area.

**2. RECOMMENDATIONS**

- 2.1. That the Examiner's report for the Ashwell Neighbourhood Plan should be noted.
- 2.2. That following the inclusion of the Examiner's proposed modifications to the Ashwell Neighbourhood Plan, as set out in Appendix B, it is approved to proceed to a referendum.
- 2.3. That the Counting Officer be instructed to conduct a referendum on the Ashwell Parish Neighbourhood Plan.
- 2.4. That the decision to "make" the Ashwell Neighbourhood Plan be delegated to the Service Director – Regulatory in consultation with the Executive Member for Planning, as previously agreed by Cabinet in July 2018 (Minute 21).

**3. REASONS FOR RECOMMENDATIONS**

- 3.1. To progress the Ashwell Neighbourhood Plan, enable a referendum to take place and, if more than 50% of those voting in favour of the Ashwell Neighbourhood Plan to "make" the Ashwell Neighbourhood Plan.

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1. To propose additional modifications to the neighbourhood plan: The independent examiner's report sets out a number of modifications to the neighbourhood plan but it is considered that no further modifications are necessary.

- 4.2. To reject the examiner's proposed modifications; if the examiner's recommendations are not followed, the Parish Council as the qualifying body could request that the Secretary of State intervenes. Officers do not recommend this option given the recommendations of the examiner.
- 4.3. The Parish Council, as the Qualifying Body, has a right to withdraw the neighbourhood plan at any time before the local planning authority decides on the examination report. However, the Parish Council has confirmed that it is content with the Examiners recommendations and wishes the neighbourhood plan to proceed to a referendum.

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

- 5.1. The Ashwell Neighbourhood Plan has been subject to public consultation which is described in paragraph 7.2 below. Members have been kept informed of the progress of this neighbourhood plan through the Strategic Planning reports to Cabinet.

## **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. Ashwell Parish Council applied for the designation of the whole parish area as a neighbourhood planning area in December 2013. Consultation on the neighbourhood planning area was undertaken and the neighbourhood planning area designated at a Cabinet meeting on 25 March 2014.
- 7.2. In preparing the neighbourhood plan, Ashwell Parish Council has undertaken a significant amount of work and public consultation. Consultation on an early draft neighbourhood plan first took place in 2018 with a second consultation on a significantly amended plan in 2020. The neighbourhood plan was submitted to the District Council in April 2021 with consultation taking place between March and April. A total of 38 representations were received, 10 objections, 2 supporting representations and 26 comments. The plan was then submitted for examination.
- 7.3. An independent examiner, Andrew Ashcroft, was appointed by the Council in consultation with Ashwell Parish Council.
- 7.4. The role of the examiner is to assess whether a neighbourhood plan meets the basic conditions and other matters set out in paragraph 8 of Schedule 4B of the Town and Country Planning Act 1990 (as amended). Details about the basic conditions are set out in Section 6 of the examiner's report, as attached at Appendix A.
- 7.5. Following the examination, the examiner must make one of the following recommendations:
  - The neighbourhood plan can proceed to a referendum on the basis it meets all the necessary legal requirements;
  - The neighbourhood plan can proceed to a referendum subject to modifications; or
  - The neighbourhood plan should not proceed to a referendum on the basis it does not meet the necessary legal requirements.

## **8. RELEVANT CONSIDERATIONS**

- 8.1. The examination of the neighbourhood plan took place during September and October 2021 and was conducted by written representations, rather than a public hearing. During the examination, the examiner asked some clarification questions, and a response was provided by both the Parish and the District Council.
- 8.2. The examiner's report was issued on 20 October 2021, with the following recommendations: "Subject to a series of recommended modifications set out in this report I have concluded that the Ashwell Neighbourhood Development Plan meets all the necessary legal requirements and should proceed to referendum".
- 8.3. The Ashwell Neighbourhood Plan does not allocate any sites for residential development but it does reflect the proposed village boundary within the emerging Local Plan. Policy ASH1 defines a new settlement boundary for Ashwell in advance of the emerging Local Plan. This settlement boundary will supercede Policy 7 in the saved Local Plan as the most up to date policy. The policies in the neighbourhood plan will ensure that any future development is sustainable and suitable for the parish.
- 8.4. The examiner has considered all of the policies and the supporting text in the neighbourhood plan. The examiner has set out a series of modifications which ensure that the neighbourhood plan meets the basic conditions and that it can be used in determining planning applications and will provide a practical framework for decision making.
- 8.5. A schedule of the examiner's proposed modifications has been prepared which is attached as Appendix B. Officers have considered all of the proposed modifications and where appropriate have made comments and these are noted in the schedule. The Parish Council have also considered the proposed modifications and agree that the examiner's proposed modifications should be made to the neighbourhood plan.
- 8.6. In addition to the proposed modifications to the policies in the neighbourhood plan, the examiner has also recommended that the Parish Council should consider a review of the neighbourhood plan once the Local Plan has been adopted. Overall, officers consider that the examiner's modifications all help to make the neighbourhood plan clear and one which can be used in determining planning applications.
- 8.7. The examiner states, that subject to the proposed modifications being made to the neighbourhood plan, he recommends that the Ashwell Neighbourhood Plan can go forward to a referendum. As part of the examination process, the examiner must also consider whether the referendum area should be extended beyond the neighbourhood planning area to which it relates. In this case, the examiner considers that there is no reason to alter or extend the area for the referendum.
- 8.8. The Parish Council prepared the Ashwell Village Design Statement in 2000, it was then revised in 2018. It has been used by the Council as Supplementary Planning Guidance in conjunction with the Local Plan in determining planning applications. In a report to Cabinet in July 2017, the Design Statement was identified as one of the documents which should be revoked once a neighbourhood plan is made, providing that there is an equal statement in the neighbourhood plan. There are a number of policies in the

neighbourhood plan which refer to the Design Statement and it has been included as an appendix to the neighbourhood plan. If the neighbourhood plan receives a positive outcome at the referendum, the Design Statement will be revoked as supplementary planning guidance as it will form part of the statutory Development Plan.

- 8.9. Once the local planning authority decides that a referendum should be held, this must take place within 56 working days from the publication of its' decision statement to take the plan forward. The duties of the Counting Officer are to be exercised by the appointed Returning Officer for local government elections in the area. It is anticipated that the referendum will take place in March but an update will be provided at the meeting of Cabinet.
- 8.10. If there is a favourable response to the referendum, where more than 50% of those voting, vote in favour of the plan, then the local planning authority will "make" the neighbourhood plan. The plan will need to be "made" within 8 weeks of the referendum. Once the neighbourhood plan is "made", it will form part of the statutory development plan. Policies in the neighbourhood plan will be used in determining planning applications within the Ashwell neighbourhood planning area.

## **9. LEGAL IMPLICATIONS**

- 9.1. Under the Terms of Reference for Cabinet Paragraph 5.6.18 of the Constitution states that the Cabinet should exercise the Council's functions as Local Planning Authority except where functions are reserved by law to the responsibility of the Council or delegated to the Service Director : Regulatory.
- 9.2. The Localism Act 2011 provided a new statutory regime for neighbourhood planning. The Neighbourhood Planning (General) Regulations 2012 (as amended) make provisions in relation to that new regime. It does amongst other things set out the Council's responsibility (as the Local Planning Authority) in assisting communities in the preparation of neighbourhood development areas, plans and order and to take plans through a process of examination and referendum.
- 9.3. At the point where the local planning authority makes the decision on whether the neighbourhood plan should proceed to referendum, it needs to be satisfied that the neighbourhood plan proposal has regard to national policy and guidance, contributes to sustainable development, is in general conformity with the strategic policy of the development plan for the area.
- 9.4. Regulations 2A and 18A of the Neighbourhood Planning (Referendums) Regulations 2012 prescribe the relevant time limits referred to in paragraphs 8.9 and 8.10 above respectively.
- 9.5. As a consequence of receiving the examiner's report for the Ashwell Neighbourhood Plan, Section 70(2) of the Town and Country Planning Act 1990 (as amended) provides that the local planning authority must have regard to a post examination draft neighbourhood plan, as a material consideration in the determination of planning applications within the parish of Ashwell.

## **10. FINANCIAL IMPLICATIONS**

- 10.1. The cost of the Ashwell Neighbourhood Plan examination has been met from the existing Neighbourhood Plan earmarked reserve (balance of £86k at 31 October 2021), which came about from previous Ministry of Housing, Communities and Local Government (MHCLG) funding following the designation of neighbourhood planning areas and neighbourhood plan referenda. This reserve will also be used to fund the costs associated with the referendum, if the council is not successful in claiming the £20k grant, which is explained below.
- 10.2. The local planning authority can claim £20,000 from the MHCLG once a neighbourhood plan has gone through a successful examination process and a decision statement has been published detailing the intention to hold a referendum. This is a change to previous neighbourhood plans when a date for the referendum had to be set and has been made in response to the COVID-19 pandemic. At the time of writing, it is not known whether this financial support for neighbourhood plans will continue in future years. Subject to agreeing the recommendations in this report, a claim for the Ashwell Neighbourhood Plan will be submitted in the New Year.
- 10.3. The 2022/23 Budget is subject to a separate report to this meeting. This sets out the proposed approach to the funding of growth bids for the strategic planning service including the use of existing planning reserves.

## **11. RISK IMPLICATIONS**

- 11.1. National and Regional Planning Issues and the Local Plan are both Corporate Risks.

## **12. EQUALITIES IMPLICATIONS**

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

## **13. SOCIAL VALUE IMPLICATIONS**

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

## **14. ENVIRONMENTAL IMPLICATIONS**

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

## **15. HUMAN RESOURCE IMPLICATIONS**

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

## **16. APPENDICES**

- 16.1 Appendix A : [Examiners report for the Ashwell Neighbourhood Plan – October 2021](#)  
Appendix B : Schedule of the examiner’s proposed modifications and responses

## **17. CONTACT OFFICERS**

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

## **18. BACKGROUND PAPERS**

- 18.1 Cabinet reports:  
[Ashwell Neighbourhood Planning Area – 25 March 2014](#)  
[Review of Existing North Hertfordshire Planning Guidance – July 2017](#)  
[Strategic Planning Matters – 31 July 2018](#)  
[Strategic Planning Matters – 16 March 2021](#)  
[Strategic Planning Matters – 29 June 2021](#)
- 18.2 The following background papers are all available on the following webpage:  
<https://www.north-herts.gov.uk/home/planning/planning-policy/neighbourhood-planning/approved-neighbourhood-areas-ashwell>

Ashwell Neighbourhood Plan and Appendices – Proposed Submission Version – January 2021  
Independent Examiner’s Clarification Note – September 2021  
Independent Examiner’s Report for the Ashwell Neighbourhood Plan – October 2021



# **Ashwell Neighbourhood Development Plan 2021 - 2031**

**A report to North Hertfordshire District Council on  
the Ashwell Neighbourhood Development Plan**

**Andrew Ashcroft  
Independent Examiner  
BA (Hons) MA, DMS, MRTPI**

**Director – Andrew Ashcroft Planning Limited**

## **Executive Summary**

- 1 I was appointed by North Hertfordshire District Council in September 2021 to carry out the independent examination of the Ashwell Neighbourhood Development Plan.
- 2 The examination was undertaken by way of written representations. I visited the neighbourhood plan area on 3 September 2021.
- 3 The Plan includes a variety of policies and seeks to bring forward positive and sustainable development in the neighbourhood area. There is a very clear focus on safeguarding its distinctive character and heritage assets.
- 4 The Plan has been underpinned by community support and engagement. It is clear that all sections of the community have been engaged in its preparation.
- 5 Subject to a series of recommended modifications set out in this report I have concluded that the Ashwell Neighbourhood Development Plan meets all the necessary legal requirements and should proceed to referendum.
- 6 I recommend that the referendum should be held within the neighbourhood area.

**Andrew Ashcroft**  
**Independent Examiner**  
**21 October 2021**

## **1 Introduction**

- 1.1 This report sets out the findings of the independent examination of the Ashwell Neighbourhood Development Plan 2021-2031 ('the Plan').
- 1.2 The Plan has been submitted to North Hertfordshire District Council (NHDC) by Ashwell Parish Council (APC) in its capacity as the qualifying body for the preparation of a neighbourhood plan.
- 1.3 Neighbourhood plans were introduced into the planning process by the Localism Act 2011. They aim to allow local communities to take responsibility for guiding development in their area. This approach was subsequently embedded in the National Planning Policy Framework (NPPF), the most recent version of which was published earlier this year.
- 1.4 The role of an independent examiner is clearly defined in the legislation. I have been appointed to examine whether or not the submitted Plan meets the basic conditions and Convention Rights and other statutory requirements. It is not within my remit to examine or to propose an alternative plan, or a potentially more sustainable plan except where this arises as a result of my recommended modifications to ensure that the Plan meets the basic conditions and the other relevant requirements.
- 1.5 A neighbourhood plan can be narrow or broad in scope. Any plan can include whatever range of policies it sees as appropriate to its designated neighbourhood area. The submitted Plan has been designed to be distinctive in general terms, and to be complementary to the development plan in particular. It seeks to provide a context in which the neighbourhood area can maintain its distinctiveness, character and identity.
- 1.6 Within the context set out above, this report assesses whether the Plan is legally compliant and meets the basic conditions that apply to neighbourhood plans. It also considers the content of the Plan and, where necessary, recommends changes to its policies and supporting text.
- 1.7 This report also provides a recommendation as to whether the Plan should proceed to referendum. If this is the case and that referendum results in a positive outcome, the Plan would then be used to determine planning applications within the neighbourhood area and will sit as part of the wider development plan.

## **2 The Role of the Independent Examiner**

- 2.1 The examiner's role is to ensure that any submitted neighbourhood plan meets the relevant legislative and procedural requirements.
- 2.2 I was appointed by NHDC, with the consent APC, to conduct the examination of the Plan and to prepare this report. I am independent of NHDC and APC. I do not have any interest in any land that may be affected by the Plan.
- 2.3 I possess the appropriate qualifications and experience to undertake this role. I am a Director of Andrew Ashcroft Planning Limited. In previous roles, I have over 35 years' experience in various local authorities at either Head of Planning or Service Director level. I am a chartered town planner and have significant experience of undertaking other neighbourhood plan examinations and health checks. I am a member of the Royal Town Planning Institute and the Neighbourhood Planning Independent Examiner Referral System.

### *Examination Process and Outcomes*

- 2.4 In my role as the independent examiner of the Plan, I am required to recommend one of the following outcomes of the examination:
- (a) that the Plan as submitted proceeds to a referendum; or
  - (b) that the Plan should proceed to referendum as modified (based on my recommendations); or
  - (c) that the Plan does not proceed to referendum on the basis that it does not meet the necessary legal requirements.
- 2.5 The outcome of the examination is set out in Section 8 of this report.

### *Other examination matters*

- 2.6 In examining the Plan I am required to check whether:
- the policies relate to the development and use of land for a designated neighbourhood plan area; and
  - the Plan meets the requirements of Section 38B of the Planning and Compulsory Purchase Act 2004 (the Plan must specify the period to which it has effect, must not include provision about development that is excluded development, and must not relate to more than one neighbourhood area); and
  - the Plan has been prepared for an area that has been designated under Section 61G of the Localism Act and has been developed and submitted for examination by a qualifying body.
- 2.7 Having addressed the matters identified in paragraph 2.6 of this report, I am satisfied that all of the points have been met.

### 3 Procedural Matters

- 3.1 In undertaking this examination I have considered the following documents:
- the submission Plan.
  - the Plan's appendices.
  - the Basic Conditions Statement.
  - the Consultation Statement.
  - the Sustainability Statement incorporating SEA and HRA.
  - the representations made to the Plan.
  - APC's response to the clarification note.
  - NHDC's response to the clarification note.
  - the saved policies of the North Hertfordshire District Local Plan No.2 (with Alterations) 1996.
  - the emerging North Hertfordshire Local Plan 2011-2031.
  - the National Planning Policy Framework (July 2021).
  - Planning Practice Guidance (March 2014 and subsequent updates).
  - relevant Ministerial Statements.
- 3.2 I visited the neighbourhood area on 3 September 2021. I looked at its overall character and appearance and at those areas affected by policies in the Plan in particular. The visit is covered in more detail in paragraphs 5.9 to 5.16 of this report.
- 3.3 It is a general rule that neighbourhood plan examinations should be held by written representations only. Having considered all the information before me, including the representations made to the submitted plan, I concluded that the Plan could be examined by way of written representations.
- 3.4 The Plan was prepared in the context of the 2019 version of the NPPF. This is reflected in the Basic Conditions Statement. The NPPF was updated in July 2021. Where it is necessary to do so, I comment on the relationship between the most current version of the NPPF and the policy concerned in Section 7 of the report.

## 4 Consultation

### *Consultation Process*

- 4.1 Policies in made neighbourhood plans become the basis for local planning and development control decisions. As such the regulations require neighbourhood plans to be supported and underpinned by public consultation.
- 4.2 In accordance with the Neighbourhood Planning (General) Regulations 2012 APC prepared a Consultation Statement. It is proportionate to the neighbourhood area and the policies in the Plan.
- 4.3 The Statement records the various activities that were held to engage the local community and the feedback from each event. It also provides specific details on the consultation processes that took place on the pre-submission versions of the Plan.
- 4.4 The Statement sets out details of the comprehensive range of consultation events that were carried out in relation to the early stages of the preparation of the Plan. They include the following events and processes:
- the public meeting (January 2015);
  - the housing survey (June 2015);
  - the business survey (June 2016);
  - the second survey (January 2017);
  - the ongoing use of the Ashwell Village News to raise awareness; and
  - the ongoing use of the Ashwell Yearbook to raise awareness.
- 4.5 The details in the Statement set out the nature of the consultation exercises and the responses received. They demonstrate the way in which those responsible for the preparation of the Plan sought to address the expectations of the wider community. A significant part the Statement sets out how the Plan took account of consultation feedback at the pre-submission phase. It does so in a proportionate and effective way. The analysis in the separate appendices helps to describe how the Plan has progressed to its submission stage.
- 4.6 Consultation on the submitted plan was undertaken by NHDC. It ended on 15 April 2021. This exercise generated representations from the following organisations:
- North Hertfordshire District Council
  - Forestry Commission
  - Historic England
  - National Grid
  - Natural England
  - Hertfordshire County Council

- 4.7 In addition representations were received from a local resident and the Neighbourhood Plan Working Group.
- 4.8 I have taken account of all the representations in preparing this report. Where it is appropriate to do so, I refer to specific representations on a policy-by-policy basis.

## 5 The Neighbourhood Area and the Development Plan Context

### *The Neighbourhood Area*

- 5.1 The neighbourhood area is the parish of Ashwell. Its population in 2011 was 1870 persons living in 841 households. It was designated as a neighbourhood area on 25 March 2014. The parish extends to over 1,800 hectares (4,000 acres). It is the most northerly parish in Hertfordshire and borders both Bedfordshire and Cambridgeshire. It is located approximately two miles to the east of the A1, and approximately three miles to the west of Royston.
- 5.2 Ashwell itself is located in the heart of the parish. It is an attractive, historic village which has developed over time around High Street. The village is dominated by the Church of St Mary to the north of High Street off Mill Street. The village has an attractive and vibrant range of retail, commercial and community facilities, including its primary school.
- 5.3 The remainder of the neighbourhood area is attractive countryside mainly in agricultural use. The local landscape is dominated by the site of the former Arbury Banks Hill Fort.

### *Development Plan Context*

- 5.4 The development plan covering the neighbourhood plan area consists of the saved policies of the North Hertfordshire District Local Plan No.2 (with Alterations) 1996. The following policies in that Plan are particularly relevant to the neighbourhood area:
- Policy 6 Rural areas beyond the Green Belt
  - Policy 7 Selected villages beyond the Green Belt
  - Policy 14 Nature conservation;
  - Policy 25 Re-use of rural buildings
  - Policy 28 House Extensions
  - Policy 29 Rural Housing Needs
  - Policy 30 Replacement or extension of dwellings in the countryside
  - Policy 55 Car Parking Standards
  - Policy 57 Residential Guidelines and Standards

- 5.5 The North Hertfordshire Local Plan 2011-2031 was submitted for examination in June 2017. Various batches of hearing sessions have taken place since that time. The most recent were in February 2021. Further Main Modifications to the Plan were published earlier this year. In relation to the neighbourhood area, the emerging Local Plan includes the following important components:

Policy SP2 Settlement Hierarchy and Spatial Distribution – Ashwell is identified as one of a series of Category A villages within which development will be allowed within a defined settlement boundary.



Section 13 Communities – A settlement boundary is identified for Ashwell (for the application of Policy SP2). In addition, an allocated housing site was initially proposed for approximately 33 homes off Claybush Road (Policy ASH1). That site has now been developed. As such, it is recommended to be deleted from the Plan in the Further Main Modifications.

- 5.6 The plan-making process has sought to relate the emerging neighbourhood plan to the emerging Local Plan. This is good practice in general terms, and will assist in futureproofing the neighbourhood plan. Plainly the emerging Local Plan has been at examination for some time and its eventual outcome remains uncertain. In these circumstances I have addressed this uncertainty in later sections of this report on monitoring and review.
- 5.7 The submitted Plan has been prepared within its wider adopted development plan context. In doing so it has relied on up-to-date information and research that has underpinned existing planning policy documents in the District. This reflects key elements in Planning Practice Guidance on this matter. Some of the recommended modifications included in Section 7 of this report seek to ensure that the relationship between the policies in the adopted development plan, the emerging neighbourhood plan and the emerging Local Plan is properly configured.
- 5.8 It is also clear that the submitted Plan seeks to add value to the different components of the development plan and to give a local dimension to the delivery of its policies. This is captured in the Basic Conditions Statement.

*Visit to the neighbourhood area*

- 5.9 I visited the neighbourhood area on 3 September 2021. I approached from the A1 and Newnham to the west. This helped me to understand the neighbourhood area in its wider landscape context. It also highlighted its proximity to the strategic highway network.
- 5.10 I looked initially at the Arbury Banks Hill Fort. I saw its prominence on higher ground within the neighbourhood area. I also saw first-hand the way in which this higher ground provided an attractive entrance into Ashwell to the north-east.
- 5.11 I then looked in detail at Ashwell village. I looked initially at the area around the very well-maintained Recreation Ground. I saw the prominent War Memorial and The Maltings off Green Lane. I took the opportunity to look at the various housing types in and around Station Road. I walked in and around the Recreation Ground. I had a moment of quiet on the Robert Chandler bench.
- 5.12 I then walked to the west into High Street. I saw the very attractive range of vernacular buildings. I took time to look at Spring Head and saw that it was a much-appreciated amenity space within a busy village centre.
- 5.13 I walked along Hodwell to St Mary's Church. I saw its impressive tower and the way in which the churchyard provided a perfect context to the impressive building. Inside the

church its light and airy character was immediately apparent. I saw the Ashwell Pantry and the Ashwell Graffiti. I also saw that the clock in memory of Canon Jack Catterick was keeping perfect time.

- 5.14 On leaving the Church I saw the Bushel and Strike PH, Crumps Butchers and the Museum. I then walked along High Street to Hodwell and then to the western extent of High Street at its junction with Back Street. I saw a further range of attractive vernacular and more modern buildings. I also was able to appreciate the range of retail and commercial facilities in the village centre. In their different ways, they were very popular with local people and visitors alike. I also saw the Village Hall at the western end of the village.
- 5.15 I then took the opportunity to look at the part of the village off Back Street and Ashwell Street. I saw that it had a very different character to that of High Street. The terrace of four houses (55/57/59/61) in Back Street is a particularly impressive feature of this part of the village. I also took the opportunity to look at the proposed local green space proposed in the Plan.
- 5.16 I left the neighbourhood area on Station Road and then drove to the A505. This allowed me to understand the relationship between the village and Ashwell and Morden railway station. I also saw more of the wider landscape in the neighbourhood area.

## 6 The Neighbourhood Plan and the Basic Conditions

- 6.1 This section of the report deals with the submitted neighbourhood plan as a whole and the extent to which it meets the basic conditions. The submitted Basic Conditions Statement has helped considerably in the preparation of this section of the report. It is a well-presented, informative and professional document.
- 6.2 As part of this process I must consider whether the submitted Plan meets the Basic Conditions as set out in paragraph 8(2) of Schedule 4B of the Town and Country Planning Act 1990. To comply with the basic conditions, the Plan must:
- have regard to national policies and advice contained in guidance issued by the Secretary of State;
  - contribute to the achievement of sustainable development;
  - be in general conformity with the strategic policies of the development plan in the area;
  - be compatible with European Union (EU) obligations and the European Convention on Human Rights (ECHR); and
  - not breach the requirements of Chapter 8 of 6 of the Conservation of Habitats and Species Regulations 2017 (7).

I assess the Plan against the basic conditions under the following headings.

### *National Planning Policies and Guidance*

- 6.3 For the purposes of this examination the key elements of national policy relating to planning matters are set out in the National Planning Policy Framework (NPPF) issued earlier this year.
- 6.4 The NPPF sets out a range of core land-use planning principles to underpin both plan-making and decision-taking. The following are of particular relevance to the Ashwell Neighbourhood Development Plan:
- a plan led system– in this case the relationship between the neighbourhood plan and the saved policies of the North Hertfordshire District Local Plan No.2 (with Alterations) 1996;
  - delivering a sufficient supply of homes;
  - building a strong, competitive economy;
  - recognising the intrinsic character and beauty of the countryside and supporting thriving local communities;
  - taking account of the different roles and characters of different areas;
  - highlighting the importance of high-quality design and good standards of amenity for all future occupants of land and buildings; and
  - conserving heritage assets in a manner appropriate to their significance.
- 6.5 Neighbourhood plans sit within this wider context both generally, and within the more specific presumption in favour of sustainable development. Paragraph 13 of the NPPF

indicates that neighbourhoods should both develop plans that support the strategic needs set out in local plans and plan positively to support local development that is outside the strategic elements of the development plan.

- 6.6 In addition to the NPPF I have also taken account of other elements of national planning policy including Planning Practice Guidance and the recent ministerial statements.
- 6.7 Having considered all the evidence and representations available as part of the examination, I am satisfied that the submitted Plan has had regard to national planning policies and guidance in general terms. It sets out a positive vision for the future of the neighbourhood area. It includes a series of policies that address a range of development and environmental matters. It seeks to safeguard the retail role of the village centre. The Basic Conditions Statement maps the policies in the Plan against the appropriate sections of the NPPF.
- 6.8 At a more practical level, the NPPF indicates that plans should provide a clear framework within which decisions on planning applications can be made and that they should give a clear indication of how a decision-maker should react to a development proposal (paragraph 16d). This was reinforced with the publication of Planning Practice Guidance in March 2014. Paragraph ID:41-041-20140306 indicates that policies in neighbourhood plans should be drafted with sufficient clarity so that a decision-maker can apply them consistently and with confidence when determining planning applications. Policies should also be concise, precise and supported by appropriate evidence.
- 6.9 As submitted, the Plan does not fully accord with this range of practical issues. The majority of my recommended modifications in Section 7 relate to matters of clarity and precision. They are designed to ensure that the Plan fully accords with national policy.

*Contributing to sustainable development*

- 6.10 There are clear overlaps between national policy and the contribution that the submitted Plan makes to achieving sustainable development. Sustainable development has three principal dimensions – economic, social and environmental. I am satisfied that the submitted Plan has set out to achieve sustainable development in the neighbourhood area. In the economic dimension, it includes a policy on start-up businesses (Policy ASH1) and on retail uses and services in the village centre (Policy ASH15). In the social role, it includes a policy on housing mix (Policy ASH3), policies on a range of community facilities (Policies ASH16 to 19) and on local green spaces (Policy ASH12). In the environmental dimension, the Plan positively seeks to protect its natural, built and historic environment. It includes specific policies on design (Policies ASH3 and 4), flooding (Policy ASH5), heritage assets (Policy ASH8) and a series of landscape and natural environment matters (Policies ASH9/10/11). This assessment overlaps with the commentary on this matter in the submitted Basic Conditions Statement.

*General conformity with the strategic policies in the development plan*

- 6.11 I have already commented in detail on the development plan context in the wider North Hertfordshire District in paragraphs 5.4 to 5.8 of this report.
- 6.12 I consider that the submitted Plan delivers a local dimension to this strategic context and supplements the detail already included in the saved policies of North Hertfordshire District Local Plan No.2 (with Alterations) 1996. The Basic Conditions Statement helpfully relates the Plan's policies to policies in the Local Plan. Subject to the recommended modifications in this report, I am satisfied that the submitted Plan is in general conformity with the strategic policies in the development plan.

*European Legislation and Habitat Regulations*

- 6.13 The Neighbourhood Plan General Regulations 2015 require a qualifying body either to submit an environmental report prepared in accordance with the Environmental Assessment of Plans and Programmes Regulations 2004 or a statement of reasons why an environmental report is not required. In order to comply with this requirement, a Screening Determination on the need for a Strategic Environmental Assessment (SEA) for the Neighbourhood Plan was prepared by NHDC in December 2020. It was based on the second pre-submission version of the Plan. The report is thorough and well-constructed. As a result of this process, NHDC concluded that the Plan is not likely to have any significant effects on the environment and accordingly would not require the preparation of a SEA.
- 6.14 The screening report includes the responses from the three consultation bodies. This is best practice.
- 6.15 NHDC also prepared a Habitats Regulations Assessment (HRA) of the Plan at the same time. The report is very thorough and comprehensive. It concludes that the neighbourhood plan will not give rise to likely significant effects on European sites, either alone or in combination with other plans or projects, and that Appropriate Assessment is not required.
- 6.16 Having reviewed the information provided to me as part of the examination, I am satisfied that a proportionate process has been undertaken in accordance with the various regulations. None of the statutory consultees have raised any concerns with regard to either neighbourhood plan or to European obligations. In the absence of any evidence to the contrary, I am entirely satisfied that the submitted Plan is compatible with this aspect of European obligations.
- 6.17 In a similar fashion, I am satisfied that the submitted Plan has had regard to the fundamental rights and freedoms guaranteed under the European Convention on Human Rights (ECHR) and that it complies with the Human Rights Act. There is no evidence that has been submitted to me to suggest otherwise. There has been full and adequate opportunity for all interested parties to take part in the preparation of the Plan and to make their comments known. On this basis, I conclude that the submitted Plan does not breach, nor is in any way incompatible with the ECHR.

*Summary*

- 6.18 On the basis of my assessment of the Plan in this section of the report, I am satisfied that it meets the basic conditions subject to the incorporation of the recommended modifications contained in this report. Section 7 assesses each policy against the basic conditions. Where necessary, it recommends modifications on a policy-by-policy basis.

## 7 The Neighbourhood Plan policies

- 7.1 This section of the report comments on the policies in the Plan. In particular, it makes a series of recommended modifications to ensure that the various policies have the necessary precision to meet the basic conditions.
- 7.2 My recommendations focus on the policies themselves given that the basic conditions relate primarily to this aspect of neighbourhood plans. In some cases, I have also recommended changes to the associated supporting text.
- 7.3 I am satisfied that the content and the form of the Plan is fit for purpose. It is distinctive and proportionate to the neighbourhood area. The wider community and the APC have spent time and energy in identifying the issues and objectives that they wish to be included in their Plan. This sits at the heart of the localism agenda.
- 7.4 The Plan has been designed to reflect Planning Practice Guidance (41-004-20170728) which indicates that neighbourhood plans must address the development and use of land. It also includes a series of non-policy Actions.
- 7.5 I have addressed the policies in the order that they appear in the submitted plan. I comment on the Actions after the policies.
- 7.6 For clarity this section of the report comments on all policies whether or not I have recommended modifications in order to ensure that the Plan meets the basic conditions.
- 7.7 Where modifications are recommended to policies, they are highlighted in bold print. Any associated or free-standing changes to the text of the Plan are set out in italic print.

### *The initial sections of the Plan (Sections 1-4)*

- 7.8 The Plan as a whole is well-organised and includes effective maps, tables and photographs. It makes an appropriate distinction between the policies and their supporting text. Its design will ensure that it will comfortably be able to take its place as part of the development plan in the event that it is eventually 'made'. The initial elements of the Plan set the scene for the policies. They are proportionate to the neighbourhood area and help to explain the policies in the Plan.
- 7.9 Sections 1 (Executive Summary) and 2 (Purpose of the Plan) comment about the background to neighbourhood planning. They include a map of the designated neighbourhood area (Figure 2.1) and an indication of the Plan period (in paragraph 2.1). They are a very effective backcloth to the Plan.
- 7.10 Section 2 also helpfully describe the national and local planning context within which the Plan has been prepared. It comments about the structure of the Plan which is organised around different topics. Finally, it summarises the consultation exercises. In this regard it overlaps with the Consultation Statement.
- 7.11 Section 3 summarises key features of the neighbourhood area. It provides a summary of its history. It also sets out details of the current community and the key challenges

addressed as the Plan was prepared. It is a very successful part of the Plan and directly informs several of the policies.

- 7.12 Section 4 sets out the Plan's Vision and the supporting objectives. They are well-developed and distinctive to the neighbourhood area. They reflect the issues identified in Section 3.
- 7.13 The remainder of this section of the report addresses each policy in turn in the context set out in paragraphs 7.5 to 7.7 of this report.

#### Policy ASH1 Location of Development

- 7.14 This policy sets the scene for spatial development in the neighbourhood area. It seeks to focus new development within the defined settlement boundary and to apply a more restrictive approach elsewhere in accordance with national and local policies.
- 7.15 The settlement boundary is based on that proposed for Ashwell in the emerging Local Plan. This is shown in Figure 5.1 of the Plan. The extended boundary largely reflects new development which has taken place since the adoption of the 1996 Local Plan.
- 7.16 In general terms the policy has regard to national policy and is in general conformity with strategic policies in the development plan. However, I recommend the following modifications to the policy and the supporting text to bring the clarity required by the NPPF and to ensure it properly reflects national policy:
- a reconfiguration of the reference to the extended settlement boundary – as submitted the policy could suggest that new development should be concentrated within the extended part of the settlement boundary rather than within the overall boundary;
  - the replacement of the second sentence of Part B of the policy – neither the NPPF nor the emerging Local Plan require a sequential approach to development within settlement boundaries which favours the development of brownfield sites before greenfield sites. Nevertheless, it will be appropriate for the policy to offer particular support for the development of brownfield sites;
  - a correction to the final sentence of paragraph 5.5 – there is a clear difference between policy restrictions in the countryside generally and those in designated Green Belts; and
  - a series of grammatical details.
- 7.17 Otherwise, the policy meets the basic conditions. It will contribute to the delivery of each of the three dimensions of sustainable development by concentrating new development within Ashwell which has access to a good range of retail, commercial and community services.

**Replace Part A of the policy with: 'Development in the neighbourhood area will be focused within the extended settlement boundary shown in Figure 5.1 where it complies with all relevant policies in the development plan and the NPPF'**

**Replace Part B of the policy with: 'Within the extended settlement boundary, proposed developments on brownfield land will be particularly supported.'**



**Within Part C of the policy:**

**In (i) replace ‘it is’ with ‘they are’**

**In (iii) replace ‘it relates’ with ‘they relate’**

**In (iv) replace ‘it is’ with ‘they are’**

*Replace the final sentence of paragraph 5.5 with: ‘Development outside the settlement boundary will be strictly controlled in accordance with national and local planning policies’*

Policy ASH2 Housing Mix

- 7.18 This policy is based on the local demand for a greater number of smaller one, two and three-bedroom dwellings.
- 7.19 It has four related parts as follows:
- proposals for housing development should include a high proportion of one-, two- and three-bedroom dwellings for sale or rent within the lower quartile of local cost;
  - housing development must contribute to meeting the existing and future housing needs of the neighbourhood area;
  - residential development proposals in the neighbourhood area that provide affordable housing as required by the saved Local Plan 1996 will be supported; and
  - the type and size of affordable homes should meet the specific needs identified for the neighbourhood area.
- 7.20 The policy is underpinned by extensive supporting text which, in some cases, draws on wider research and evidence. The summary of the supporting text comments that ‘there is a demand for a greater number of smaller one, two and three-bedroom dwellings at lower quartile cost (as indicated by ONS Housing datasets for the district of North Hertfordshire). The demand comes from single people, young couples, small families and older people who also need developments to be in suitable locations, close to public transport, the village centre and other amenities.’
- 7.21 In general terms, the policy takes an appropriate approach to this important matter. Nevertheless, I recommend a series of modifications to bring the clarity required for a development plan policy. The first reverses the order of Parts A and B of the policy. This will provide an overarching context to offer specific support for developments which include smaller properties.
- 7.22 The second deletes the second sentence of Part C of the policy (which addresses affordable housing). The policy requirement is to meet the strategic housing need for affordable housing as set by NHDC. As such, there is no specific need either for developers to provide a higher figure or for an element of the policy to offer particular support for proposals which delivered a higher yield of affordable housing.

- 7.23 The third repositions Part D of the policy to the supporting text. This reflects that it is more of a process matter rather than a policy issue.
- 7.24 Finally, I recommend a series of detailed modifications to the supporting text (insofar as they are necessary to ensure that the Plan meets the basic conditions) to take account of the very helpful comments made by NHDC in its representation to the Plan.
- 7.25 Otherwise, the policy meets the basic conditions. It will assist significantly in delivering the social dimension of sustainable development.

**Replace Parts A, B and C of the policy with:**

**‘Proposals for housing development should contribute towards meeting the existing and future housing needs of the neighbourhood area. Developers of major developments should submit a neighbourhood area-specific Affordable Housing and Dwellings Mix Strategy with any planning application. The Strategy should set out identified housing needs within the neighbourhood area, taking account of Housing Survey 2015 conclusions or any more recent local survey, and demonstrate how the proposed development addresses those needs. In particular the Strategy must show how the proposal:**

- **meets the needs of older residents (aged 60+) and younger people entering the housing market both in general terms and through the delivery of one- and two-bedroom houses in particular; and**
- **helps to address housing under-occupancy in the Parish.**

**Development proposals which include a significant proportion of one-, two- and three-bedroom dwellings for sale or rent within the lower quartile of local cost will be particularly supported.**

**Where appropriate, development proposals for housing development should provide affordable housing to development plan standards.’**

**Delete Part D of the policy.**

*At the end of paragraph 6.20 add: ‘This matter is addressed in Part C of Policy ASH2. The type and size of affordable homes should meet the specific needs identified for the neighbourhood area.’*

*In paragraph 6.13 replace ‘smaller homes’ with ‘homes with up to three bedrooms’*

*In paragraph 6.18 replace the final sentence with: ‘Eligibility is determined with regard to the Common Housing Allocation Scheme and through the Help to Buy Agent for low-cost home ownership’.*

**Policy ASH3 Character of Development**

- 7.26 This policy builds on the work undertaken by NHDC on the Design Supplementary Planning Document (2011). That work identified five distinct character areas in Ashwell. These character areas are incorporated into the submitted Plan.

- 7.27 The policy comments that the design of new development should demonstrate how it has taken account of the local context and reflects the character and vernacular of the area, using architectural variety in form and materials. It also offers support to innovative development.
- 7.28 The Plan has been prepared within the context of the 2019 version of the NPPF. In July 2021 an updated version of the NPPF was published. The principal changes between the two versions of the NPPF relate to design matters. In many respects Policy ASH3 had anticipated the contents of the updated NPPF. It reflects the approach the National Design Guide and is directly informed by the excellent character assessment work. As such, I am satisfied that there the submitted Plan continues to have regard to national policy. Nevertheless, I recommend that the supporting text is expanded to address the updated NPPF.
- 7.29 The policy is well-considered. In particular, it relates local design principles to the findings of the earlier character assessment work. To bring the clarity required by the NPPF I recommend that Part C of the policy takes on a more prescriptive approach. As submitted, its approach is simply that development proposals should ‘address’ the two criteria. A prescriptive approach would also more closely relate to the approach taken in other parts of the policy.
- 7.30 Finally, I recommend other detailed modifications to the policy to bring the clarity required by the NPPF.

**In Part A replace ‘Development’ with ‘Development proposals’**

**In Part B delete the sentence beginning with ‘For example’**

**In Part C delete ‘address the following criteria’**

**In Part D replace ‘will be expected to’ with ‘should’**

*At the end of paragraph 7.7 add: ‘This approach is consistent with the design-led approach as captured in national planning policy. The Plan sets out the Parish Council’s approach towards a clear design vision and expectations for development sites. This will ensure that applicants have as much certainty as possible about what is likely to be acceptable’*

Policy ASH4 Design of Development

- 7.31 This policy complements the approach taken in the previous policy. It comments about the importance of securing high-quality design. It builds on earlier work on the Ashwell Village Design Statement 2000.
- 7.32 The policy comments that development will be supported where it demonstrates a high quality of design, which responds and integrates well with its surroundings, and meets the changing needs of residents. It also comments that development should minimise its impact on the natural and historic environment, respect the local topography and associated matters such as access and open views.

- 7.33 The policy has been well-considered. In particular, it relates local design principles to the findings of the earlier character assessment work. My comments on the 2021 version of the NPPF in respect of Policy ASH3 also apply to this policy.
- 7.34 I recommend that the opening part of the policy is reconfigured so that it has a consistent format in setting out the design requirements which new developments should meet. The recommended modification also highlights that a proportionate approach will be necessary to the application of the various design criteria based on the nature of the development proposal concerned.
- 7.35 Finally, I recommend the deletion of the seventh criterion. It comments about car parking issues which are comprehensively addressed elsewhere in the Plan (Policy ASH22).

**Replace the opening part of the policy with: ‘Development proposals should demonstrate a high quality of design which responds and integrates well with their surroundings, and meets the changing needs of residents. In addition, they should minimise their impact on the natural and historic environment, respecting the topography of their immediate environment including pedestrian and vehicular access and open views.**

**As appropriate to their scale, nature and location development proposals should demonstrate how they have responded positively to the following matters:**

**Delete criterion (vii)**

Policy ASH5 Flood Risk

- 7.36 This policy addresses flood risk issues in the parish. As paragraph 7.17 of the Plan comments:

*‘Surface water flooding is an issue for the village, principally around the western part of the High Street and in West End, though other parts of the High Street, Back Street, Bear Lane, Church Lane and Hodwell have also been affected. The Environment Agency’s flood map (Figure 7.7 and Figure 7.8) highlights this risk and the Agency has advised the inclusion of a policy in the ANP to help manage it..... The Environment Agency has also highlighted in its comments that the village settlement boundary extends into flood zones 2 and 3, as identified in North Hertfordshire District Council’s Strategic Flood Risk Assessment (2008)’*

- 7.37 The policy has four related parts as follows:
- requiring that new developments use sustainable drainage systems;
  - such drainage systems should also seek to enhance wildlife and biodiversity;
  - all developments should comply with the drainage authority’s current standards; and
  - major development proposals should be accompanied by drainage scheme maintenance plans.

7.38 In addressing local issues in relation to flooding the policy overlaps with national policy on this matter, principally in Section 14 of the NPPF. In this context NHDC suggested that the policy should be deleted from the Plan.

7.39 In its response to the clarification note on this matter APC commented that:

*'the supporting text details the local concerns about flooding and examples of this within the parish. This policy sets out the Plan's requirements for sensitive and imaginative arrangements for sustainable drainage. It is considered that the policy will assist in the development of sustainable and attractive new developments in the village. This creative, biodiversity-considerate approach to urban drainage is alluded to in the text of the emerging Local Plan (at para 4.135) but is not expressly included in the emerging Local Plan policies.'*

7.40 I have considered these matters very carefully. On the balance of the evidence, I recommend that the policy is reconfigured so that it relates the local circumstances in the parish to national policy without repeating national policy. In particular, such an approach would acknowledge the importance of this matter to local people.

7.41 The reconfigured policy makes no reference to Part C of the submitted policy which comments about Anglian Water's standards. These are matters covered by separate legislation. Nevertheless, I recommend that this issue is included within the supporting text as a reference point for potential developers.

**Replace the policy with:**

**Development proposals should take account of the flood zones as shown on Figure 7.8.**

**Where appropriate, development proposals should incorporate sustainable drainage facilities which, where practicable, enhance wildlife and biodiversity in their immediate locality.'**

*At the end of paragraph 7.18 add: 'Policy ASH5 sets out a policy approach to address this matter. In addition to these policy requirements, developments should comply with the drainage authority's (Anglian Water) current Surface Water Drainage policy'*

Policy ASH6 Sustainable Water Supply

7.42 This policy seeks to safeguard and ensure sustainable water supplies. It has two related parts:

- residential developments should have a mains water consumption of no more than 110 litres per day; and
- all major developments should be separately approved by the water supplier (currently Affinity Water) based on its Drought Management Plan.

7.43 I queried with APC the extent to which the contents of the policy were already addressed by the Building Regulations or were the responsibility of other organisations. It commented as follows:

*'Building regulations set out that water consumption per dwelling should not exceed 125 litres per person per day; but they also set out an optional level of 110 litres per person per day. Ashwell is located within an area of water stress, as demonstrated by the supporting text and this policy therefore seeks to apply this optional usage as the minimum, to recognise this point. This approach is supported by Affinity Water, as the provider, and also the Environment Agency.'*

- 7.44 I have considered these matters very carefully. On the balance of the evidence, I recommend that the policy is deleted. I do so for two reasons. The first is that water use is already covered by the Building Regulations and APC has not provided any specific evidence to justify a lower figure. The second is that the element of the policy on water abstraction repeats existing controls which are covered by separate legislation.
- 7.45 I have considered the appropriateness of retaining the supporting text on this matter in the Plan without a related policy. On balance, I am satisfied that the majority of the supporting text can comfortably remain in the Plan. It describes an important element of the neighbourhood area and sets out the existing measures which are in place to safeguard its water environment. However, I recommend specific modifications to paragraph 7.23 to take account of the recommended deletion of the policy.

**Delete the policy.**

*In paragraph 7.23 delete the final three sentences.*

Policy ASH7 Environmentally sustainable design

- 7.46 This policy is an ambitious approach to promote environmentally-sustainable designs in the parish. It comments that new construction should have low energy needs in line with current best practice and that alterations to existing buildings should aim to reduce resource requirements where this is compatible with their historic character. It includes five principles with which new development should meet as appropriate to their scale and nature.
- 7.47 The policy has been well-developed. The principles are both distinctive and appropriate to the parish. In addition, it has been designed to be applied on a proportionate basis. It meets the basic conditions.

Policy ASH8 Protecting Historic Assets

- 7.48 This policy seeks to safeguard designated and non-designated heritage assets. It has three related parts as follows:
- new developments should seek to avoid harm to heritage assets;
  - offering support to development proposals which conserve or enhance heritage assets. In this context it identifies a series of local heritage assets;
  - setting out how proposals which would result in the loss of heritage assets would be handled.

- 7.49 Safeguarding the rich built heritage in the neighbourhood area is properly a major issue for the Plan. Nevertheless, it is important that the policy has regard to national policy (as set out principally in Section 16 of the NPPF) and does not repeat or restate that policy approach. In this context, the policy in the submitted Plan does not add any local value to the approach in the NPPF about designated heritage assets which in the case of the neighbourhood area is mainly listed buildings. However, it adds distinctive local value to the national approach towards non-designated heritage assets.
- 7.50 As such, I recommend that the policy is reconfigured so that it achieves two related purposes. The first is to identify the proposed non-designated heritage assets (as set out in Appendix C of the Plan). The second is to apply national policy (and elements of Part B of the submitted policy) to the identified non-designated heritage assets. In this broader framework, I recommend that the policy is replaced with one with a clear focus on non-designated heritage assets.
- 7.51 The supporting text largely reflects the approach set out in the NPPF. In particular, it acknowledges that the listed buildings in the parish are already protected. Nevertheless, I recommend a consequential modification to the supporting text to ensure that it has regard to paragraph 203 of the NPPF with regard to non-designated heritage assets. As submitted, paragraph 7.35 of the Plan takes a more restrictive approach than that in national policy.

**Replace the policy with:**

**‘The Plan identifies a series of non-designated heritage assets. They are detailed in Appendix C of the Plan.**

**The effect of an application on the significance of a non-designated heritage asset should be taken into account in determining the application. In weighing applications that directly or indirectly affect non-designated heritage assets, a balanced judgement will be required having regard to the scale of any harm or loss and the significance of the heritage asset.**

**Proposals will be supported where they preserve, sustain and enhance the special character, significance, appearance and locally-distinctive features of the non-designated heritage assets in general, and particularly where they respond positively to the scale, form, proportion, design, materials and architectural features on the building concerned.’**

*In paragraph 7.35 replace the second sentence with: ‘Development proposals affecting these important buildings will be assessed against the principles of paragraph 203 of the NPPF.’*

**Policy ASH9 Locally Significant Views**

- 7.52 This policy identifies a series of locally-significant views. They reflect the relationship between the built village and its surrounding agricultural hinterland.
- 7.53 In addition to views out of the village, there are many views towards the village, or within the village itself, which are intrinsic to Ashwell's sense of place. Many of these

views focus on the tower of St Mary's Church. The Plan includes a description and photograph of each view. The views are shown in Figure 7.10 of the Plan.

- 7.54 I looked at several of the views during the visit. They have been carefully-chosen. In their different ways, they celebrate the heritage of the village and/or its relationship with the surrounding countryside. The policy takes a comprehensive approach to its subject matter. However, section A is a policy element and sections B and C are supporting text. APC agreed with this conclusion in its response to the clarification note. As such, I recommend that sections B and C are deleted from the policy and repositioned into the supporting text.

#### **Delete Parts B and C of the policy**

*At the end of paragraph 7.43 of the Plan add the deleted part B of the policy.*

*At the end of paragraph 8.15 of the Plan add 'Development proposals should comply with the findings and guidelines in Character Area Assessment 224'*

#### **Policy ASH10 Natural Landscape and Rural Character**

- 7.55 This policy addresses a series of issues relating to the natural landscape and rural character of the parish as follows:
- development should safeguard the natural landscape and retain landscape features;
  - the identification of a series of criteria with which development proposals should comply;
  - the need for development proposals to provide open spaces in a proportionate way;
  - landscaping within developments should follow ecological principles; and
  - the need for the ongoing management of open spaces.

- 7.56 The policy takes a positive approach to this important matter. I saw the importance of the natural landscape in the neighbourhood area during the visit. The structure and the wording of the policy has been very well-developed. However, I recommend that Part E of the policy is reconfigured so that it is clear that it requires appropriate management arrangements to be put in place for proposals which incorporate open space (in accordance with Part C of the policy). Otherwise, it meets the basic conditions. It will do much to contribute to the delivery of the environmental dimension of sustainable development.

**Replace part E of the policy with: 'Development proposals which incorporate open spaces should provide for an appropriate legal agreement to ensure proper management of the open space over the lifetime of the development.'**

#### **Policy ASH11 Natural Wildlife Assets, Wildlife Corridors and Green Infrastructure**

- 7.57 This policy takes a comprehensive approach to natural wildlife assets and green infrastructure.
- 7.58 This policy addresses a series of specific issues on these matters as follows:



- the need for development proposals to demonstrate biodiversity net gain;
- the protection of green infrastructure;
- the protection of watercourses; and
- the safeguarding of Ashwell Springs.

7.59 The policy is distinctive to the parish and has regard to national policy. However, sections A and B are policy elements and sections C and D are supporting text. APC agreed with this conclusion in its response to the clarification note. As such, I recommend that sections C and D are deleted from the policy and repositioned into the supporting text.

7.60 Otherwise, the policy is very well-developed. In particular it will contribute significantly to the delivery of the environmental dimension of sustainable development in the neighbourhood area.

**Delete parts C and D from the policy.**

*At the end of paragraph 8.8 of the Plan add the deleted part D of the policy*

*At the end of paragraph 8.15 of the Plan add the deleted part C of the policy*

**Policy ASH12 Local Green Spaces**

7.61 This policy proposes the designation of the Foresters' Allotments as a local green space (LGS). It carefully seeks to ensure that the approach has regard to the national approach to this matter in the NPPF.

7.62 On the basis of all the information available to me, including my own observations, I am satisfied that the proposed LGS comfortably complies with the three tests in the NPPF and meets the basic conditions. It is precisely the type of green space which the authors of the NPPF would have had in mind in preparing national policy.

7.63 In addition, I am satisfied that its proposed designation would accord with the more general elements of paragraph 101 of the NPPF. Firstly, I am satisfied that the designation is consistent with the local planning of sustainable development. It does not otherwise prevent sustainable development coming forward in the neighbourhood area and no such development has been promoted or suggested. Secondly, I am satisfied that the LGS is capable of enduring beyond the end of the Plan period. It is an established element of the local environment and has existed in its current format for many years. In addition, no evidence was brought forward during the examination that would suggest that the proposed local green space would not endure beyond the end of the Plan period.

7.64 The policy itself has two related parts. The first identifies the proposed LGS. The second sets out the implications for LGS designation. The second part seeks to follow the approach as set out in paragraph 103 of the NPPF. However, it goes beyond that approach in an important respect which indicates that development will not be supported unless it is required to 'enhance the role and function of that local green space'

- 7.65 I can understand the circumstances which have caused APC to design the policy in this way. Nevertheless, I recommend a modification so that the policy takes the matter-of-fact approach in the NPPF. The recommended modification also takes account of the case in the Court of Appeal on the designation of local green spaces and the policy relationship with areas designated as Green Belts (2020 EWCA Civ 1259).
- 7.66 In the event that development proposals affecting the LGS come forward within the Plan period, they can be assessed on a case-by-case basis by NHDC. In particular, NHDC will be able to make an informed judgement on the extent to which the proposal concerned demonstrates the 'very special circumstances' required by the policy. I recommend that the supporting text clarifies this matter.

**Replace the second part of the policy with:**

**'Development proposals within the designated local green space will only be supported in very special circumstances'**

*At the end of paragraph 8.24 add: 'Policy ASH 12 follows the matter-of-fact approach in the NPPF. In the event that development proposals come forward on the local green space within the Plan period, they can be assessed on a case-by-case basis by the District Council. In particular it will be able to make an informed judgement on the extent to which the proposal concerned demonstrates the 'very special circumstances' required by the policy'*

Policy ASH13 Incubator/Flexible Start up business spaces

- 7.67 This policy takes a positive approach towards the development of small/start up business uses. It is underpinned by local feedback as the Plan was developed. Paragraph 9.9 comments that 'residents have strongly indicated that they would prefer to work locally, with many choosing to work from home. This has the added benefit of reducing the level of out-commuting necessary. Support for small and start-up businesses fits well into the existing local economy and social fabric and can provide the best strategy for increasing local employment within an existing and growing skills base'.
- 7.68 The policy has two related parts. The first offers support to proposals to provide incubator/start-up business space on flexible terms. The second requires that new workspaces should demonstrate the way in which they can be incorporated within their immediate locality without generating any unacceptable impact on the amenity of residential properties and on the capacity and safety of the local highways network.
- 7.69 In its response to the clarification note APC advised on its intentions for the 'flexible terms' element of the policy. It confirmed that it intended that 'flexible' relates to the ability for workspaces to be used flexibly (where they may be designed in a way that can serve multiple purposes and uses) - as opposed to rented/leased flexibly. I recommend a modification to the policy to address this matter given that flexible renting and/or business terms is not a land use matter.

- 7.70 Otherwise, the policy has regard to national policy and meets the basic conditions. It will contribute significantly to the delivery of the economic dimension of sustainable development.

**Replace the initial element of Part A of the policy with: ‘Proposals to provide incubator/start-up business space that is flexible in its use will be supported through:’**

Policy ASH14 Broadband Provision

- 7.71 This policy reflects the increasing importance of broadband connectivity both generally, and in rural locations in particular.
- 7.72 It comments that all new residential, commercial and community properties within the parish should be served by a superfast broadband (fibre-optic) connection.
- 7.73 The second part of the policy identifies an exception to the policy. Whilst this is a helpful and practical approach, a policy would not usually identify an exception to its application. As such, I recommend that the second part of the policy is deleted and repositioned into the supporting text. This will provide the clarity required by the NPPF.

**Delete the second part of the policy.**

*At the end of paragraph 9.14 add: ‘Policy ASH14 reinforces this matter and requires that all new residential, commercial and community properties should be served by a superfast broadband (fibre-optic) connection. The only exception to this approach will be where it can be demonstrated, through consultation with Next Generation Access Network providers, that this would not be possible, practical or economically viable. In such circumstances, sufficient and suitable ducting should be provided within the site and to the property to facilitate ease of installation at a future date on an open access basis.’*

Policy ASH15 Ashwell Village Centre

- 7.74 This policy celebrates the importance of the village centre to the economic and community well-being of the parish.
- 7.75 The Plan comments that the shops and meeting places in the village centre continue to provide a vital focus for both spontaneous pedestrian interaction, as well as organised community events, all of which contribute to the pleasure of living in a thriving and historically significant rural village. I saw the importance and the vibrancy of the village centre during the visit.
- 7.76 The Plan also indicates that the local engagement process indicated that there is real concern among parishioners about a decline in support for local shops and services. It comments that in the last few years, the village has lost its permanent post office and a takeaway food outlet. Local people are concerned if further shops close this will result in the diminishing of other services, for example the pharmacy. The pharmacy supplies many over-the-counter medicines and goods and is an important source of advice and support to local residents. The Plan comments that its closure would represent a considerable loss to the community.

7.77 The policy has three related parts as follows:

- development proposals that provide a balance of uses - retail, leisure and community, commercial and residential - will be supported;
- proposals which result in the permanent change of use of Classes E, F1 and F2 to other uses will only be supported where certain criteria are met; and
- offering support for the reuse of historic buildings within Ashwell village centre for activities that will enhance its vitality and viability.

7.78 The policy has been well-developed. It seeks to ensure that the village centre retains its commercial importance and its wider social and community function in the parish. The policy has also taken account of the changes to the Use Classes Order in 2020 which provided considerable flexibility for uses traditionally associated with town and village centres.

7.79 I recommend a series of modifications to bring the clarity required by the NPPF. I recommend that the approach in Part A is refined so that it provides flexibility for the range of uses which would assist in maintaining the vitality and viability of the village centre. In Part B, I recommend that the references to specific uses is consistent with the approach taken in the further Main Modifications to Policy SP4 of the emerging NHDC Local Plan (May 2021). Finally, I recommend detailed modifications to Part C of the policy so that its contents are set out consistently in the plural rather than in the singular.

7.80 Otherwise, the policy meets the basic conditions. It will contribute significantly to the delivery of the economic and social dimensions of sustainable development in the neighbourhood area. Plainly the ongoing success of the village centre is key to the future sustainability of the village and its wider hinterland.

**Replace Part A of the policy with: ‘Development proposals which would contribute towards a balance of uses in Ashwell village centre and assist in maintaining its vitality and viability and its role as the focal point of the community will be supported’**

**Replace Part B of the policy with: ‘Proposals for the change of use of shops, financial and professional services, café or restaurants, pubs or drinking establishments or takeaways to other uses will only be supported where it can be demonstrated that there is no reasonable prospect of the site or premises being used for ongoing retail or community uses. Applicants will be expected to demonstrate that the existing use is no longer viable and that the site has been marketed for 12 months for alternative retail or community uses.’**

**Replace the first sentence of Part C of the policy with: ‘The reuse of historic buildings within Ashwell village centre for activities that will enhance their vitality and viability will be supported’**

Policy ASH16 Provision of Leisure and Recreational Facilities

7.81 This policy recognises the importance of leisure and recreational facilities to local people.

7.82 It has two related parts as follows:

- offering support to new play areas and sports facilities or improvements to existing ones, the extension of the existing Recreation Ground and providing additional recreation space elsewhere; and
- commenting that the delivery of new facilities or improvements to existing facilities will be secured through Section 106 contributions or Community Infrastructure Levy funding.

7.83 In its response to the clarification note APC advised that the policy is intended to be read such that it supports proposals whose principal aim is to provide new or extended recreational facilities. In particular it commented that it does not support development that delivers, as a consequence, recreational facilities – these would be considered on their merits against all policies of the neighbourhood plan. I recommend modification to address this matter and to bring the clarity required by the NPPF.

7.84 The second part of the policy is a process matter (about how new/improved facilities may be delivered and financed) rather than a land use policy. As such I recommend that it is deleted from the policy and repositioned into the supporting text. Otherwise, the policy meets the basic conditions. It will assist significantly in the delivery of the social dimension of sustainable development.

**Replace the opening element of Part A of the policy with: ‘Proposals for the following recreation and leisure facilities will be supported’**

**Delete Part B of the policy**

*At the end of paragraph 10.11 add: ‘Policy ASH16 sets out an approach towards the development of new or improved recreational facilities. The delivery of new facilities or improvements to existing facilities, including the provision of accessible toilets, changing rooms and communal space - will be secured through Section 106 contributions or Community Infrastructure Levy funding, once adopted by North Hertfordshire District Council.’*

Policy ASH17 Protection of Public Houses

7.85 This policy acknowledges the importance of public houses to the local community. As paragraph 10.13 of the Plan comments, ‘opportunities for social interaction, including the combatting of isolation among older members of the community, are important. The three public houses in Ashwell (Bushel and Strike, Rose and Crown, and Three Tuns) are not only valued local businesses but they also act as community assets. They have social or cultural value for particular groups in the community and provide employment opportunities.’ I saw their popularity during the visit.

7.86 The policy has two related parts as follows:

- development proposals to change the use of public houses will only be supported if such a use is demonstrably unviable; and
- proposals for the expansion of existing public houses to develop appropriate community-based activities, such as a restaurant will be supported.

- 7.87 The policy has been well-developed. It meets the basic conditions. It will do much to contribute towards the delivery of the social dimension of sustainable development.

Policy ASH18 Maintaining Existing Health Facilities

- 7.88 This policy offers support to proposals to enhance and facilitate the continued delivery of health services at Ashwell Surgery, Ashwell dental surgery and Ashwell pharmacy.
- 7.89 The second part of the policy offers support to proposals for the expansion of the three services (and their potential relocation within the parish) subject to a series of criteria.
- 7.90 The policy has been well-developed. It will do much to contribute towards the delivery of the social dimension of sustainable development. I recommend the deletion of repetition in the first part of the policy. Otherwise, it meets the basic conditions.

**In the first part of the policy delete 'Health facilities being:'**

Policy ASH19 Education Provision

- 7.91 This policy offers support to proposals which would maintain, enhance or facilitate the continued delivery of good quality education in the parish.
- 7.92 As with other community-based policies in the Plan, the policy has been well-developed. It will do much to contribute towards the delivery of the social dimension of sustainable development. I recommend the deletion of the reference to 'good quality' education in the policy. Whilst the delivery of good quality education is an important social objective, it is not directly a land use matter. Otherwise, the policy meets the basic conditions.

**Delete 'good quality'**

Policy ASH20 Accessible Paths in the Village and Rural Areas

- 7.93 This policy responds to the remote location of the village, and the opportunities provided for access by its various paths.
- 7.94 The policy has four related parts as follows:
- development proposals to improve cycling and walking will be supported. In particular, provision of additional routes that provide or complete circular walks and are physically separated from vehicular traffic and from one another will be supported;
  - all new developments should ensure safe pedestrian access for all, including those with restricted mobility, to link up with existing footways;
  - development proposals which include highway solutions that mitigate the impact of traffic through the village centre will be supported; and
  - public bridleways and footpaths should only be removed where the benefits of the development in the location proposed clearly outweigh the loss and where suitable alternatives are provided.

- 7.95 The policy approach is both appropriate and distinctive to the parish. Nevertheless, I recommend a series of modifications to ensure that it has the clarity required for a development plan policy. In relation to Part B, I recommend the deletion of explanatory text and that the policy applies in a proportionate fashion. In addition, I recommend that the requirement for the pedestrian access to connect with existing footpaths applies only where it is practicable to do so. Plainly some developments will provide obvious opportunities for such connections and others will not.
- 7.96 Secondly, I recommend that Part D takes a more positive approach which requires new development to respect footpaths and bridleways. As submitted, the policy anticipates that such access routes may be lost to new development. In any event, such circumstances would be considered primarily under highways rather than planning legislation.

**Replace Part B of the policy with: ‘As appropriate to their scale, nature and location, new developments should ensure safe pedestrian access for all, including those with restricted mobility which, where it is practicable to do so, connect with existing footways**

**Replace Part D of the policy with: ‘Proposed developments should take account of existing public bridleways and footpaths and, where appropriate, incorporate them in a sensitive and positive fashion into their layouts and designs.’**

Policy ASH21 Bus Services and Community Transport

- 7.97 This policy has two related parts as follows:
- new development proposals that contribute towards physical improvements in the quality of public and community transport services and/or supporting infrastructure, including bus shelters will be supported; and
  - proposals that lead to a reduction in the number of private vehicles being used to link to Ashwell and Morden station and other local stations will be supported.
- 7.98 Both elements of the policy are well-intentioned. However, as submitted, they could have unintended consequences. In any event, both elements of the policy are unlikely to be delivered through the land use planning system.
- 7.99 In all the circumstances, I recommend that the policy is deleted. Nevertheless, I recommend that the two issues are captured as additional matters in the non-land use Action section of the Plan under the Transport and movement action heading

**Delete the policy.**

*In the Transport and movement action heading in Section 15 of the Plan add:*

*Explore options for physical improvements in the quality of public and community transport services and/or supporting infrastructure, including bus shelters.*

*Explore opportunities to reduce the number of private vehicles being used to link to Ashwell and Morden station and other local stations.*

## Policy ASH22 Residential and Public Car Parking

7.100 This policy addresses five related issues on car parking matters as follows:

- proposals that add new dwellings or business space should include the provision of adequate, sensitively-designed off-street parking;
- in appropriate cases, planning approval for such uses may be subject to conditions preventing change of use, where this could result in inadequate car parking provision being available;
- setting out a presumption against the loss of any publicly accessible off-street car parking in the neighbourhood area;
- proposals for new development that provides additional public off-road car parking spaces, in particular next to businesses and at transport hubs, will be supported; and
- the design of all new parking should be of sustainable construction to ensure minimal impact on the drainage system, and incorporate native hedging and tree planting where practical.

7.101 The policy approach is both appropriate and distinctive to the parish. Nevertheless, I recommend a series of modifications to ensure that it has the clarity required for a development plan policy. I recommend the deletion of Part B of the policy. It is inappropriate for a neighbourhood plan policy to seek to apply restrictions on planning permission issued by NHDC.

7.102 I also recommend that Part C of the policy takes on a format appropriate for a development plan policy. In this case it would be one where the loss of publicly accessible off-street car parking in the neighbourhood area would not be supported unless alternative car parking provision is included in the proposal or if it can be demonstrated that there is no demand for the existing parking spaces.

7.103 Finally, I recommend the deletion of Part D of the policy. As submitted, it could have unintended consequences. In any event its ambitions are unlikely to be delivered through the land use planning system.

### **Delete Part B of the policy.**

**Replace Part C of the policy with: ‘Development proposals which would involve the loss of publicly accessible off-street car parking in the neighbourhood area will not be supported unless alternative car parking provision is included in the proposal or if it can be demonstrated that there is no demand for the existing parking spaces.’**

### **Delete Part D of the policy.**

#### Non-policy actions

7.104 The Plan includes a series of non-land use policy actions. In accordance with national policy, they are located in a separate section of the Plan (Section 15).



7.105 The non-land use actions are both appropriate and distinctive to the parish. In some cases, they will be complementary to the land use policies. They address the following matters:

- Housing;
- Design and heritage;
- Natural Environment
- Business and Economy;
- Sport, Leisure and Recreation;
- Health and education; and
- Transport and movement.

#### Other Matters - General

7.106 This report has recommended a series of modifications both to the policies and to the supporting text in the submitted Plan. Where consequential changes to the text are required directly as a result of my recommended modification to the policy concerned, I have highlighted them in this report. However, other changes to the general text may be required elsewhere in the Plan as a result of the recommended modifications to the policies. It will be appropriate for NHDC and APC to have the flexibility to make any necessary consequential changes to the general text. I recommend accordingly.

*Modification of general text (where necessary) to achieve consistency with the modified policies.*

#### Other Matters – Specific

7.107 NHDC has recommend a series of specific updates to the supporting text. In most cases, they reflect the progress which has been made on the emerging Local Plan since the neighbourhood plan was submitted. I recommend the following modifications which are necessary to ensure that the Plan meets the basic conditions:

*Paragraph 3.14 - replace 'starter' with 'shared ownership'*

*Paragraphs 5.1/6.4 – update the context to reflect the Main Modifications to the Local Plan in general, and in relation to the Claybush Road site in particular*

#### Implementation and Review

7.108 Section 14 of the Plan properly comments about the need for monitoring of any 'made' neighbourhood plan. It also recognises that a review of the Plan may be required at some point within the Plan period.

7.109 The submitted Plan has been prepared within the context of a development plan context that pre-dates the publication of the current version of the NPPF. NHDC is now working towards the preparation of a new Local Plan. The adoption of that Plan will be an important milestone in the development of planning policy in the District.

7.110 In these circumstances, I recommend that the submitted neighbourhood plan includes a degree of commentary about the potential impact of the relationship between the

adoption of the emerging local plan and any 'made' neighbourhood plan. Plainly APC will need to consider the potential impact once the Local Plan is adopted and reach its own view on the need or otherwise for a review of the Plan.

*In Section 14 add an additional paragraph to read: 'The adoption of the North Hertfordshire Local Plan 2031 will be a key milestone in the development of planning policy in the District. In this context, the Parish Council will consider the need for a review of the neighbourhood plan at that point. This task will be undertaken based on an assessment of any differences in the policies in the adopted Local Plan and those in a made neighbourhood plan at that time.'*

## 8 Summary and Conclusions

### *Summary*

- 8.1 The Plan sets out a range of policies to guide and direct development proposals in the period up to 2031. It is distinctive in addressing a specific set of issues that have been identified and refined by the wider community to safeguard the character and setting of the neighbourhood area.
- 8.2 Following my independent examination of the Plan, I have concluded that the Ashwell Neighbourhood Development Plan meets the basic conditions for the preparation of a neighbourhood plan subject to a series of recommended modifications.

### *Conclusion*

- 8.3 On the basis of the findings in this report, I recommend to North Hertfordshire District Council that, subject to the incorporation of the modifications set out in this report, the Ashwell Neighbourhood Development Plan should proceed to referendum.

### *Other Matters*

- 8.4 I am required to consider whether the referendum area should be extended beyond the Plan area. In my view, the neighbourhood area is entirely appropriate for this purpose and no evidence has been submitted to suggest that this is not the case. I therefore recommend that the Plan should proceed to referendum based on the neighbourhood area as approved by North Hertfordshire District Council on 25 March 2014.
- 8.5 I am grateful to everyone who has helped in any way to ensure that this examination has run in a smooth manner.

**Andrew Ashcroft**  
**Independent Examiner**  
**21 October 2021**

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Appendix B : Ashwell Neighbourhood Plan – Schedule of proposed modifications to the neighbourhood plan policies and supporting text

Where the examiner has recommended modifications to policies, they are shown in **bold text**. Where the examiner has suggested specific changes to the supporting text, these are shown in *blue bold italics*.

Unless there is a specific comment made against the examiners’ recommendations, the District Council is in agreement with the examiners’ proposed modifications to the Ashwell Neighbourhood Plan.

Policy or paragraph reference	Examiners Proposed Modifications	The Council’s comments
Policy ASH1	<p>Replace Part A of the policy with:</p> <p><b>Development in the neighbourhood area will be focused within the extended settlement boundary shown in Figure 5.1 where it complies with all relevant policies in the development plan and the NPPF.</b></p> <p>Replace Part B of the policy with:</p> <p><b>‘Within the extended settlement boundary, proposed developments on brownfield land will be particularly supported.’</b></p> <p>Within Part C of the policy:</p> <p>In (i) replace ‘it is’ with ‘they are’</p> <p>In (iii) replace ‘it relates’ with ‘they relate’</p> <p>In (iv) replace ‘it is’ with ‘they are’</p>	<p>The Council made representations to this policy at the Regulation 16 consultation stage. The representations suggested that:</p> <ul style="list-style-type: none"> <li>• the policy should be amended to reflect the proposed settlement boundary in the emerging Local Plan; and</li> <li>• that the second criterion of the policy should be deleted as it attempted to restrict development within the settlement boundary to brownfield sites only, which would be in conflict with Policy SP2 in the emerging Local Plan.</li> </ul> <p>The examiner has taken these comments into consideration and put forward modifications to the neighbourhood plan.</p>
Para 5.5	<p>Replace the final sentence of paragraph 5.5 with:</p> <p><i><b>Development outside the settlement boundary will be strictly controlled in accordance with national and local planning policies</b></i></p>	
Policy ASH2	<p>Replace Parts A, B and C of the policy with:</p>	

	<p><b>Proposals for housing development should contribute towards meeting the existing and future housing needs of the neighbourhood area. Developers of major developments should submit a neighbourhood area-specific Affordable Housing and Dwellings Mix Strategy with any planning application. The Strategy should set out identified housing needs within the neighbourhood area, taking account of Housing Survey 2015 conclusions or any more recent local survey, and demonstrate how the proposed development addresses those needs. In particular the Strategy must show how the proposal:</b></p> <ul style="list-style-type: none"> <li>• <b>meets the needs of older residents (aged 60+) and younger people entering the housing market both in general terms and through the delivery of one- and two-bedroom houses in particular; and</b></li> <li>• <b>helps to address housing under-occupancy in the Parish.</b></li> </ul> <p><b>Development proposals which include a significant proportion of one-, two- and three-bedroom dwellings for sale or rent within the lower quartile of local cost will be particularly supported.</b></p> <p><b>Where appropriate, development proposals for housing development should provide affordable housing to development plan standards.</b></p> <p>Delete Part D of the policy.</p>	<p>The examiner has taken into account the representations made by the Council by including modifications to support the provision of smaller dwellings in development schemes.</p>
Para 6.13	In paragraph 6.13 replace ‘smaller homes’ with <i>‘homes with up to three bedrooms’</i>	
Para 6.18	<p>In paragraph 6.18 replace the final sentence with:</p> <p><i>Eligibility is determined with regard to the Common Housing Allocation Scheme and through the Help to Buy Agent for low-cost home ownership.</i></p>	
Para 6.20	<p>At the end of paragraph 6.20 add:</p> <p><i>This matter is addressed in Part C of Policy ASH2. The type and size of affordable homes should meet the specific needs identified for the neighbourhood area.</i></p>	

Policy ASH3	<p>In Part A replace <b>‘Development’</b> with <b>‘Development proposals’</b></p> <p>In Part B delete the sentence beginning with ‘For example’</p> <p>In Part C delete ‘address the following criteria’</p> <p>In Part D replace <b>‘will be expected to’</b> with <b>‘should’</b></p>	
Para 7.7	<p>At the end of paragraph 7.7 add:</p> <p><i><b>This approach is consistent with the design-led approach as captured in national planning policy. The Plan sets out the Parish Council's approach towards a clear design vision and expectations for development sites. This will ensure that applicants have as much certainty as possible about what is likely to be acceptable.</b></i></p>	
Policy ASH4	<p>Replace the opening part of the policy with:</p> <p><b>Development proposals should demonstrate a high quality of design which responds and integrates well with their surroundings, and meets the changing needs of residents. In addition, they should minimise their impact on the natural and historic environment, respecting the topography of their immediate environment including pedestrian and vehicular access and open views.</b></p> <p><b>As appropriate to their scale, nature and location development proposals should demonstrate how they have responded positively to the following matters:</b></p> <p>Delete criterion (vii)</p>	<p>The representations made by the Council in relation to this policy sought to ensure that the policies for car parking provision in the Parish would be included in one policy, rather than a number of policies. The examiner’s proposed modifications seek to achieve this.</p>
Policy ASH5	<p>Replace the policy with:</p> <p><b>Development proposals should take account of the flood zones as shown on Figure 7.8.</b></p> <p><b>Where appropriate, development proposals should incorporate sustainable drainage facilities which, where practicable, enhance wildlife and biodiversity in their immediate locality.</b></p>	<p>The Council considered that this policy in the neighbourhood plan replicated much of the guidance set out in the NPPF and the National Planning Practice Guidance and that it should be deleted.</p> <p>The examiner has not proposed a modification to delete the policy but has proposed an amendment which simplifies</p>
Para 7.18	<p><i>At the end of paragraph 7.18 add:</i></p>	

	<i>Policy ASH5 sets out a policy approach to address this matter. In addition to these policy requirements, developments should comply with the drainage authority's (Anglian Water) current Surface Water Drainage policy</i>	the policy whilst still retaining a flood risk policy in the neighbourhood plan.
Policy ASH6	Delete the policy.	
Para 7.23	In paragraph 7.23 delete the final three sentences.	
Policy ASH7	No modifications proposed	
Policy ASH8	<p>Replace the policy with:</p> <p><b>The Plan identifies a series of non-designated heritage assets. They are detailed in Appendix C of the Plan.</b></p> <p><b>The effect of an application on the significance of a non-designated heritage asset should be taken into account in determining the application. In weighing applications that directly or indirectly affect non-designated heritage assets, a balanced judgement will be required having regard to the scale of any harm or loss and the significance of the heritage asset.</b></p> <p><b>Proposals will be supported where they preserve, sustain and enhance the special character, significance, appearance and locally-distinctive features of the non-designated heritage assets in general, and particularly where they respond positively to the scale, form, proportion, design, materials and architectural features on the building concerned.</b></p>	The examiner has proposed modifications which ensure that the policy is positively worded.
Para 7.35	<p>In paragraph 7.35 replace the second sentence with:</p> <p><i>Development proposals affecting these important buildings will be assessed against the principles of paragraph 203 of the NPPF.</i></p>	
Policy ASH9	Delete Parts B and C of the policy	The Council made a representation which suggested that criterion B should be deleted as it made the policy unclear. The
Para 7.43	At the end of paragraph 7.43 of the Plan add the deleted part B of the policy (ASH9).	



Para 8.15	At the end of paragraph 8.15 of the Plan add <i>Development proposals should comply with the findings and guidelines in Character Area Assessment 224.</i>	examiner has agreed with the Council's representations and has proposed additional modifications to the policy.
Policy ASH10	Replace part E of the policy with: <b>Development proposals which incorporate open spaces should provide for an appropriate legal agreement to ensure proper management of the open space over the lifetime of the development.</b>	
Policy ASH11	Delete parts C and D from the policy.	The examiner considered that criteria (C) and (D) were supporting text, rather than part of the policy and has put forward modifications to delete these from the policy but add the text into the supporting paragraphs. The Council considered that the criteria should be deleted, therefore the proposed modifications are supported.
Para 8.8	At the end of paragraph 8.8 of the Plan add the deleted part D of the policy (ASH11)	
Para 8.15	At the end of paragraph 8.15 of the Plan add the deleted part C of the policy (ASH11)	
Policy ASH12	Replace the second part of the policy with: <b>Development proposals within the designated local green space will only be supported in very special circumstances</b>	
Para 8.24	<i>At the end of paragraph 8.24 add: <b>Policy ASH 12 follows the matter-of-fact approach in the NPPF. In the event that development proposals come forward on the local green space within the Plan period, they can be assessed on a case-by-case basis by the District Council. In particular it will be able to make an informed judgement on the extent to which the proposal concerned demonstrates the 'very special circumstances' required by the policy.</b></i>	
Policy ASH13	Replace the initial element of Part A of the policy with:	

	<b>Proposals to provide incubator/start-up business space that is flexible in its use will be supported through:</b>	
Policy ASH14	Delete the second part of the policy.	
Para 9.14	At the end of paragraph 9.14 add:  <i>Policy ASH14 reinforces this matter and requires that all new residential, commercial and community properties should be served by a superfast broadband (fibre-optic) connection. The only exception to this approach will be where it can be demonstrated, through consultation with Next Generation Access Network providers, that this would not be possible, practical or economically viable. In such circumstances, sufficient and suitable ducting should be provided within the site and to the property to facilitate ease of installation at a future date on an open access basis.</i>	
Policy ASH15	Replace Part A of the policy with:  <b>Development proposals which would contribute towards a balance of uses in Ashwell village centre and assist in maintaining its vitality and viability and its role as the focal point of the community will be supported.</b>  Replace Part B of the policy with:  <b>Proposals for the change of use of shops, financial and professional services, café or restaurants, pubs or drinking establishments or takeaways to other uses will only be supported where it can be demonstrated that there is no reasonable prospect of the site or premises being used for ongoing retail or community uses. Applicants will be expected to demonstrate that the existing use is no longer viable and that the site has been marketed for 12 months for alternative retail or community uses.</b>  Replace the first sentence of Part C of the policy with:  <b>The reuse of historic buildings within Ashwell village centre for activities that will enhance their vitality and viability will be supported</b>	The policy was amended significantly following the revisions to the Use Classes Order in 2020. The proposed modifications help to make this policy consistent with the approach taken in the emerging Local Plan. bring this policy
Policy ASH16	Replace the opening element of Part A of the policy with:	

	<p><b>Proposals for the following recreation and leisure facilities will be supported</b></p> <p>Delete Part B of the policy</p>	
Para 10.11	<p>At the end of paragraph 10.11 add:</p> <p><i>Policy ASH16 sets out an approach towards the development of new or improved recreational facilities. The delivery of new facilities or improvements to existing facilities, including the provision of accessible toilets, changing rooms and communal space - will be secured through Section 106 contributions or Community Infrastructure Levy funding, once adopted by North Hertfordshire District Council.</i></p>	
Policy ASH17	No modifications proposed	
Policy ASH18	In the first part of the policy delete 'Health facilities being:'	
Policy ASH19	Delete 'good quality'	
Policy ASH20	<p>Replace Part B of the policy with:</p> <p><b>As appropriate to their scale, nature and location, new developments should ensure safe pedestrian access for all, including those with restricted mobility which, where it is practicable to do so, connect with existing footways</b></p> <p>Replace Part D of the policy with:</p> <p><b>Proposed developments should take account of existing public bridleways and footpaths and, where appropriate, incorporate them in a sensitive and positive fashion into their layouts and designs.'</b></p>	
Policy ASH21	Delete the policy.	
Section 15	<p>In the Transport and movement action heading in Section 15 of the Plan add:</p> <p><i>Explore options for physical improvements in the quality of public and community transport services and/or supporting infrastructure, including bus shelters.</i></p>	

	<i>Explore opportunities to reduce the number of private vehicles being used to link to Ashwell and Morden station and other local stations.</i>	
Policy ASH22	<p>Delete Part B of the policy.</p> <p>Replace Part C of the policy with:</p> <p><b>Development proposals which would involve the loss of publicly accessible off-street car parking in the neighbourhood area will not be supported unless alternative car parking provision is included in the proposal or if it can be demonstrated that there is no demand for the existing parking spaces.</b></p> <p>Delete Part D of the policy.</p>	The Council suggested that the policy could be re-worded to make it clear that the loss of publicly accessible off-street car parking would not be supported. The examiner has put forward modifications which endorse this suggestion.

## Other proposed non-policy modifications to the neighbourhood plan

Policy or paragraph reference	Examiners Proposed Modifications	The Council's comments
Other matters - General	Modification of general text (where necessary) to achieve consistency with the modified policies.	
Other Matters – Specific Para 3.14	Replace 'starter' with ' <i>shared ownership</i> '	
Para 5.1 Para 6.4	Update the context to reflect the Main Modifications to the Local Plan in general, and in relation to the Claybush Road site in particular	

Section 14	<p>In Section 14 add an additional paragraph to read:</p> <p><i>The adoption of the North Hertfordshire Local Plan 2031 will be a key milestone in the development of planning policy in the District. In this context, the Parish Council will consider the need for a review of the neighbourhood plan at that point. This task will be undertaken based on an assessment of any differences in the policies in the adopted Local Plan and those in a made neighbourhood plan at that time.</i></p>	
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**CABINET  
21 DECEMBER 2021**

**PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: LEISURE COVID RECOVERY UPDATE**

REPORT OF: THE SERVICE DIRECTOR - PLACE

EXECUTIVE MEMBER ENVIRONMENT & LEISURE: CLLR STEVE JARVIS

COUNCIL PRIORITY: RESPOND TO CHALLENGES TO THE ENVIRONMENT

**1. EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to provide a general update on the recovery of our major leisure facilities from COVID-19.

**2. RECOMMENDATIONS**

- 2.1. That Cabinet notes the recovery progress of our leisure facilities across the district.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1. To ensure the Council continues to deliver leisure services that support the health and wellbeing of our residents throughout the Coronavirus pandemic.

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1. None

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

- 5.1. Consultation was undertaken with our Executive Member Environment and Leisure, Cllr Steve Jarvis, deputy Cllr Adem Ruggiero-Cakir and Executive Member for Finance & IT, Cllr Ian Albert. In addition, monthly recovery meetings are held to review previous month usage and finance data.

**6. FORWARD PLAN**

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

## 7. BACKGROUND

- 7.1. On 21 January 2021 Full Council agreed to provide financial support on an open-book basis to SLL to enable the leisure facilities to be open when Covid-19 restrictions allow. The following minute details the resolution;

*RESOLVED:*

- (1) *That financial support is provided on an open-book basis to SLL to enable the leisure facilities to be open when Covid-19 restrictions allow. The support provided will reimburse any losses. The support to SLL in 2020/21 is forecast to be £2.45m (assuming the leisure facilities will now remain closed until the 31 March 2021). Future levels of support will depend on any further restrictions and the speed of recovery. It is assumed to be an additional £2m in 2021/22, but realistic scenarios show that it could be as low as £1.3m in 2021/22 (no further restrictions), or as much as £4.4m across 2021/22 (£3.1m) and 2022/23 (£1.3m).*
- (2) *That Council notes that the cost of not supporting SLL and closing the facilities could be as high as the cost of providing support.*
- (3) *That (following an initial payment to cover losses to date) payments to SLL are made on a monthly basis following submission of management accounts showing the extent of any losses. These accounts will be reviewed by the Service Director: Place in consultation with the Service Director: Resources, Executive Member for Environment and Leisure and Executive Member for Finance and IT. The affordability of payments will be kept under constant review by the Service Director: Resources, in consultation with the Executive Member for Finance and IT. (4) That Council notes that, in the event of higher levels of support being provided, budget savings in future years (2022/23 onwards) will need to be delivered more quickly than currently forecast.*

*REASON FOR DECISIONS: To seek approval to provide financial support on an open-book basis to SLL to enable the leisure facilities to be open when Covid-19 restrictions allow.*

- 7.2. Roadmap out of lockdown - On 12 April 2021 indoor leisure facilities reopened to the public with social distancing measures in place. Government then lifted mandatory restrictions on 19 July 2021 which enabled the leisure facilities to remove restricted sessions and phase out social distancing measures.
- 7.3. On 16 March 2021, Cabinet supported both Letchworth and Hitchin outdoor pools opening for the 2021 season. In addition, delegated authority was given to the Service Director Place to take decisions regarding the extension period of the outdoor pools, in consultation with the Executive Member for Environment and Leisure, the Service Director Resources and Executive Member for Finance and IT. The following minute details the resolution;

### *14 UPDATE ON OUR MAJOR LEISURE FACILITIES*

*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.*

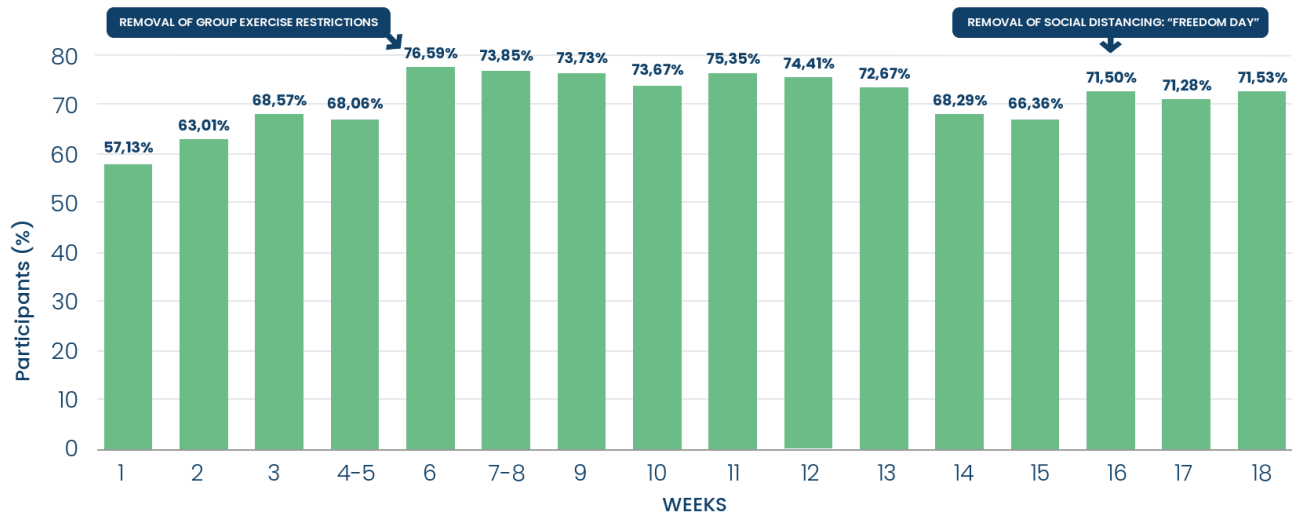
- 7.4. The outdoor pools opened on Saturday 29 May, at the start of the school May half term holiday. Covid secure measures were in place at the start of the season, including online booking, one-way systems, queuing systems for busy times and ongoing monitoring of numbers. These measures were removed on the 19 July when Government lifted restrictions.

## **8. RELEVANT CONSIDERATIONS**

- 8.1. The leisure centres have shown a steady rate of recovery since reopening, however there are former participants still choosing not to return to facilities. While mandatory capacity restrictions have been removed, there appear to be factors holding back the final tranche of customers and limiting overall recovery. One factor is likely to be the ongoing presence of COVID-19 and the effect that this has on consumer confidence in using the facilities and taking part in activities.
- 8.2. National data shows that the public leisure sector is also showing a steady rate of recovery since reopening in March, with recovery rates settling at around 72% and North Herts recovery is broadly in line with this.

Moving Communities are measuring the impact of the recovery fund and publish a quarterly, comprehensive overview of the nation's public leisure services. Moving Communities data shows participation rates at 875 sites across England increased quickly during the first six weeks since reopening - up to a high of 77% - but has varied since then. Key milestones such as the lifting of group exercise restrictions and the removal of all restrictions on 'Freedom Day' both led to immediate increases in comparison with the previous weeks.

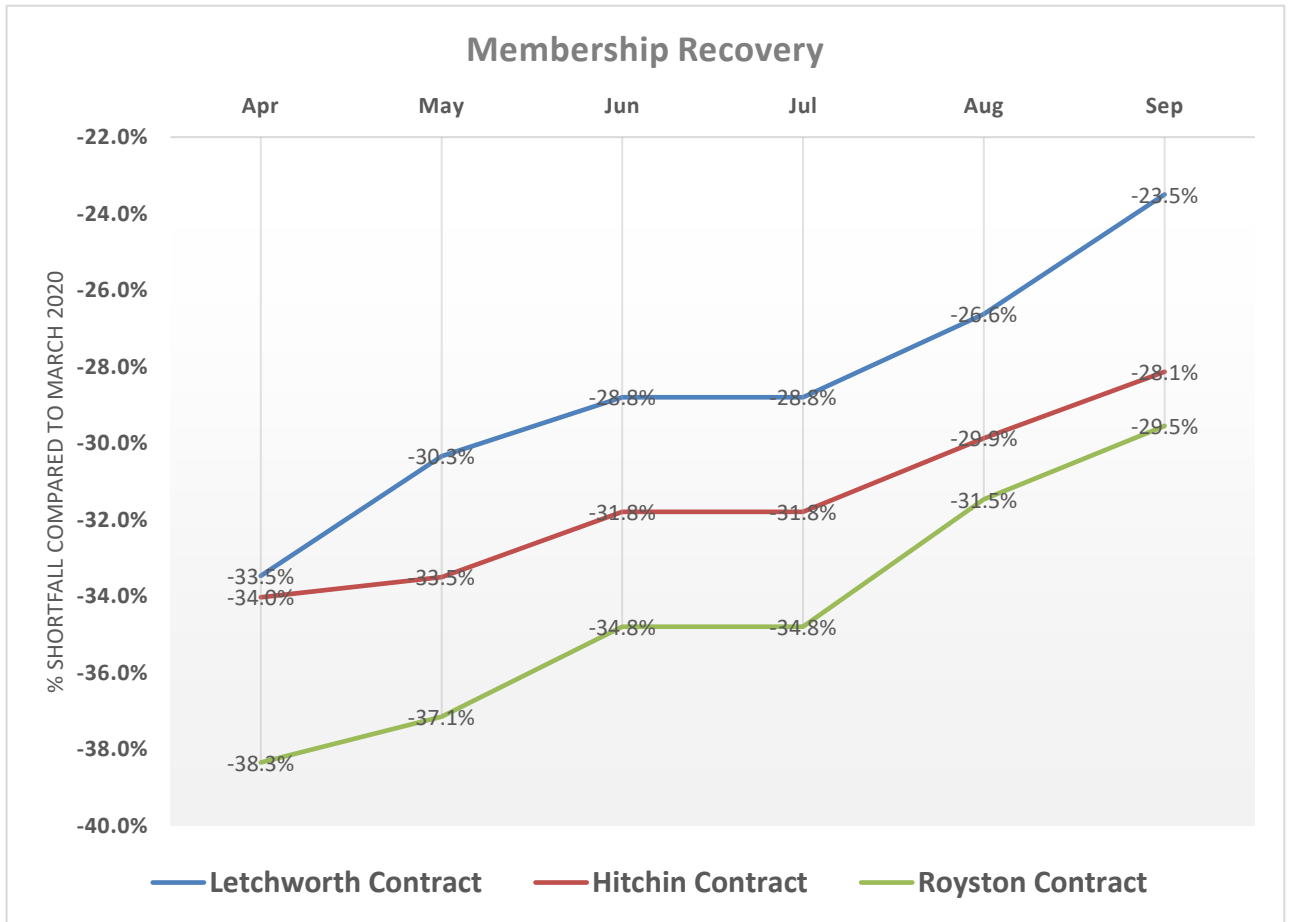
## PARTICIPATION RECOVERY GRAPH 2021 VS 2019



It should be noted that as the data is a 2021 vs 2019 comparison (week by week), the data will allow for seasonality. For instance, a week in mid-August 2021 will be compared to mid-August 2019, allowing for lower visit numbers during summer holidays. Weeks 4-5 and 7-8 have been grouped to allow for the May Bank Holidays which changed weeks between 2019 and 2021.

- 8.3. Current usage data shows that across all three North Herts sites casual swimming and Aqua Ed are performing very well with swimming lessons now exceeding pre-pandemic levels. Gym attendance is good with members using the facility 2-3 visits a week. Workout classes are well attended, however the class programme is still reduced compared to pre-Covid.
- 8.4. Between April-October 2021 there were a total of 483,870 visits across all facilities against a profiled target of 258,526 (based on the Recovery Plan forecasts). In comparison between April-October 2019 this figure was 928,353 visits. This shows that although we are performing well against the Recovery Plan forecasts, visits are still well short of the pre-Covid position. Usage at all facilities is significantly down compared with 2019, apart from Letchworth Outdoor Pool, which is only approximately down by 1,000.
- 8.5. In normal years the leisure facilities would perform well during July-August, which capture the summer holiday period, and then see a slow decline until December, this being the quietest month. The data from this year also follows this trend, although due to the pandemic recovery figures are lower than previous years.
- 8.6. To reach customers that may not feel comfortable visiting the facilities SLL continue to provide members access to over 100 on demand classes via their MyWellness App / Platform. Within the sites SLL continue to provide hand sanitizer, screens in reception and an additional Covid cleaning regime.

8.7. Sales for fitness and swim memberships are good with targets being met. The following graph demonstrates the percentage shortfall in memberships compared to March 2020.



The most recent membership recovery statistics are an average of 28.6% behind for the three sites, which is in line with the % recovery stated for the sector overall mentioned in point 8.2.

8.8 Outdoor Pools

Letchworth Outdoor Pool is a stand-alone facility and therefore provides true usage data compared to Hitchin Outdoor Pool which has an indoor and outdoor pool. The following table shows usage data for Letchworth Outdoor Pool.

Year	Number of visits
2021	32,187
2020	CLOSED
2019	33,263
2018	48,165
2017	28,696

8.9 Usage data for Letchworth Outdoor Pool is 1076 below 2019 figures, however taking into consideration the low number of hot days throughout the season this figure is positive and could support the assumption that residents feel more comfortable with outdoor swimming due to the pandemic.

- 8.10 Under delegated authority a decision was made to extend the season at Hitchin Outdoor Pool by one week. The pool remained open until 19 September rather than closing on 12 September. The weather was warm during the extension period and usage was good with 561 users visiting the pool. Due to the facility having both an indoor and outdoor pool usage, data is based on physical counts of swimmers using the outdoor pool. Income generated through the extension week was £3,500 and this figure includes both indoor and outdoor casual swimming. Despite the good usage, the Council made a significant loss on the week extension.
- 8.11 This year Skate Letchworth returns to Letchworth Outdoor Pool from Saturday 20 November to Sunday 2 January. It is hoped that the attraction will be a great success, well received by the community and contribute to the recovery of leisure.

## **9. LEGAL IMPLICATIONS**

- 9.1 Cabinet's terms of reference include at section 5.6.15 of the Constitution, the power, "to oversee the provision of all the Council's services other than those functions reserved to the Council."
- 9.2 The Council has wide ranging powers of general competence under the provisions of section 1 of the Localism Act 2011 which enables it to take action to the benefit of its area. Section 19 of the Local Government (Miscellaneous Provisions) Act 1976 enables the Council to provide recreational facilities for the benefit of the community.
- 9.3 Following government advice, the outdoor pools opened in May 2021 and covid secure measures were removed on 19 July 2021. The Council has responsibility to ensure compliance with all legal requirements in relation to the leisure facilities and will continue to do so.
- 9.4 The Procurement Policy Notes (PPN 02/20 and PPN 04/20) issued by the Cabinet office in 2020 advised contracting authorities to aim to work with suppliers and provide relief to maintain business and service continuity.
- 9.5 PPN 04/20 advised contracting authorities and their suppliers to work in partnership to plan an eventual exit from any relief and transition to a new, sustainable operating model taking into account strategic and reprioritisation needs. It was recommended that any transition plan be implemented as soon as possible on or before the end of October 2020. However, the leisure centres are currently still facing the impact of covid-19 and the Council's approach, as set out in this report and reported previously, is consistent with the PPNs.

## **10. FINANCIAL IMPLICATIONS**

- 10.1. The financial support to SLL in 2020/21 was £2.1m which included the agreed non payment of the management fee. This year, the Council set a budget based on £2m of additional support. The latest forecast produced by SLL indicates the level of support required at year end will be circa £920k, which includes non-payment of the management fee, and around £100k of additional support. This is around £1,080k less than the budgeted level of support. These forecasts are based on there not being any new Covid-19 restrictions being introduced.

10.2. It is too early to forecast the support that SLL may require during 2022/23. Whilst it is hoped that usage and income can move back towards pre-pandemic levels, the time taken to achieve this is very uncertain. As detailed in the Medium Term Financial Strategy, the Council has assumed a general budget provision of just over £1m for the continuing impact of Covid-19 during 2022/23.

## **11. RISK IMPLICATIONS**

11.1. The impact of Covid-19 on the Council's leisure facilities is a corporate risk, alongside the general impact of Covid-19 on the Council. The main risks in relation to recovery are likely to be:

- Customer willingness to return to using indoor leisure facilities.
- Attractiveness of alternative leisure alternatives, and alternative fitness facilities.
- If there are any future restrictions that are put in place, either directly affecting leisure centres or having an impact on customer confidence.

11.2 SLL are trying to address the first two of these risks by putting in Covid-19 safety measures (as detailed in paragraph 8.6) and promoting the leisure facilities. The third one will continue to be a risk that has to be tolerated, as there are no actions that can be taken.

## **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 attached to this general update. The reopening of the SLL facilities provides support to those potentially vulnerable staff (on low or zero hour contracts) and may also provide support to those in the community that rely on accessing these services for their wellbeing. Section 8.5 also outlines the protective measures that are in place to support customers who use the facilities.

## **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. Due to the pandemic, the demand on the boilers has been low, while the recently installed new CHP (Combined Heat and Power unit) continues to reduce pressure on the boilers. The forthcoming project regarding the installation of solar thermal at the Royston Leisure Centre will aim to reduce the environmental impacts of the SLL facilities.

## **15. HUMAN RESOURCE IMPLICATIONS**

15.1. There are no direct human resource implications relating to this report.

**16. APPENDICES**

16.1. None.

**17. CONTACT OFFICERS**

- 17.1. Louise Randall, Leisure Manager  
[Louise.randall@north-herts.gov.uk](mailto:Louise.randall@north-herts.gov.uk) Ext 4387
- 17.2. Sarah Kingsley, Service Director – Place  
[sarah.kingsley@north-herts.gov.uk](mailto:sarah.kingsley@north-herts.gov.uk) Ext 4552
- 17.3. Ian Couper, Service Director - Resources  
[ian.couper@north-herts.gov.uk](mailto:ian.couper@north-herts.gov.uk) Ext 4243
- 17.4. Ekundu Aleku, Contracts Lawyer  
[Ekundu.Aleku@north-herts.gov.uk](mailto:Ekundu.Aleku@north-herts.gov.uk) Ext 4578
- 17.5. Reuben Ayavoo, Policy and Community Engagement Manager  
[Reuben.ayavoo@north-herts.gov.uk](mailto:Reuben.ayavoo@north-herts.gov.uk) Ext 4212
- 17.6. Jo Keshishian, HR Operations Manager  
[Jo.Keshishian@north-herts.gov.uk](mailto:Jo.Keshishian@north-herts.gov.uk) Ext 4314

**18. BACKGROUND PAPERS**

18.1. None