

NORTH HERTFORDSHIRE DISTRICT COUNCIL



14/01/2022

Our Ref Cabinet/25/01/22
Contact. Committee Services
Direct Dial.
Email. 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 and IT
Councillor Amy Allen, Executive Member for Recycling and Waste Management
Councillor Judi Billing MBE, Executive Member for Community Engagement
Councillor Sam Collins, Executive Member for Enterprise, the Arts and Transport
Councillor Gary Grindal, Executive Member for Housing and Environmental Health
Councillor Steve Jarvis, Executive Member for Environment and Leisure
Councillor Ruth Brown, Executive Member for Planning

Deputy Executive Members: Councillor Ian Mantle, Councillor Nigel Mason, Councillor Sam North, Councillor Sean Prendergast, Councillor Adem Ruggiero-Cakir, Councillor Carol Stanier, Councillor Keith Hoskins MBE

**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, 25TH JANUARY, 2022 AT 7.30 PM

Yours sincerely,

Jeanette Thompson
Service Director – Legal and Community

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

Agenda

Part I

Item		Page
1.	APOLOGIES FOR ABSENCE	
2.	MINUTES - 21 DECEMBER 2021 To take as read and approve as a true record the minutes of the meeting of the Committee held on the 21 December 2021.	(Pages 5 - 14)
3.	NOTIFICATION OF OTHER BUSINESS Members should notify the Chair of other business which they wish to be discussed at the end of either Part I or Part II business set out in the agenda. They must state the circumstances which they consider justify the business being considered as a matter of urgency. The Chair will decide whether any item(s) raised will be considered.	
4.	CHAIR'S ANNOUNCEMENTS <u>Climate Emergency</u> The Council has declared a climate emergency and is committed to achieving a target of zero carbon emissions by 2030 and helping local people and businesses to reduce their own carbon emissions. A Cabinet Panel on the Environment has been established to engage with local people on matters relating to the climate emergency and advise the council on how 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.

5. PUBLIC PARTICIPATION

To receive petitions, comments and questions from the public.

6. ITEMS REFERRED FROM OTHER COMMITTEES

Two referrals from the Overview & Scrutiny Committee of 14 December 2021 are enclosed.

(Pages
15 - 18)

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

7. CORPORATE ENFORCEMENT POLICY UPDATE

REPORT OF THE LEGAL REGULATORY TEAM MANAGER & DEPUTY MONITORING OFFICER

(Pages
19 - 184)

This Report reviews the Council's Corporate Statement of Enforcement Policy so that enforcement decisions and actions are consistent throughout the Council.

**8. INVESTMENT STRATEGY (INTEGRATED CAPITAL AND TREASURY)
REPORT OF THE SERVICE DIRECTOR – RESOURCES**

(Pages
185 -
246)

To consider the Investment Strategy and recommend to Council the adoption of the Investment Strategy

9. REVENUE BUDGET 2022/23

REPORT OF THE SERVICE DIRECTOR - RESOURCES

(Pages
247 -
276)

Cabinet is asked to recommend a budget for 2022/23 on to Council for their consideration and approval.

10. EXCLUSION OF PRESS AND PUBLIC

To consider passing the following resolution:

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

11. COMMERCIAL UPDATE

This page is intentionally left blank

Public Document Pack Agenda Item 2

NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

MEETING HELD IN THE COUNCIL CHAMBER, DISTRICT COUNCIL OFFICES, LETCHWORTH GARDEN CITY

ON TUESDAY, 21ST DECEMBER, 2021 AT 7.30 PM

MINUTES

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

In Attendance: *Nigel Smith (Strategic Planning Manager), Ian Fullstone (Service Director - Regulatory), Jeanette Thompson (Service Director - Legal and Community), Ian Couper (Service Director - Resources), Jo Dufficy (Service Director - Customers), James Lovegrove (Committee, Member and Scrutiny Officer), Louis Mutter (Committee, Member and Scrutiny Officer), Louise Randall (Leisure Manager), Reuben Ayavoo (Policy and Community Engagement Manager) and Anne Banner (Benefits Manager)*

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

48 MINUTES SILENCE IN REMEMBRANCE OF COUNCILLOR PAUL CLARK

The Chair advised Members that, following the death of Councillor Paul Clark who was the Executive Member for Planning, a minute's silence in remembrance would be held.

49 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Sam Collins, Gary Grindal and Ruth Brown.

50 MINUTES OF THE PREVIOUS MEETING

Councillor Elizabeth Dennis-Harburg, as Chair, proposed and Councillor Ian Albert seconded and, following a vote, it was:

RESOLVED: That the Minutes of the Meeting of the Committee held on 21 September 2021 be approved as a true record of the proceedings and be signed by the Chair.

51 NOTIFICATION OF OTHER BUSINESS

There was no other business notified.

52 CHAIR'S ANNOUNCEMENTS

- (1) The Chair advised that, in accordance with Council Policy, the meeting would be recorded;
- (2) Members were reminded that this Council had declared a Climate Emergency. This was a serious decision and meant that, as this was an emergency, all of us, officers and Members had that in mind as we carried out our various roles and tasks for the benefit of our District.

- (3) 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.

53 PUBLIC PARTICIPATION

There was no public participation at this meeting.

54 ITEMS REFERRED FROM OTHER COMMITTEES

7a. Referral from Finance, Audit and Risk Committee – 15 December 2021 – Draft Budget 2022/23

The Chair advised this referral would be taken with Item 8.

7b. Referral from Finance, Audit and Risk Committee – 15 December 2021 – Quarterly Risk Management Update

The Chair advised this referral would be taken with Item 9.

7c. Referral from Finance, Audit and Risk Committee – 15 December 2021 – Second Quarter Investment Strategy (Capital and Treasury) Review 2021/22

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

7d. Referral from Overview and Scrutiny Committee – 14 December 2021 and Finance, Audit and Risk Committee – 15 December 2021 – Integrated Performance Management

The Service Director – Resources presented report entitled Integrated Performance Management which was referred from the Finance, Audit and Risk and Overview and Scrutiny Committees and highlighted:

- This was a proposal to change the way Performance Indicators, projects and risks are dealt with and reported on, to ensure they are more closely aligned to each other and the Council Plan.
- Section 7 details the processes and reports that are sent to both the Finance, Audit and Risk Committee and the Overview and Scrutiny Committee.
- Section 8 details the proposed changes.

Councillor Ian Albert advised that he was supportive of this move and the idea followed from seminars attended by Members. The move to an Integrated Performance Management report will allow a role for Cabinet within the processes. He noted that there was cross party support for this move and thanked the Officers involved for their work in getting proposals put together.

Councillor Ian Albert proposed and Councillor Judi Billing seconded and, following a vote, it was:

RESOLVED: That the proposals set out in the report were approved which relate to the relation and monitoring of an Integrated Council Delivery Plan.

RECOMMENDED TO COUNCIL: That Council approves the changes to the Constitution as detailed in Section 9.

REASON FOR DECISION: To improve the current processes that are in place which do not seem to be well integrated with each other or the Council Plan.

7e. Referral from Overview and Scrutiny Committee – 14 December 2021 – Q2 Performance Indicators 2021-22

The Chair advised that this item had been included in error and would be referred to the Cabinet meeting in January.

55 DRAFT BUDGET 2022/23

The Executive Member for Finance and IT, Councillor Ian Albert, presented the Draft Budget 2022/23 report and the Local Government Settlement which had been provided as an addendum.

Councillor Albert advised that the short-term position was slightly better than expected and mid to long-term was still uncertain, but there was expected to be a new funding formula due for 2023/24 onwards.

The Service Director – Resources noted:

- The addendum highlighted the main funding streams for the Council and what had come from the Local Government Settlement announcement last week.
- Lower Tier Services grant will be received again.
- It had been assumed that funding would be given to recompense costs of coming out of the National Insurance/Social Care Levy scheme. This is being provided by the Services Grant.
- The New Homes Bonus has been honoured for another year – ending September 2021 – and this is additional to expected.
- No additional funding to cover Covid-19 costs this year and any additional costs will have to be met from existing Council budgets.
- Requested that Members were prudent about only including essential spending, in line with the objectives in the Council Plan.
- There will be some transitional protection when a new funding formula is introduced, which should mitigate some funding reductions and help to reduce the impact as it is introduced over a longer period.

Councillor Ian Albert advised:

- Points 8.1-8.6 have been superseded by the addendum.
- Points 8.7 and 8.8 highlighted the impact that the higher level of inflation was having on the ability to deliver savings and efficiencies in the future.
- No formal comments had been received from Finance, Audit and Risk Committee regarding the budget and Members had voted it be recommended to Cabinet.
- There was general support for the 80p rise in the garden waste charge.
- A question was raised at Finance, Audit and Risk Committee regarding a possible Council Tax freeze and the cost of this to the Council. It will be proposed in the budget that Council Tax should increase by approximately 10p per week, as a freeze would cost £250k per annum on an ongoing basis and this was not deemed affordable.
- There were investments going into key services, such as food standards, environmental health and conservation and it was not simply a case of making efficiencies, but improving services offered across the district.
- There was some scope for funding for small, ad-hoc investments in 2022/23, but these would need to be explored as they became apparent.

The following Member asked a question:

- Councillor Judi Billing

In response to the question the Service Director – Resources advised that Healthy Hub scheme funding from County Council would need to be confirmed as soon as possible and ideally prior to the next Cabinet meeting at which the budget would be discussed. As the funds were proposed for 2023/24, this could be included in next year's budget if required.

Councillor Steve Jarvis noted that the budget had delivered some real benefits, especially regarding environmental policies, and in the face of the lack of clarity from government. He also commented that the Hertfordshire Police and Crime Commissioner had announced a 4.7% rise in Council Tax.

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

RESOLVED:

- (1) That Cabinet noted 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) That Cabinet noted 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.
- (3) That Cabinet noted 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.

REASON FOR DECISION: 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.

56 QUARTERLY UPDATE ON RISK MANAGEMENT AND ANNUAL REVIEW OF RISK MANAGEMENT FRAMEWORK

The Executive Member for Finance and IT presented the report entitled Quarterly Update on Risk Management and Annual Review of Risk Management Framework and noted:

- The impact of Anti-Social Behaviour on Council facilities would be changed from a Corporate Risk to a Service Risk, as the reduction in issues demonstrated that action taken has had an impact.
- There were minor changes to the risk management framework as outlined in Appendix C.
- Risks identified regarding leisure facilities were proved correct given the emergence of the new Omicron variant.

The Service Director – Resources requested that the recommendation 2.2 be changed from Cabinet noting the report to Cabinet approval of the report.

Councillor Ian Albert proposed, as amended, and Councillor Steve Jarvis seconded and, following a vote, it was:

RESOLVED:

- (1) That Cabinet noted 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) That Cabinet approved the annual review of the Risk Management Framework.

REASONS FOR DECISIONS:

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

57 SECOND QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2021/22

The Executive Member for Finance and IT presented the report entitled Second Quarter Investment Strategy (Capital and Treasury) Review 2021-22, along with referral 7c from Finance, Audit and Risk Committee and drew attention to points including:

- Table 3, paragraph 8.5 detailed the capital spend removed from the Capital Programme relating to the property development strategy providing housing at market rents.
- This does not mean no opportunities will be explored in the future, but that none are in the pipeline at this stage.
- Investment returns were still low and there was a high balance of government money held, which would need to be paid back.
- Bank and building societies are generally at capacity and the excess balances are placed with the DMO, sometimes requiring investments at negative interest rates.
- Bank of England base rate has been raised to 0.25% and this may have some positive effect on future investments.

Councillor Ian Albert proposed and Councillor Judi Billing seconded and, following a vote, it was:

RESOLVED:

- (1) That Cabinet noted the forecast expenditure of £3.045million in 2021/22 on the capital programme, paragraph 8.3 refers.
- (2) That Cabinet approved 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.
- (3) That Cabinet noted 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.

RECOMMEND TO COUNCIL: That Council note the position of Treasury Management activity as at the end of September 2021.

REASONS FOR DECISIONS:

- (1) Cabinet is required to approve adjustments to the capital programme and ensure the capital programme is fully funded.

- (2) To ensure the Council's continued compliance with CIPFA's code of practice on Treasury Management and the Local Government Act 2003 and that the Council manages its exposure to interest and capital risk.

58 SECOND QUARTER REVENUE MONITORING 2021/22

The Executive Member for Finance and IT presented the report entitled Second Quarter Revenue Monitoring and noted:

- Significant variances were detailed in Table 3 and these generally related to Covid 19, such as Housing Benefit overpayment, leisure support and car park income.
- Forecast reflects the impact of Covid 19 up to the end of year and assumed some recovery by this point. While this seemed a sensible position when the forecasts were compiled, the emergence of the Omicron variant will affect this and it will become clear the full impact as possible further restrictions are announced.
- After inclusion of General Grant and Sales Fees and Charges Compensation, it was expected that around £1million will have to come from reserves to meet needs, despite government promises to support councils.
- The General Fund balances had shown a small increase, as detailed in Table 6.
- Reserves, whether specific or general, can only be spent once.
- Support given to Stevenage Leisure to support the health and wellbeing services at leisure centres in the district had been prudent and the recovery of these facilities showed that this was an important decision to make.

Councillor Ian Albert proposed and Councillor Judi Billing seconded and, following a vote, it was:

RESOLVED:

- (1) That Cabinet noted this report.
- (2) That Cabinet approved 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.
- (3) That Cabinet noted 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.

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

59 COUNCIL TAX REDUCTION SCHEME - YEAR 10

The Executive Member for Finance and IT presented the report entitled Council Tax Reduction Scheme 2022/2023 and highlighted:

- This is the annual report to refer onto Council regarding the Council Tax Reduction Scheme.
- Council Tax reduction changed in 2013 with local schemes introduced, which allowed the Council to establish means tested system with a standard percentage reduction being offered – currently 25%.
- A full review of the Scheme was started in 2019 but this was delayed due to the pandemic, with the administration of Covid related grants taking up a significant portion of Officers time and an increase in claimants had skewed the data required for modelling.
- The pandemic has lasted longer than expected and so it is hoped the review can start again in early 2022.

- It was agreed no changes to the Council Tax Scheme for 2022-23 and a light touch consultation took place on this in November 2021 and no comments were received.
- The number and categories of claimants were detailed within the report.
- The amount of funding proposed to Parish Councils was detailed within the report.

Councillor Ian Albert wished to express his thanks to the staff involved in this scheme and the support they had offered to residents was exemplary. This was agreed with by Councillors Amy Allen and Elizabeth Dennis-Harburg.

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

RECOMMENDED TO COUNCIL:

- (1) That Council notes the CTRS position relating to this and previous financial years.
- (2) That Council notes 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.
- (3) That the funding allocated for distribution to Parish, Town & Community Councils in relation to CTRS in 2022/2023 is unchanged from 2021/2022.
- (4) That no changes to the CTRS be made for 2022/2023.

REASON FOR RECOMMENDATIONS: 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-19 pandemic and this remains the case. However, work is planned to start in January 2022.

60 DE-COMMISSION OF LOCAL STRATEGIC PARTNERSHIP (LSP)

The Executive Member for Community Engagement presented the report entitled Decommission of Local Strategic Partnership (LSP) and noted:

- The Local Strategic Partnership (LSP) had started 20 years ago.
- It became apparent that the LSP was not suited to Community Engagement in North Herts, despite the best efforts of local groups and partners.
- While working groups, hubs and meetings were held, but these were never hugely successful as different people would attend each meeting and would often include representatives who did not have decision making authority.
- Generally the benefits of the LSP were never seen and the Local Enterprise Partnerships came in as a replacement.
- Attempts to rejuvenate the partnerships had been made but there seemed to be little interest in this from involved partners.
- There was now an understanding that more could be achieved by focussing on groups with a common interest and who want to achieve a specific, shared goal.

Councillor Ian Albert advised that he had initially been sceptical about this proposal, but having heard the explanation it was clear the LSPs were not functioning as expected and the reality was that more could be achieved in other ways of partnership working, as had been demonstrated through schemes set up during the course of the pandemic.

Councillor Judi Billing proposed and Councillor Steve Jarvis seconded and, following a vote, it was:

RESOLVED: That Cabinet supported and approved the dissolution of the LSP for the reasons set out in the report.

REASON FOR DECISION: North Hertfordshire Council widely engages with statutory and voluntary and community organisation in numerous ways. Much has changes 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.

61 STRATEGIC PLANNING MATTERS

The Deputy Executive Member for Planning presented the report entitled Strategic Planning Matters and noted:

- Welwyn Hatfield council had been told that there was no option to defer the adoption of a district local plan. The would imply that when the Inspectors report is received it will either need to be adopted, or the district would be left in limbo.
- No comment had been received from the Inspector regarding the Local Plan and there was still no indication of when it would be received.
- No major issues had been raised in the more than 4 years of discussion on the Local Plan.
- Luton Borough Council had increased capacity of the airport from 18million to 19million, but a request had been made to the Secretary of State to call in this decision, which would be supported by North Herts District Council.

Councillor Elizabeth Dennis-Harburg highlighted that the local MP, Bim Afolami, had written to the Department for Levelling Up, Housing and Communities to request clarification on the Local Plan, but this had again been pushed back onto the Inspector.

Councillor Ian Albert noted that some colleagues had held meetings with Bim Afolami MP regarding the station access in Hitchin and how this could be developed alongside a sustainable travel town plan. He suggested that this could possibly link with the work done on the Letchworth Travel Plan to improve sustainable connectivity between the two towns.

In response, the Deputy Executive Member for Planning advised that the Sustainable Travel Plans included had not been developed by NHDC, but were the work of Royston Town Council and the Letchworth Garden City Heritage Foundation in their respective towns. If organisations could be found in Baldock and Hitchin to conduct this work, then the Council could offer what support they could. A new Transport Officer had been hired this week.

Councillor Elizabeth Dennis-Harburg, as Chair, proposed and Councillor Judi Billing seconded and, following a vote, it was:

RESOLVED:

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

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

62 ASHWELL NEIGHBOURHOOD PLAN

The Deputy Executive Member for Planning presented the report on Ashwell Neighbourhood Plan and noted:

- Ashwell Parish residents had produced a Neighbourhood Plan, which had received positive comments from the examiner.
- The Plan now required Cabinet's endorsement to move this to a referendum.

Councillor Elizabeth Dennis-Harburg, as Chair, proposed and Councillor Steve Jarvis seconded and, following a vote, it was:

RESOLVED:

- (1) That the Examiner's report for the Ashwell Neighbourhood Plan was noted.
- (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.
- (3) That the Counting Officer be instructed to conduct a referendum on the Ashwell Parish Neighbourhood Plan.
- (4) That the decision to "make" the Ashwell Neighbourhood Plan was delegated to the Service Director – Regulatory in consultation with the Executive Member for Planning, as previously agreed by Cabinet in July 2018 (Minute 21).

REASON FOR DECISIONS: 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.

63 LEISURE COVID RECOVERY UPDATE

The Executive Member for Environment and Leisure presented the report entitled Leisure Covid Recovery Update and noted:

- Recover Plan had been pursued throughout the year and the report detailed what had been achieved within the plan.
- There had been an increase in use of leisure centres and swimming lessons had seen an increase on pre-pandemic levels.
- Outdoor pools in the district had performed better than expected.
- It was expected that leisure centres would require less support given the recovery which had taken place, but this may change with the emergence of the new Omicron variance.
- There had been no abnormal drop off in usage so far, December is usually a quiet month, with January becoming a busier month for fitness activities, so attendance levels in January would give a good indication of recovery and the impact Omicron was having on leisure.

Councillor Ian Albert noted that it was good to see the reports of the recovery taking place at leisure centres and the increased numbers attending swimming lessons. This highlighted the importance of the partnership working with Stevenage Leisure and proved opposition comments wrong when this proposal was made.

The following Member asked a question:

- Councillor Elizabeth Dennis-Harburg

In response to the question, the Service Director – Resources advised that it was not yet known what level of support would be given to leisure facilities following the Chancellors announcement of £1billion in funding support. He would report back to Members on this as soon as it became clearer.

Tuesday, 21st December, 2021

Councillor Ian Albert advised that given Stevenage Leisure had previously been supported financially by grants from government, it would be assumed they would receive some support this time, but this would need to be clarified as details became available.

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

RESOLVED: That Cabinet noted the recovery progress of our leisure facilities across the district.

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

The meeting closed at 8.39 pm

Chair

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

**6b REFERRAL FROM OVERVIEW AND SCRUTINY COMMITTEE: 14 DECEMBER 2021
– COMMERCIAL UPDATE**

RECOMMENDED TO CABINET: To review the Harkness Court project in light of Overview and Scrutiny comments and concerns in relation to the climate emergency (greener solutions instead of the proposed gas installation), whether there are more commercially viable options to the leasing of the flats, as is currently proposed, to generate a better financial return, and if the approach taken remains the most suitable or if other options should be explored. The Overview and Scrutiny Committee request that the Cabinet report back to the Committee.

REASONS FOR DECISION: The report is following the request of the Committee for an update on the progress of the Commercial Directorate work programme and is for information only.

Councillor David Levett, as Chair, proposed and Councillor Claire Strong seconded and, following a vote, it was:

RESOLVED: That the report entitled 'An update of the Commercial Directorate's progress and future work programme' be noted.

RECOMMENDED TO CABINET: To review the Harkness Court project in light of Overview and Scrutiny comments and concerns in relation to the climate emergency (greener solutions instead of the proposed gas installation), whether there are more commercially viable options to the leasing of the flats, as is currently proposed, to generate a better financial return, and if the approach taken remains the most suitable or if other options should be explored. The Overview and Scrutiny Committee request that the Cabinet report back to the Committee.

REASONS FOR DECISION: The report is following the request of the Committee for an update on the progress of the Commercial Directorate work programme and is for information only.

N.B the report considered by Overview & Scrutiny can be found at Minute 63 here: [Agenda for Overview and Scrutiny Committee on Tuesday, 14th December, 2021, 7.30 pm - North Hertfordshire District Council \(north-herts.gov.uk\)](#)

This page is intentionally left blank

**CABINET
25 JANUARY 2022**

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: CORPORATE STATEMENT OF ENFORCEMENT POLICY REVIEW

REPORT OF: LEGAL REGULATORY TEAM MANAGER & DEPUTY MONITORING OFFICER

EXECUTIVE MEMBER: THE LEADER OF THE COUNCIL: COUNCILLOR ELIZABETH DENNIS-HARBURG

COUNCIL PRIORITY: BUILD THRIVING AND RESILIENT COMMUNITIES / RESPOND TO CHALLENGES TO THE ENVIRONMENT / ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY

COUNCIL NEW PRIORITIES: PEOPLE FIRST / SUSTAINABILITY

1. EXECUTIVE SUMMARY

- 1.1 This Report reviews the Council's Corporate Statement of Enforcement Policy (the 'Policy') so that enforcement decisions and actions are consistent throughout the Council.

2. RECOMMENDATIONS

- 2.1. That Cabinet approve the amended Policy contained at Appendix A.

3. REASONS FOR RECOMMENDATIONS

- 3.1. To bring the Council's Corporate Enforcement Policy up to date.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. None.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. None as this is just an update to the current Corporate Enforcement Policy and not subject to consultation.

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 23 December 2021.

7. BACKGROUND

- 7.1. The Corporate Enforcement Policy ('the Policy') was last updated in December 2018 and it therefore needs to be updated to reflect new legislative and enforcement developments, as well as the Council's recent Senior Management Restructure.
- 7.2. All relevant enforcement departments were requested to update their policies and have fed into the Policy contained at Appendix A.

8. RELEVANT CONSIDERATIONS

- 8.1. The purpose of the Policy is to set out, in a clear and easy to understand way, what the Council's options are with respect to enforcement action.
- 8.2. As per the current version, this policy was considered and updated (where necessary) by staff from various teams/departments of the council. At the time of printing, an update was still outstanding regarding procedures regarding matters arising from Health and Safety incidents.
- 8.3. There is a new appendix dealing with Fraud Prevention which has been amalgamated to the current policy which has been produced by the National Anti-Fraud Network (NAFN) which sets out relevant guidance and procedures as well as points of contacts with the Council and at NAFN.
- 8.4. Other than the newly included appendix, the most notable amendments to the Policy are:
 - *Updates to how the council deals with Unauthorised encampments, currently through our common law powers*
 - *A brief guidance on victim's right to review*
 - *Planning enforcement has been updated to explain how/what information officers can provide to external parties regarding live enforcement matters*
 - *The policy has highlighted the corporate charging schedule currently accessible to the public needs updating and that will be undertaken by various departments within the council to reflect the most up to date charging regime for staff and public*
- 8.5. The Policy sets out a number of key principles that the Council will seek to follow before and during the carrying out of enforcement activity, and lists the types of enforcement options available following a breach of legislation. When bringing and defending enforcement action; the Council needs to be able to demonstrate that it has acted reasonably in deciding upon the most appropriate course of action in response to breaches of legislation or policies.
- 8.6. Parties subject to enforcement action brought by the Council should be able to refer to the Policy in order to determine whether the enforcement action taken against them is consistent with the normal practices of the Council. Likewise, the Council can refer anyone to the Policy wherever an accusation is made that the Council is treating someone unfairly or unduly harshly through the use of enforcement powers. The Policy will therefore be made available on the Council's website so that members of the public, including individuals and businesses being enforced against, can see what the Council's approach to enforcement is.
- 8.7. Finally, it is important to note that, whilst detail is helpful in setting out the approach to be taken by the Council in a given situation, each case will ultimately be decided on its

own merits. If the Policy is too detailed and prescriptive it could fail to take into account the inevitable grey areas that will exist from time to time and potentially to a particular course of action that may not be suitable in that situation. The Policy must therefore provide enough detail so as to provide certainty as to what can be expected, whilst also not fettering the Council and/or officer's discretion.

9. LEGAL IMPLICATIONS

- 9.1 The Council's Constitution at paragraph 5.6.1 states that the Cabinet may prepare and agree to implement policies and strategies other than those reserved to Council.
- 9.2 Also, paragraph 5.6.4 of the Constitution which states that it is for the Cabinet to exercise the Authority's duty in Section 17 of the Crime and Disorder Act 1998 to reduce crime and disorder.
- 9.3 Section 23 of the Legislative and Regulatory Reform Act 2006 brought in the Regulators' Code 2014 which states that regulators whose functions are specified by order under section 24(2) of the Act must have regard to the Code when developing policies and operational procedures that guide their regulatory activities.

10. FINANCIAL IMPLICATIONS

- 10.1. There are no financial implications arising from this Report.

11. RISK IMPLICATIONS

- 11.1. Not having an effective and up to date Enforcement Policy leaves the Authority at risk of being unprepared or otherwise ineffective at enforcing matters affecting the district.
- 11.2. If the Council's Policy is not up to date it could face criticism at Court and be left open to challenges from defendants and defence lawyers.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. The review of the Corporate Statement of Enforcement policy does not have a direct equality impact. The policy now reflects the most recent legislative and enforcement developments. This ensures that enforcement action is carried out in an objective, proportionate and consistent manner. This eliminates discrimination or victimisation when the council carries out enforcement decisions and actions.

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 officer involvement required to comply with these statutory obligations are factored into service plans and work plans.

16. APPENDICES

- 16.1 Appendix A: Corporate Enforcement Policy 'clean' version
- 16.2 Appendix B: Corporate Enforcement Policy *showing tracked changes – this is available on the website page for the report only.*

17. CONTACT OFFICERS

- 17.1 Nurainatta Katevu, Legal Regulatory Team Manager.
Email: nurainatta.katevu@north-herts.gov.uk 01462 47364

Contributors

- 17.2 Ian Couper Service Director - Resources:
Email: ian.couper@north-herts.gov.uk 01462 474243.
- 17.3 Rebecca Webb - Human Resources Operations Manager:
Email: rebecca.webb@north-herts.gov.uk 01462 474481.
- 17.4 Jeanette Thompson Service Director – Legal and Community Monitoring Officer:
Email: Jeanette.thompson@north-herts.gov.uk 01462 474370.
- 17.5 Tim Everitt, Performance & Risk Officer:
Email: tim.everitt@north-herts.gov.uk 01462 474646.
- 17.6 Reuben Ayavoo Policy and Communities Manager:
Email: Reuben.ayavoo@north-herts.gov.uk 01462 474212.

18. BACKGROUND PAPERS

- 18.1 None, other than the documents referred to above.



www.north-herts.gov.uk

CORPORATE STATEMENT OF ENFORCEMENT POLICY

January 2022

Contents	Page
1. Introduction	4
2. Enforcement Mission Statement	4
3. General Principles	4
4. Shared Enforcement and Corporate Approach	4-5
5. Aims of Enforcement Action	5
6. Levels of Enforcement Action	5-6
7. No Action	6
8. Statutory notices	6
9. Works in Default	6-7
10. Fixed Penalty Notice	7
11. Simple Cautions	7-8
12. Prosecution	8
13. Unauthorised Encampments	8-9
14. Licences	9
15. Proceeds of Crime Applications	9
16. Considering the views of those affected by offences	9-10
17. Publication of Enforcement Action	10
18. Waste management	10
19. Victim's right to review	10-11
APPENDICES	
Appendix A: Revenues Recovery	13-14
Appendix B: Environmental Health	14-36
Appendix C: Licensing	37-38
Appendix D: Community Safety	39-43
Appendix E: Planning Enforcement	44-54
Appendix F: Parking Enforcement	55-60

Appendix G: Access to Housing	61
Appendix H: Fraud Prevention	62-79

1. Introduction

The purpose of this Policy is to set out North Hertfordshire District Council's enforcement principles, practice and provide guidance to Council officers, businesses and the public.

Enforcement action is a wide term which includes informal and formal steps and covers a range of options detailed below. When undertaking such action the Council will have regard to this Policy, and any service specific enforcement policy/ procedure. This overarching Policy does not seek to duplicate the specific ones detailed in the Appendices, but to provide a framework. In developing and updating these policies, regard has been given to the Regulators' Code 2014¹ issued under section 23 of the Legislative and Regulatory Reform Act 2006 ('the Act'), and good practice. This Policy explains the approach that will be adopted by officers when carrying out the Council's duties and how the Council will respond to noncompliance. Each service area has its own procedures and protocols that will have regard to this Policy, though there may be local variations within them; these are contained in the Appendices below. The Policy covers both criminal and civil enforcement practices and is based on the Council's enforcement mission statement.

2. Enforcement Mission Statement

A consistent and proportionate approach to enforcement that is targeted, and contributes to achieving the Council's priorities, policy aims and meets the needs of the community.

3. General Principles

In line with the requirements of the Act, the Council will have regard to the following principles when considering enforcement action:

- **Transparency:** to ensure enforcement action to be taken by the Council is easily understood. Clear distinctions will be made between legal requirements and recommendations about good practice which are not compulsory. Where possible the Council shall be sharing information about compliance and risk.
- **Accountability:** to ensure that the Council is answerable for its enforcement practices and can be held to account for the actions it takes.
- **Proportionality:** to consider whether proposed action is proportionate considering all relevant factors, including the severity of the offence, likely outcome, risk and costs of proceedings.
- **Consistency:** to ensure that similar issues are dealt with in an equitable way, making full use of guidance produced by Government and other agencies.

Where any rights contained within the Human Rights Act 1998 may be affected, officers should consider whether the action is both necessary and proportionate, and ensure that the provisions of the Act are taken into consideration where applicable.

4. Shared Enforcement and Corporate Approach

The range of enforcement matters dealt with by the Council may sometimes require officers to work with other departments or agencies to maximise effective enforcement.

¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/300126/14-705-regulators-code.pdf

Consideration should be given as to whether it is appropriate to share information with external agencies or colleagues in other departments. Where activity impacts across different Council departments, officers should adopt a corporate approach, working together to seek the best results overall. All instances of data sharing must comply with relevant Data Protection Legislation².

5. Aims of Enforcement Action

If enforcement action is necessary, then the Council utilises the sanctions and penalties available to it in order to:

- change the behaviour of the offender;
- change attitudes in society to offences which may not be serious in themselves, but which are widespread;
- eliminate any financial gain or benefit from non-compliance;
- be responsive and consider what is appropriate for the particular offender and regulatory issue, which can include punishment and the public stigma that should be associated with a criminal conviction;
- be proportionate to the nature of the offence and the harm caused;
- address the harm caused by regulatory non-compliance, where appropriate; and
- deter future non-compliance.

6. Levels of Enforcement Action

Prior to taking enforcement action, Council officers must ensure that they are authorised to do so under the Council's Constitution and their delegations. Officers will generally consider the following enforcement options when taking action:

LEVEL 1 - Advice and Guidance: to assist individuals, existing and prospective businesses and other organisations to comply with their legal obligations. This will be achieved by providing written and verbal advice, information leaflets and the opportunity for face-to-face contact to discuss and help resolve potential problems.

LEVEL 2 - Informal Warnings: these will be used to reinforce advice and guidance where minor breaches of the law occur and it is not appropriate to take formal action. Warnings are more likely to be appropriate for minor contraventions where it can be reasonably expected that informal warnings will achieve compliance. Warnings issued in respect of more significant breaches of the law should include timescales within which the breaches should be remedied. Monitoring should be undertaken as appropriate where there are ongoing breaches.

LEVEL 3 - Formal Action: this includes the use of statutory (legal) notices and is generally taken if informal advice or warnings are not considered to be the most appropriate route. Before formal action is taken, other than where immediate action is required, officers will provide an opportunity to discuss the circumstances of the case and, where possible, attempt to resolve points of difference.

² Means: all applicable data protection and privacy legislation in force from time to time in the UK including the General Data Protection Regulation ((EU) 2016/679); the Data Protection Act 2018; the Privacy and Electronic Communications Directive 2002/58/EC (as updated by Directive 2009/136/EC) and the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426) as amended, or any successor legislation.

LEVEL 4 - Legal Proceedings: this includes, amongst other things, the issue of fixed penalty tickets, simple cautions, prosecutions, injunction proceedings, review and revocation of licences and execution of works in default.

Enforcement will normally move from Level 1 through to Level 4, although depending on the facts of a given matter, it may be appropriate to adopt a fluid approach to how a matter proceeds through the above Levels. For example in certain circumstances a matter may begin at Level 1 but then, if required, go straight to Level 3 or 4. Likewise it may be suitable to commence proceedings at Level 3 or 4 if the criteria for formal action or prosecution are met.

Different service areas may have their own service specific sanctions available to them; including such things as civil penalties that can be utilised as an alternative to prosecution. Where these specific sanctions are available to a given service area, these will be set out in the relevant procedure document in the appendices below.

7. No Action

In certain circumstances, contraventions may not warrant any action. This can be where the cost of compliance significantly outweighs the detrimental impact of the contravention, or where the cost of the required enforcement action to the Council significantly outweighs the detrimental impact of the contravention on the community. A decision of no action may also be taken where action is inappropriate in the circumstances, such as where an organisation has ceased to trade, or the offender has mental capacity considerations or is elderly and frail and formal action would seriously damage their well being.

8. Statutory notices

Some legislation provides for the service of statutory notices, which require a person, business or organisation to comply with specific requirements.

Generally, the notice will explain:

- what is wrong
- what is required to put things right
- the timescale in which to put things right
- what will happen if the notice is not complied with.

In some circumstances where a formal notice has been served there might be a right of appeal against the Council's decision. In such cases an explanation of the method of appeal will be provided at the time the notice is issued.

9. Works in Default

In general, it is Council policy to either caution or prosecute individuals, organisations or businesses that do not comply with a statutory notice. In addition, failure to carry out specified work may result in the Council carrying out the works in default and recovering all costs. In such cases the expenses associated with default works will usually be recovered

by issuing an invoice to the relevant party. Where appropriate, these costs may be recovered by way of a charge against land/ property, and such a charge may be further enforced through sale of the land/ property.

In calculating the recovery of costs incurred when undertaking works in default the Council will have regard to the following:

- Contractor's costs or expenses;
- Costs associated with officer time (including overhead costs); and
- Legal costs or expenses.

10. Fixed Penalty Notice ('FPN')

For certain offences, e.g. fly-tipping, household waste duty of care offences, breaches of community protection notices (CPN's), depositing of litter, abandoned vehicles, there is provision for fixed penalty notices to be issued. Where there is evidence that an offence has been committed, authorised officers from the Council may issue the appropriate penalty ticket. The issue of an FPN gives an offender the opportunity to discharge their liability to prosecution by the payment of set fine within a specified period. FPNs will only be issued when there is adequate evidence to support a prosecution. If the fine is not paid in full within the stated period then the Council is likely to mount such a prosecution.

Details of the Council's FPN scheme, including which offences are included, the level of fine and early payment discounts amongst other things, are being reviewed and updated to be available on the council's website in due course

11. Simple Cautions

A simple caution is a non-statutory, non-conviction disposal for adult offenders aged 18 or over. Under certain circumstances, a simple caution may be used as an alternative to prosecution and will usually be considered before making a decision to prosecute. A simple caution is a serious matter. It may be used to influence any decision whether or not to prosecute should the individual, organisation or business reoffend, and it may be referred to in any subsequent court proceedings. Regard will be given to government guidance by the Ministry of Justice – Simple Caution for Adult Offenders³.

Simple cautions are intended to:-

- deal quickly and simply with certain offences;
- avoid unnecessary appearance in criminal courts;
- reduce the chance of offenders re-offending.

Before issuing a caution the following will be relevant:

- i. there must be evidence of guilt sufficient to give a realistic prospect of conviction and it must be in the public interest to offer a simple caution;
- ii. that it is a low-level first time offending situation;
- iii. not a repeat offence *and where relevant and appropriate* a victim's views will be taken into account;
- iv. the offender must understand and be capable of understanding the significance of the simple caution and admit the offence by signing a declaration;
- v. the person against whom a caution is issued must have legal responsibility for the offence(s), for example in the case of a company, and be 18 years or over.

Where an individual chooses not to accept a simple caution the Council will normally consider prosecution.

³ <https://www.gov.uk/government/publications/simple-cautions-guidance-for-police-and-prosecutors> or any subsequent guidance

The decision to offer a caution will normally be taken in consultation between the relevant service manager and the Service Director – Legal and Community, or those officers delegated to make that decision under a scheme of delegation.

12. Prosecution

The Council will take individual circumstances into account when deciding whether to initiate a prosecution and will only bring proceedings when it is considered to be in the public interest. Before deciding to prosecute there must be sufficient evidence for a realistic prospect of conviction, taking account of any defence that may be available. In certain circumstances, including cases of dishonesty or fraud, or other serious health and safety cases, prosecution may be taken without prior warning.

In addition the decision to prosecute will always take into account the CPS Code for Crown Prosecutors⁴. This Code includes the requirement that both the evidential test and public interest test referred to above are met before issuing proceedings.

Most prosecution proceedings require the authorisation of the Service Director: - Legal and Community under the Council's Constitution, although some require specific officers to do so, such as Health and Safety, in consultation with the Service Director. Officers must ensure that Legal Services are consulted at the appropriate stage to consider the evidential and public interest tests and institute proceedings where appropriate.

13. Unauthorised Encampments

An Unauthorised Encampment "UE" is defined by the Government as:

"Encampments of caravans and/or other vehicles on land without the landowner or occupier's consent and constituting trespass"

For the purpose of this Policy, UE is defined as the occupation of land for the purpose of habitation, without the expressed permission of the landowner, or without the necessary planning approval and caravan sites licences, where necessary.

Unauthorised encampments may arise where land is (a) privately owned and occupied by an owner(s) or (b) with the landowner's consent but without the benefit of planning permission or caravan site licence.

The law provides for a range of possible responses to trespass. In simple cases, the landowner may apply for an order of repossession. In others the local authority can use its powers but, where there are aggravating factors of crime and disorder, the police can exercise their powers given under Section 61 of the Criminal Justice and Public Order Act 1994.

Where the UE is on council land the council has exercised common law powers given under Halsbury's Laws of England, Paragraph 1400, Volume 45 of the Fourth Edition. It has been established that a landowner has the common law right where someone has trespassed on their land to get possession of their land back without getting a specific court order, by use of Certificated Bailiffs now known as Certificated Enforcement Agents.

⁴ http://www.cps.gov.uk/sites/default/files/documents/publications/code_2013_accessible_english.pdf

Each case must be treated on its merits with the safety of all concerned, including those who are involved in the UE and the potential for disorder or disruption as major guiding factors.

14. Licences

The Council is responsible for licensing a wide range of activities from taxis and the sale of alcohol to scrap metal dealers and dog breeders. These administrative documents are normally subject to certain conditions that are imposed either by legislation or the Council. When licence conditions are breached, the licensing regime, which is covered in many different acts of Parliament, sets out the circumstances in which licences can be suspended or revoked by the Council.

As the process of suspending or revoking a license is statute driven, the Council will be bound to follow the processes set out in the relevant legislation from time to time, however the Council's licensing team will normally be able to advise parties of what action it intends to take.

If revocation action is taken, the relevant parties will be made aware of any rights of appeal open to them at that time.

Where revocation is not being immediately considered, however the Council is able to issue other types of enforcement sanctions for breach of condition and will follow relevant service specific policies and statutory guidance when reaching a decision on what action is appropriate.

15. Proceeds of Crime Applications

The Council, either through its own officers or in cooperation with the Police, may make an application under the Proceeds of Crime Act 2002 to restrain and/or confiscate the assets of an offender. The purpose of any such proceedings is to recover the financial benefit that the offender has obtained from his criminal conduct. Proceedings are conducted according to the civil standard of proof. Officers should consider whether such an application is appropriate when initiating a prosecution.

16. Considering the views of those affected by offences

The Council undertakes enforcement on behalf of the public at large and not just in the interests of any particular individual or group. When considering the public interest test and whether enforcement action is appropriate, any views expressed by those affected by the offence(s) will be taken into account.

Those people affected by an offence will be kept informed of any decision that makes a significant difference to the case in which they are involved.

The Council understands that people making complaints may not wish their identity to be made known to the party about whom the complaint is being made. Accordingly, it will take care to respect the confidentiality of complainants wherever possible. However, most types of formal enforcement action, such as a prosecution, cannot take place unless the complainant is prepared for their identity to be revealed and they may be required to attend court. The Council will endeavour to make it clear whether or not complainant confidentiality

can be maintained in these circumstances, although it should be made clear that this is a matter for the Court and it is unlikely in the majority of cases.

Most complaints require an investigation to be mounted and this may, on occasion, require a regular dialogue with the complainant in order to establish evidence. Accordingly, it is not possible for the Council to initiate such an investigation where the complainant does not wish to provide their name and contact details. Therefore, anonymous complaints will only be investigated wherever it is appropriate, practicable and in the public interest to do so.

17. Publication of Enforcement Action

Where enforcement action is successful, officers may want to publicise the outcome to inform the public and deter potential offenders, this may be done through press releases as well as other means. In doing so, officers should have regard to the relevant Council procedures.

18. Waste Management

Waste management is a shared service with East Hertfordshire Council and the council do not have dedicated waste enforcement team. Currently enforcement work is undertaken on an ad hoc basis by the Council's legal department. Should the Council require the shared service to undertake enforcement then this will have to be arranged and agreed with East Hertfordshire Council.

19. Victim's right to review

The Victims' Right to Review only applies to decisions made on or after 1 April 2015 in cases where a suspect has been identified, formally interviewed under caution and either:

- the Police decide to take 'no further action' (NFA), or
- the Crown Prosecution Service (CPS) decide not to prosecute.

VRR applies to cases where a suspect has been identified and interviewed under caution. This happens either after they've been arrested or because they've volunteered to be interviewed.

There is a VRR scheme for both Police and CPS and an application can be made under either, depending on who the decision maker is.

Police VRR scheme

When there has been a decision to take 'no further action', and close an investigation by the police, the victim is entitled to have the reasons for such a decision explained. The information provided should be sufficient enough for them to make a decision as to whether they want to make a VRR request.

Each police force has its own VRR process, which should be conducted by a police officer who is independent of the original investigation and senior to the initial officer dealing.

A police VRR would usually challenge the assessment of evidence, further investigations, consideration of alternative offences, the decision not to refer the case to the CPS and a request to re-open the case and refer it to the CPS.

How to apply for a police VRR in Hertfordshire, simply fill in the simple [online form](#) or write to:

Victim Services Team
Hertfordshire Constabulary
Stanborough Road
Welwyn Garden City
Herts
AL8 6XF

CPS VRR scheme

Where a decision has been taken not to pursue a prosecution the CPS should provide the victim with a detailed written explanation, and for certain offences conduct a meeting to explain the decision.

There are two stages to the CPS VRR scheme:

Stage 1: Local resolution— a review is undertaken by a different local prosecutor i.e. from the same office. If the decision to prosecute is upheld at this stage the victim can within 10 days refer the decision to the Appeal and Review unit (stage 2)

Stage 2: Appeal and Review unit – a full independent review conducted by the Appeals and Review Unit of the CPS

Following a VRR the original decision not to prosecute/close the investigation can be upheld or overturned along with other possible outcomes.

Time frames

There are strict time limits which apply and therefore a VRR should be requested as soon as practicable and/or the CPS/Police put on notice of such.

Police VRR: VRR request should be made within three months from date of the decision

CPS VRR: VRR request preferred within five working days from the date of the decision. The CPS can consider a request made within three months of the original decision.

If you're not happy with the decision, you can apply to the High Court for a judicial review.

APPENDIX A: REVENUES RECOVERY

The Revenues Recovery team have a statutory duty to collect debts accrued in relation to Council Tax, Non Domestic Rates, Business Improvement District Levy, Housing Benefit Overpayments (from Final Notice Stage), Sundry Debts and Penalty Charges Notices (from Warrant Stage)

The relevant legislation which governs the Revenues Recovery team's work are as follows:

Council Tax

- Primary - The Local Government Finance Act 1992
- Secondary - The Council Tax (Administration & Enforcement) Regulations 1992

NNDR

- Primary - The Local Government Finance Act 1988
- Secondary - The Non Domestic Rates (Collection & Enforcement) (Local Lists) Regulations 1989

BIDS

- Primary – The Local Government and Housing Act 1989 and Local Government Act 2003
- Secondary - The Business Improvement Districts (England) Regulations 2004 & The Non Domestic Rates (Collection & Enforcement) (Local Lists) Regulations 1989

Enforcement for Council Tax, NNDR & BID

- Primary – The Tribunals Courts and Enforcement Act 2007
- Secondary – The Taking Control of Goods Regulations 2013 & The Taking Control of Goods (Fees) Regulations 2014

Enforcement for Parking

- Primary – The Traffic Management Act
- Secondary - The Taking Control of Goods Regulations 2013 & the Taking Control of Goods (Fees) Regulations 2014

With regard to Council Tax, once a Liability Order has been granted, this secures the Council's debt and allows the Council to consider using one of the following methods to recovery the amount:

Attachment of a Welfare Benefit

Attachment of Earnings

Attachment of Members Allowances

Refer the case to an Enforcement Agent; this will incur the fees laid out in the Taking Control of Goods (Fees) Regulations 2014

If the above fails, then consideration can be given to making an application for a Warrant of Commitment to prison

Make an application for a Charging Order to be placed over a property, where this is

owned by the debtor.

Consideration of personal bankruptcy, if there are believed to be assets that could realise the debt.

With regard to NNDR and BID Levy, once a Liability Order has been granted, this secures the Council's debt and allows the Council to consider using one of the following methods to recovery the amount:

Refer the case to an Enforcement Agent; this will incur the fees laid out in the Taking Control of Goods (Fees) Regulations 2014

If the above fails, then consideration can be given to making an application for a Warrant of Commitment to prison if the business is a sole trader

Make an application for a Charging Order (Security of Rates) to be placed over a property, where this is owned by the debtor.

Consideration of personal bankruptcy if the business is a sole trader

Consideration of a Winding up order if the business is a partnership or Limited Company.

In all cases the Council can only consider Bankruptcy if the debt exceeds £5,000 or in the case of a Charging Order the debt must exceed £1,000.

With regard to Warrants of Execution for Parking Fines, the Council refers these to an External Enforcement Agent to pursue. The Agents work in line with the Taking Control of Goods Regulations 2013, but ultimately can clamp and remove a vehicle once a Taking Control of Goods Agreement has been sought

APPENDIX B: ENVIRONMENTAL HEALTH 1.0

Introduction

- 1.1 The Environmental Health Service exercises a wide range of regulatory powers, most of which relate to the protection of public health or the prevention of nuisance. The main activities delivered by the service are:
- Food safety
 - Occupational health and safety
 - Pollution control
 - Private sector housing
 - Public health
 - Stray dogs
- 1.2 This Enforcement Policy is part of the Council's Corporate Enforcement Policy. It follows the principles laid down in the core policy and does not seek to duplicate these except where necessary to aid clarity or context.
- 1.3 In framing this policy, regard has been had to the Regulators' Code, corporate policies and national guidance relating to the functional areas covered by the environmental health remit.
- 1.4 This policy is not intended to be an operational policy but to provide a basis for framing operational policies and procedures regarding enforcement activities. Any particular operational case needs to be dealt with on its merits and due to the range of activities covered by the Environmental Health Service, this policy can not be considered to be exhaustive.

ENFORCEMENT AND REGULATORY ACTIVITIES

- 1.5 The enforcement and regulatory activities undertaken by the environmental health service normally are related to either statutory inspection programmes or service requests. Where possible and relevant, risk assessment is undertaken to guide the deployment of resources, in particular with regard to programmed inspection activities. The following table sets out the risk based systems normally used with regard to the Service's inspection programmes.

Area	Activity	Risk methodology
Food safety	Food premises Inspection programme	Food Standards Agency Food Law Code of Practice
Health and safety	Health and safety intervention programme	Health and Safety Executive Guidance
Pollution	Environmental Permitting	Defra risk assessment methodology

Private Housing	Sector	Houses in multiple occupation	Local risk assessment system
Private Housing	Sector	Park home and caravan sites	Local risk assessment system
Private supplies	water	Water sampling	Legislation, DWI guidance and local risk assessment

- 1.6 Risk principles are used where appropriate in deciding how to respond to service requests including accident reports and ID notifications, complaints, and notifications from other agencies.

ENFORCEMENT OPTIONS

- 1.7 The core part of the Council's Enforcement Policy sets out the general enforcement options, ranging from no action up to prosecution or a similar level sanction. The Environmental Health Service follows this approach, taking a number of factors into consideration when deciding what enforcement response is appropriate in each case.
- 1.8 The Service also has a number of unique options in service specific areas such as seizing noise making equipment, issuing a hygiene emergency prohibition notice for a serious food safety issue, or making a rent repayment order against a landlord. These are set out in detail in the relevant functional area below.
- 1.9 A principle that the Service follows is that enforcement action should follow a graduated approach, starting with a lower sanction for less serious, one off offences, ranging upwards to higher sanctions for serious and/or repeat offences. However, each case needs to be considered on its merits having regard to all relevant factors. For more serious situations prosecution or another higher level sanction may be the first course of action if the circumstances justify such an approach. In every case, the appropriate enforcement option is carefully considered and approved in line with the Council's scheme of delegation.

2.0 Food Safety

2.1 Scope

- 2.1.1 This is a documented policy on food safety enforcement including prosecution. This Policy will be reviewed periodically and in response to new legislation, the Food Standards Agency (FSA), Department of Health (DoH), Department for Food, Environment and Rural Affairs (Defra) and other guidance etc as necessary. This document encompasses the principles of the Regulators' Code.
- 2.1.2 This Policy directs that enforcement action, be it the issue of written warnings, statutory notices, or prosecution, is based primarily upon an assessment of risk to public health. This risk is the probability of harm to health occurring due to non-compliance with food safety law. Formal action should not, therefore, be the normal response to minor technical contraventions of legislation.
- 2.1.3 This Policy encompasses the guidance set out in the Food Standard Agency publication 'Framework Agreement on Local Authority Food Law Enforcement'

and the Food Law Code of Practice (England) issued under Section 40 of the Food Safety Act 1990.

2.1.4 Where appropriate this Policy will be read in conjunction with this Authority's Health and Safety Enforcement Policy.

2.2 Other relevant considerations

2.2.1 In this context, formal action includes the following:

- Written warning
- Hygiene Improvement Notice
- Hygiene Emergency Improvement Notice
- Voluntary (closure) procedure
- Emergency prohibition procedures
- Seizure and detention of food
- Voluntary (surrender of food) procedures
- Remedial Actions Notices
- Prosecution procedures (including simple cautions)

2.2.2 The competency of officers specialising in food safety must follow the guidance in the Food Law Code of Practice and other guidance issued from time to time by recognised bodies.

2.2.3 Signing of Improvement Notices under the Food Safety and Hygiene (England) Regulations 2013 Food Safety Act 1990 will only be undertaken by officers who have been authorised to do so by the Council after demonstrating the relevant competencies. These must be qualified officers with experience in food law enforcement, in accordance with the Food Law Safety Act Code of Practice i.e.

- a. Environmental Health Officers enforcing food hygiene
- b. Holders of the Higher Certificate in Food Control Premises Inspection who are authorised to carry out food hygiene inspections
- c. Equivalent qualifications with assessment of equivalency approved by the Food Standards Agency Holders of the Ordinary Certificate in Food Premises Inspection in relation to the premises they are authorised to inspect

2.2.4 The officer who signs the notice must have witnessed the contravention and be satisfied that it constitutes a breach of the Food Safety and Hygiene (England) Regulations 2013.

2.2.5 Emergency Prohibition Notices should be signed only by Environmental Health Officers who have two years post qualification experience in food safety matters, are currently involved in food law enforcement and who are properly trained, competent and duly authorised. The Officer will ensure a second opinion is obtained prior to the notice being issued.

2.2.6 The Council will ensure that any authorised officer is competent to take action under The Food Safety and Hygiene (England) Regulations 2013, is fully qualified, and possess experience in a variety of food enforcement situations which would allow him / her to undertake the duties for which he/she has been authorised.

- 2.2.7 The Council recognises and affirms the importance of achieving and maintaining consistency in their approach to making all decisions which concern food safety enforcement action, including prosecution. To achieve and maintain consistency, it is important that the guidance in statutory Codes of Practice, other recognised and relevant guidance and advice offered through any relevant Primary Authority is always considered and followed where appropriate.
- 2.2.8 The Council will seek to ensure that enforcement decisions are always consistent, balanced, fair and relate to common standards that ensure that the public is adequately protected. The Council will base all enforcement decisions on an assessment of risk to the public health and will consider a number of factors set out in the Food Law Code of Practice including seriousness of offence, the enterprise's past history, confidence in management, the consequences of non-compliance and the likely effectiveness of the various enforcement options.
- 2.2.9 Officers should be aware of possible conflicts of interest that may arise in an enforcement situation as a result of Primary Authority responsibilities or through the promotion of North Herts District Council services.
- 2.2.10 In premises where North Herts District Council are the proprietor of a food business any breaches of the law must be brought, without undue delay, to the attention of the relevant Service Director.
- 2.2.11 Where the Council is considering taking enforcement action which is not consistent with current guidance or not subject of guidance, the matter should be brought to the attention of the Hertfordshire and Bedfordshire Food Liaison Group and where consensus cannot be reached to the FSA via the Food Focus Group.
- 2.2.12 Compliance should normally be achieved through letters and advice, and only in the more serious instances should formal enforcement through Improvement or Prohibition Notices be considered. Prosecutions and other higher level sanctions should be reserved for the most serious offences which either result or could have resulted in serious risk to public health or which represent a blatant disregard by employers, employees or others of their responsibilities under food safety legislation.

2.3 The use of formal enforcement tools

FORMAL ACTION

- 2.3.1 Before formal action is taken, officers will provide an opportunity to discuss the circumstances of the case and, if possible, resolve points of difference, unless immediate action is required (for example, in the interests of health and safety or environmental protection or to prevent evidence being destroyed).

STATUTORY NOTICES AND RELATED PROCEDURES

- 2.3.2 In relation to the following formal actions:

- Hygiene Improvement Notice
- Hygiene Emergency Improvement Notice
- Voluntary (closure) procedure
- Emergency prohibition procedures

- Seizure and detention of food
- Voluntary (surrender of food) procedures
- Remedial Actions Notices

consideration will be given to the guidance in the Food Law Code of Practice. Other relevant guidance will also be considered as well as the site specific and case specific factors.

PROSECUTION

2.3.3 The Authority recognises that the following are circumstances which are likely to warrant prosecution:

- The alleged offence involves an obvious breach of the law such that the public health, safety or well-being is or has been put at risk.
- The alleged offence involves a failure by the suspected offender to correct an identified serious potential risk to food safety, having been given a reasonable opportunity to comply with the lawful requirements of an authorised officer.
- The offence involves a failure to comply in full or in part with the requirements of a statutory notice.
- There is a history of similar offences, related to risk to public health.

2.3.4 The Officer, must be satisfied that there is relevant, admissible substantial and reliable evidence that an offence has been committed by an identifiable person / company.

2.3.5 The following guidance criteria are some of the factors that it may be relevant to have regard to when considering the instigation of legal proceedings.

- the seriousness of the alleged offences;
- the previous history of the party concerned;
- the likelihood of the defendant being able to establish a due diligence defence;
- the availability of any important witnesses and their willingness to co-operate;
- the willingness of the party to prevent a recurrence of the problem;
- the probable public benefit of a prosecution and the importance of the case;
- whether other action (Simple Cautioning, improvement notices) will be more appropriate or effective.

SIMPLE CAUTIONS

2.3.6 In certain circumstances when legal proceedings are being considered, the Council may consider offering to discharge the matter by way of a Simple Caution. The procedure adopted and the form and content of the caution will be in accordance with relevant guidance. Any internal guidance will also be considered.

3.0 Occupational Health and Safety

3.1 Scope

3.1.1 This section of the Policy directs that the enforcement of health and safety law should be informed by the principles of proportionality in applying the law and securing compliance; consistency of approach, targeting of enforcement action and transparency about how the regulator operates and what those regulated may expect.

3.1.2 This document provides detailed guidance applicable to the various options for enforcement action.

3.2 Other relevant considerations

3.2.1 Officers will carry out duties in a fair, equitable and consistent manner. While inspectors are expected to exercise judgement in individual cases, arrangements will be in place to promote consistency, including effective arrangements for liaison with other authorities and enforcement bodies through schemes such as those operated by the Health and Safety Executive (HSE), Local Authority and Safety Unit (LASU), HELA and the Hertfordshire and Bedfordshire Environmental Health Officers' Health and Safety Group.

3.2.2 Where there may be a shared or complimentary enforcement role with other agencies (e.g. The Health and Safety Executive) consideration should be given to liaison in appropriate circumstances (e.g. enforcement in Council owned premises).

3.2.3 Where a Primary Authority Partnership arrangement is in place for a particular employer, the Primary Authority will be contacted in appropriate cases and will be kept advised of the progress and outcome of any formal action.

3.2.4 Health and safety enforcement action may only be initiated by duly authorised officers. The Council will ensure that officers who are appointed under Section 19 of the Health and Safety at Work etc. Act 1974 are authorised to initiate enforcement action, are competent to do so, are suitably qualified and have relevant and adequate experience in health and safety enforcement, in accordance with HSE guidance, currently set out in LAC 22/8.

3.3 The use of formal enforcement tools

3.3.1 Having considered all relevant information in the light of the HSE Enforcement Management Model and all other evidence, the choices for action are:

- to give verbal advice
- to take no action
- to take informal action
- to use statutory notices
- to use Simple Cautions where local policy dictates
- to prosecute
- to use other relevant provisions of legislation, for example to seize or destroy unsafe items, plant or equipment
- or a combination thereof

3.3.2 Where the Council is considering taking enforcement action which is in an

unfamiliar area presently not subject to guidance the matter should be discussed with the relevant body e.g., Enforcement Liaison Officer (ELO), the LASU.

- 3.3.3 Compliance should normally be achieved through letters and advice, and only in the more serious instances should formal enforcement through improvement or prohibition notices be considered. Prosecutions should be reserved for the most serious offences which either result or could have resulted in serious injury or ill health or which represent a blatant disregard by employers, employees or others of their responsibilities under health, safety, or welfare legislation.
- 3.3.4 The Council recognises and affirms the importance of achieving and maintaining consistency in their approach to making all decisions that concern health and safety enforcement action, including prosecution. To achieve and maintain consistency, it is important that the guidance in statutory Codes of Practice, HELA circulars and advice offered in relation to the Primary Authority Partnerships is always considered and followed where appropriate.
- 3.3.5 The Council will ensure that enforcement decisions are always consistent, balanced, fair and relate to common standards that ensure that persons affected by work activities are adequately protected. In coming to any decision the Council will consider many criteria including seriousness of offence, the enterprise's past history, confidence in management, the consequences of non-compliance and the likely effectiveness of the various enforcement options.

FORMAL ACTION

- 3.3.6 Any enforcement action will be directed against duty holders responsible for the breach. This may be employers in relation to employees or others; the self-employed; owners of premises; suppliers of equipment; designers of equipment or clients of projects; or employees themselves. Where there are several duty holders enforcement authorities may take action against more than one.

STATUTORY NOTICES

- 3.3.7 Before formal enforcement action is taken, officers will provide the duty holder an opportunity to discuss the circumstances of the case and, if possible, resolve points of difference, unless immediate action is required (for example, in the interests of health and safety or environmental protection, or to prevent evidence being destroyed).
- 3.3.8 Where immediate action is considered necessary, an explanation of why such action was required will be given at the time and confirmed in writing in most cases within 5 working days and, in all cases, within 10 working days.
- 3.3.9 An Improvement Notice will be issued only when the officer is of the opinion that there is or has been a contravention of one or more of the relevant statutory provisions at the time of the visit in circumstances that make it likely that the contravention will continue.
- 3.3.10 Prohibition Notices can be issued to have an immediate or deferred effect.

The Notice will only be served if the officer is of the opinion that there is, or will be a risk of serious personal injury.

3.3.11 Where there are rights of appeal to an Employment Tribunal against formal action, advice on the appeal mechanism will be clearly set out in writing at the time the action is taken.

3.3.12 The officer will provide employees or their representatives with certain information where it is necessary for the purpose of keeping them informed about matters affecting their health, safety and welfare. The type of information that an officer will provide includes matters which an inspector considers to be of serious concern and details of any action taken. Depending upon the circumstances, the officer may provide this information orally, or in writing.

3.3.13 When an Improvement or Prohibition Notice is served, a second copy must be enclosed, marked for the attention of employees or their representatives.

3.3.14 Officers can consider both prosecution and notice procedures in the following circumstances:-

- (i) occasionally a situation may be so hazardous that even when a prohibition notice has been issued prosecution may also be merited; and
- (ii) if a prosecution is taken due to the circumstance of an accident, a notice may also be used to enforce the remedy.

In these situations the information should not be laid until after the appeal period for the notice has passed (21 days) and any appeal has been heard. It is highly undesirable that there should be a hearing in a court where a possibly contrary decision could be reached subsequently in the Employment Tribunal. On occasions, however, this will be unavoidable where a tribunal has agreed to accept a late appeal.

3.3.15 Non-compliance with a served Notice will normally result in prosecution.

PROSECUTION

3.3.16 The most serious offences where, in the public interest and following an investigation, a prosecution would be the appropriate course of action as in the following circumstances:

- (i) where there is a death as a result of a breach of the legislation;
- (ii) where there is a blatant disregard for the law, particularly where the economic advantages of breaking the law are substantial and the law abiding are placed at a disadvantage to those who disregard it;
- (iii) when there appears to have been reckless disregard for the health and safety of work people or others;
- (iv) where there have been repeated breaches of legal requirements in an establishment, or in various branches of a multiple concern, and it appears that management is neither willing nor structured to deal adequately with these. An examination of the company safety policy, if any, would be particularly useful in such a situation;

- (v) where a particular type of offence is prevalent in an activity or an area;
- (vi) where, as a result of a substantial legal contravention, there has been a serious accident or a case of ill health;
- (vii) where a particular contravention has caused serious public alarm;
- (viii) where there are persistent poor standards for control of health hazards.
- (ix) where there has been failure to comply with an improvement or prohibition notice; repetition of a breach that was subject to a Simple Caution.
- (x) inspectors have been intentionally obstructed in the lawful course of their duties.
- (xi) where inspectors are assaulted, enforcing authorities will seek police assistance with a view to seeking prosecution of offenders.

The decision to prosecute in the above cases does not preclude the issue of notices as well

PROSECUTION WITHOUT PRIOR WARNING

3.3.17 As a general rule a person or a company should be given a reasonable

opportunity to comply with the law, although in some circumstances it is right to prosecute without giving prior warning. Examples of such circumstances include those where the contravention is a particularly serious one, or where there has been a particularly blatant disregard by employers, employees or others of their responsibilities under health and safety legislation. For example, the commission of an offence, similar to one for which a Notice has previously been issued to that person or organisation, should normally result in prosecution. Failure to comply with an Improvement Notice or a Prohibition Notice should normally result in prosecution and unless this happens the value of notices will be seriously undermined.

PROSECUTION FOLLOWING AN ACCIDENT

3.3.18 Seriousness of the contravention (not the severity of the accident) is the

prime consideration in deciding whether to take a prosecution following an accident. The extent to which management was responsible for the circumstances which led to the accident, and whether the employer had been previously warned of a similar infringement, are also relevant. An important question for inspectors to ask themselves is what they would have done if they had discovered the contravention in the absence of an accident. However, an accident may contribute to the strength of the evidence and therefore to the chances of achieving a successful prosecution, it may therefore provide a useful occasion for a salutary prosecution of a generally unco-operative employer. In cases where there

is any possibility of a charge of manslaughter being made the matter must be referred to the Crown Prosecution Service, having regard to the 'Work Related Death Protocol'.

SIMPLE CAUTIONS

3.3.19 In certain circumstances when legal proceedings are being considered, the Council may consider offering to discharge the matter by way of a Simple Caution. The procedure adopted and the form and content of the caution will be in accordance with relevant guidance. Any internal guidance will also be considered.

ENFORCEMENT ACTION AGAINST EMPLOYEES

- 3.3.20 Enforcement action may be taken against employees and others, including managers, company officers etc., under HSW Act s.7, 8, 36(1) and 37(1).
- 3.3.21 When inspectors discover a contravention of HSW Act s7, it will be their duty to consider what action (if any) they should take in regard to the employee, by way of warning or prosecution. A letter warning any employee about subsequent contraventions may be desirable in some cases.
- 3.3.22 The issue of a notice against the employee may also be appropriate on occasions although the value of the notice is limited since in general a continuing obligation should not be imposed. For example, notices should not be served on employees requiring them to wear goggles. Not only can employees be required by HSW Act s.7 (1) to use appliances provided for their health and safety, but they can be required to co-operate in a more general way, e.g., by adjusting a guard properly or by reporting promptly a defect in the arrangements for health and safety which comes to their notice.
- 3.3.23 In certain circumstances proceedings against an employee may be appropriate if there is evidence of negligence on their behalf. In such cases consultation with workers' representatives will be undertaken prior to any decision to prosecute. Prosecution will be considered only if the employee had been warned before (either by an inspector or by the business) or if the employer can demonstrate that he/she has taken all reasonably practicable steps to see that relevant health and safety controls were brought to the attention of the employee safety devices were used and the offence by the employee was flagrant.

4.0 Pollution Control

4.1 Scope

- 4.1.1 The Environmental Health Service undertakes regulatory duties relating to the following pollution control areas:

- Noise pollution arising from both domestic and commercial premises (including noise/vibration from construction sites) and, in certain circumstances, equipment or vehicles in the street.
- Out of hours service for statutory noise nuisances.
- Air pollution control, including smoke, odour and dust statutory nuisances.
- Other statutory nuisances e.g. excess artificial light, insects.
- Permitting of industrial processes having the potential to release harmful pollutants to the air.
- Enforcement of controls over contaminated land, to ensure that contaminants do not interfere with human health, animal/plant health or the built environment. Also to assess whether contaminants are likely to affect rivers, aquifers or other controlled water courses.
- Local Air Quality Management (LAQM) duties as regards the Environment Act 1995

- 4.1.2 This section of the Environmental Health Enforcement Policy provides specific guidance on regulatory activities associated with pollution control. However, the Council has separate policies relating to contaminated land enforcement: (a) financial support for householders affected by contamination, and (b) the scope and extent of formal enquiries.

4.2 Other relevant considerations

- 4.2.1 Regard will be had to statutory guidance, and any other relevant guidance or good practice documentation considered to be relevant to a particular enforcement situation.

- 4.2.2 Signing of formal notices will be undertaken in line with the Council's scheme of delegation.

- 4.2.3 Officers will have regard to any issues that may arise as a result of a Primary Authority interest.

4.3 The use of formal enforcement tools

- 4.3.1 The general principals relating to enforcement decision making in relation to pollution control activities are as outlined in the core section of the Council's enforcement policy and in the introduction to the Environmental Health Enforcement Policy.

ENFORCEMENT ACTIVITY RELATING TO STATUTORY NUISANCES

- 4.3.2 Abatement notices can be an effective and quick method of securing compliance with the requirements of the Environmental Protection Act 1990 in that they require problems to be rectified without the potential delays and uncertainty of going to Court. The Council has a separate Statutory Nuisance Policy that sets out its approach to fulfilling its duties and responsibilities under Part III Environmental Protection Act 1990.

- 4.3.3 On the rare occasions when abatement notices are breached the above legislation provides for a number of enforcement sanctions. Paragraphs 4.3.4 – 4.3.7 indicate the likely response of the Council when a notice is breached in a residential situation. However, the Council reserves the right to consider the use of all enforcement mechanisms in accordance with the principles outlined in this Policy. SEIZURE OF NOISE MAKING EQUIPMENT FROM DOMESTIC PREMISES

- 4.3.4 Where the requirements of the notice are not carried out, in many instances the Council is empowered to do whatever is necessary to abate the nuisance. This can include the seizure of noise making equipment.

- 4.3.5 In domestic settings the Council is likely to favour the seizure of noise-making equipment for the first evidenced breach of an abatement notice as this is likely to offer rapid relief to those adversely affected by the noise in question. Furthermore, this intervention is likely to be a more cost effective approach than formal prosecution.

- 4.3.6 If appropriate, the Council will seek a warrant from a Magistrate authorising

entry to premises, if necessary by force, to facilitate seizure of noise making equipment. The Council will seek to recover the full costs associated with the seizure of noise making equipment.

FORFEITURE OF NOISE MAKING EQUIPMENT

- 4.3.7 If, after noise making equipment has been returned to the recipient of the abatement notice or a successful prosecution has taken place, further breaches are witnessed the Council is likely to repeat the seizure of equipment and seek permission from a Magistrates' Court for its permanent forfeiture.

ENFORCEMENT ACTIVITY RELATING TO CONSTRUCTION SITE NOISE

- 4.3.8 A certain amount of noise is inherent in most types of construction and building operations, which can rarely be completely prevented. However, noise from construction and demolition sites can be very disturbing.

- 4.3.9 The Council can control excessive noise from construction and demolition sites by using powers available to it under the Control of Pollution Act 1974 (COPA) and the Environmental Protection Act 1990 (EPA). Contractors can apply for a 'prior consent' under COPA which sets out allowable working hours and noise limits – the Council encourages the use of prior consents since they represent a proactive method of pollution control.

- 4.3.10 The Council can serve a notice imposing requirements as to how construction works should be carried out so as to minimise noise and disturbance. The notice can cover controls such as working hours and noise limits; failure to comply with s notice may result in a prosecution being taken.

- 4.3.11 Whilst each construction site is different (and will be assessed as such) the generally acceptable hours for noisy work within populated areas of the District are:

Monday to Friday	08:00-18:00
Saturdays	08:00-13:00
Sundays and Bank Holidays	At no time

- 4.3.12 For particularly noisy work, e.g. piling and de-watering, it may be necessary for authorised officers of the Council to further restrict these times.
- 4.3.13 However, the Council recognises that some operations, for safety or practical reasons, cannot always be undertaken within the above time restrictions. Operations outside of the above hours may, however, be agreed by the Council if it can be demonstrated that the works cannot be carried out at any other time and that items of plant and equipment are operated and maintained so that their use causes the minimum amount of noise.
- 4.3.14 Sometimes, emergency works have to be undertaken, for example a burst

water main. In such circumstances the normal daytime hours of operation would not apply. The work would be undertaken as soon as possible, which if undertaken at night, may cause some disturbance.

4.3.15 Also, works on main roads would normally be undertaken outside peak

times in order to minimise traffic congestion. Therefore evening and nighttime working may be permitted. Noise would however be kept to as low a level as reasonably practicable.

ENFORCEMENT ACTIVITY RELATING TO PERMITTED PROCESSES

4.3.16 Regulation 23 of the Pollution Prevention and Control (PPC) Regulations

2000 places a duty on local authorities to take the necessary action to ensure that permit conditions are complied with. North Hertfordshire District Council recognises that appropriate regulation of organisations covered by the PPC pollution control regime is necessary in order to protect local communities and the wider environment; the following type of offences will be considered for enforcement action:

- Operating without a permit
- Failure to comply with a condition
- Failure to notify a relevant change in operation
- Failure to supply without reasonable excuse information requested under the regulations
- Making false or misleading statements
- Making false entries in any record
- Forgery and deception in relation to documents
- Failure to comply with a court order
- Obstruction of Council officers in carrying out their duties

4.3.17 If, in the opinion of authorised officers of the Council, the operation of the

installation (or part of an installation) poses an imminent risk of serious pollution, the Authority will serve a suspension notice unless it intends to carry out the works in default under regulation 26 (this will involve the recovery of costs).

PROSECUTION

4.3.18 The Authority recognises that the following are circumstances which are likely to warrant prosecution. The following are examples of such circumstances but this is not an exhaustive list.

- i) The alleged offence involves an obvious breach of the law such that the public health has been put at risk, there has been a serious adverse environment impact or serious nuisance caused
- ii) The offence involves a failure to comply in full or in part with the requirements of a statutory notice.
- iii) There is a history of similar offences

4.3.19 The Officer, must be satisfied that there is relevant, admissible substantial and reliable evidence that an offence has been committed by an identifiable person / company.

- 4.3.20 Legal proceedings may be taken in conjunction with other sanctions such as works in default accompanied by enforcement action for the recovery of costs.

5.0 Private Sector Housing

5.1 Scope

- 5.1.1 This Environmental Health Service has regulatory responsibilities with regard to private sector housing including the following:

- Regulating standards of repair, amenity and safety in the private rented sector and dealing with housing hazards.
- Restoring vacant properties and bringing them back into occupation.
- Regulating standards of management, repair, amenity and safety in houses in multiple occupation.
- Administration of the mandatory Houses in Multiple Occupation Licensing Scheme.
- Inspection of bed and breakfast establishments and any private accommodation used for the temporary housing homeless and asylum seekers as appropriate.
- Investigation and abatement of public health nuisances relating to housing.
- Investigation and elimination of pests and vermin infesting land, premises and persons as may be appropriate.
- Regulation of standards in relation to mobile home sites

5.2 Other relevant considerations

- 5.2.1 Regard will be had to statutory guidance, and any other relevant guidance or good practice documentation considered to be relevant to a particular enforcement situation.
- 5.2.2 Signing of formal notices will be undertaken in line with the Council's scheme of delegation.
- 5.2.3 Officers will have regard to any issues that may arise as a result of a Primary Authority interest.

5.3 The use of formal enforcement tools

- 5.3.1 The general principals relating to enforcement decision making in relation to private sector housing activities are as outlined in the core section of the Council's enforcement policy and in the introduction to the Environmental Health Enforcement Policy.
- 5.3.2 The Council may undertake works in default as well as or in place of taking other enforcement action. Where works in default are undertaken, the Council will seek to recover the cost of undertaking such works, as outlined in the core section of the Council's enforcement policy.

STATUTORY NOTICES

5.3.3 The Council has a range of options for service of statutory notices under different pieces of legislation. In some cases, the Council is under a duty to serve a particular notice and in other cases, there is a power to serve a notice with the aim of resolving a particular situation. This power will be exercised in accordance with the general principles set out in the Council's core policy and the Environmental Health Enforcement policy.

5.3.4 Section 49 of the Housing Act 2004 gives local authorities the power to make a reasonable charge as a means of recovering certain expenses incurred in:

- serving an improvement notice;
- making a prohibition order;
- serving a hazard awareness notice;
- taking emergency remedial action;
- making an emergency prohibition order;
- making a demolition order

5.3.5 It is the Council's policy to levy an appropriate charge in all situations where the above notices are served, with the exception of Hazard Awareness Notices served on owner-occupiers, unless there are extenuating circumstances. The charge will reflect the costs incurred by the Authority in undertaking the inspection and preparing and serving the relevant notice.

HOUSING ACT 2004 CATEGORY 1 AND CATEGORY 2 HAZARDS

5.3.6 The Housing Act 2004 puts authorities under a duty to take appropriate action in relation to a Category 1 hazard found under the Housing Health and Safety Rating System (HHSRS). A 'Category 1' hazard arises when a hazard reaches a score of 1000, or more, under the HHSRS. In such cases the Authority must take the most appropriate of the following courses of action:

- to serve an Improvement Notice;
- to make a Prohibition Order;
- to serve a Hazard Awareness Notice;
- to make a Demolition Order in accordance with s265 of the Housing Act 1985;
- to declare a clearance area in accordance with s289 of the 1985 Act;
- to serve an Emergency Remedial Action notice;
- to make an Emergency Prohibition Order.

5.3.7 Only one of these courses of action can be taken at any one time (except for emergency measures). It is for the local authority to decide which course of action is the best in all the circumstances. The basis of this decision will be provided with each notice served in the format of a "Statement of Reasons". The views of the manager and occupier of the property should, if possible, be considered in the decision making process.

5.3.8 Where there are concerns about a vulnerable person the appropriate agencies should be consulted to help make a decision regarding the appropriate enforcement action.

5.3.9 The Fire Authority must be consulted where a fire hazard exists in an HMO

or in any common parts of a building containing one or more flats.

5.3.10 Authorities have similar powers to deal with Category 2 hazards as those

listed in above, except that they cannot use the emergency measures and can make a Demolition Order, and declare a clearance area, only in circumstances prescribed in Regulations. In deciding whether to take action to address Category 2 hazards (where action is discretionary) the following factors should be considered:

- Where the owner is being asked to deal with 'Category 1' hazards the 'Category 2' hazards should be dealt with at the same time where they materially affect the comfort of the occupying tenant or they cause the property to be in serious disrepair
- Multiple hazards may be found which on their own are not too serious but in combination present a more serious situation than one single 'Category 1' hazard
- If the hazard relates to fire safety the Fire Authority should be consulted and the appropriate action taken based on their recommendations
- If the hazard or combination of hazards materially affects the comfort of the occupying tenant or causes property to be in serious disrepair the appropriate enforcement action should be taken.

PROSECUTION

5.3.11 The Authority recognises that the following are circumstances which are

likely to warrant prosecution. The following are examples of such circumstances but this is not an exhaustive list.

- i) The alleged offence involves an obvious breach of the law such that the public health, safety or well-being is or has been put at risk.
- ii) The offence involves a failure to comply in full or in part with the requirements of a statutory notice.
- iii) There is a history of similar offences relating to housing conditions

5.3.12 The Officer, must be satisfied that there is relevant, admissible substantial and reliable evidence that an offence has been committed by an identifiable person / company.

CIVIL PENALTIES

5.3.13 The Housing and Planning Act 2016 enables Local authorities to impose civil penalties as an alternative to prosecution for certain offences under the Housing Act 2004.

5.3.14 In particular the relevant offences are:

- Section 30 – Failing to comply with an Improvement Notice
- Section 72 – Offences in relation to the licensing of Houses in Multiple Occupation
- Section 95 – Offences in relation to the licensing of houses under Part 3 of the Housing Act 2004 (Selective Licensing of Residential Accommodation)

- Section 139 – Offences in relation to the contravention of an overcrowding notice
- Section 234 – Failure to comply with Management Regulations in respect of Houses in Multiple Occupation.

5.3.15 In deciding how to proceed, the Council has to be satisfied that they have

sufficient evidence to prove that an offence has been committed and this needs to be to the criminal burden i.e. beyond reasonable doubt. In determining that the issuing of a civil penalty as opposed to prosecution is the appropriate course of action the Council will consider each case individually and will take into consideration factors including the seriousness of the offence; the culpability of the offender; the harm, or potential harm to tenants; and the impact on the wider community.

5.3.16 In making a decision as to what, if any, enforcement action is appropriate

the Council will refer to its own Enforcement Policy, and must also have regard to the Code for Crown Prosecutors. Due regard must also be given to any potential defences and it may be appropriate to undertake an interview under caution in accordance with the Police and Criminal Evidence Act 1984 (PACE) to explore this.

5.3.17 When the Council is satisfied that a relevant offence has been committed

and that it is in the public interest to proceed formally it must decide whether to prosecute or issue a civil penalty.

5.3.18 The following, whilst not exhaustive, are situations where prosecution may be appropriate:

- The offence was serious, for example breach of a prohibition order or where there was imminent risk of injury or loss of life;
- The offender has been prosecuted for similar Housing Act offences

5.3.19 The following factors, whilst not exhaustive, are situations where the issuing of a civil penalty may be appropriate:

- No history of previous non-compliance with relevant legislation
- No previous convictions of relevant offences
- The offence was committed as a result of a genuine mistake or misunderstanding, but this must be balanced against the seriousness of the offence.
- Prosecution is likely to have a serious adverse effect upon the offender's physical or mental wellbeing, but this must be balanced against the seriousness of the offence.

5.3.20 The Housing and Planning Act 2016 also specifies that the amount of

penalty that can be imposed is to be determined by the Council but must not be more than £30,000. The Government's desire is that the penalty should be a punishment which has a real economic impact to the offender.

5.3.21 In determining the amount of penalty the Council will use a Penalty Matrix

(see table below) which takes into account relevant matters including, but not limited to:

- The penalty should act as a deterrent to repeating the offence, and to others from committing similar offences;
- The penalty should remove any financial benefit obtained as a result of the commission of the offence;
- The severity and seriousness of the offence;
- The culpability and past history of the offender;
- The harm, or potential harm, caused to the tenant;

5.3.22 The use of the matrix generates a score which corresponds to a representative penalty as follows.

Score	Penalty
1-5	£250
6-10	£500
11-20	£750
21-30	£1,000
31-40	£2,500
41-55	£5,000
56-65	£10,000
66-75	£15,000
76-85	£20,000
86-95	£25,000
96-100	£30,000

Factors when considering the harm, or potential harm, caused

5.3.23 In determining the level of harm the Council will have regard to:

- The persons affected in terms of physical injury, negative impacts on their health, and any psychological distress;
- Any Vulnerability of the persons affected
- The number of persons affected
- The community in terms of economic loss and the effects on public health, public complaints and the effects of poor housing condition on the neighbourhood

5.3.24 The degree of harm will depend on the personal characteristics and circumstances of the person affected, normally the tenant. Where no actual harm has resulted from the commission of the offence the Council will consider the relative danger and the potential of harm that could have resulted as a result of the offences.

Factors when considering culpability

5.3.25 In determining the level of culpability the Council will have regard to the following:

- Whether there was the intention to commit the offence
- Whether the offence has resulted from reckless behaviour for example

where the offender had some appreciation of the effects their actions would have but proceeded regardless.

- Whether the offender had knowledge of the risks of harm that their actions could cause
- Whether the offender's actions are considered to be negligent.

Aggravating Factors

- 5.3.26 The amount of penalty can be increased if there are any relevant aggravating factors. Furthermore, the amount of penalty can be reduced if any relevant mitigating factors are disclosed by the offender.

Multiple Offences

- 5.3.27 Where the Council are satisfied that more than one offence has been committed a multiple Civil Penalty Notice can be issued, for example multiple breaches of the Management regulations in a House in Multiple Occupation. However the Council will consider whether the issuing of multiple penalties would result in an excessive cumulative amount and this policy gives discretion in this situation. For instance the Council could decide that it is appropriate to issue a civil penalty for the most significant offences and warn the offender that continuation or repeating of the other offences may result in further formal enforcement action being taken.

The Process for Imposing Penalty Charges

- 5.3.28 Where it has been determined that a Civil penalty Charge as opposed to prosecution is the appropriate course of action the Council will follow the following process:

- 1) A 'Notice of Intent' will be served on the person(s) responsible for the commission of the offence(s). The Notice will specify:
 - The amount of the proposed penalty
 - The reasons for the proposed penalty
 - Information relating to the right of the recipient to make representation to the Council.
- 2) The recipient of the Notice is given 28 days to make representation to the Council regarding the proposal to impose a Civil Penalty.
- 3) Following the 28 day period the Council will decide; Whether to impose the proposed financial penalty and the appropriate value. This could be varied taking into account any comments received from the recipients.
- 4) If the Council decides that a Civil Penalty is still appropriate, it will issue a Final Notice which will specify:
 - The amount of the financial penalty
 - The reasons for imposing the penalty
 - Information on how and when to pay the penalty
 - Information regarding the right of appeal against the imposition of a Civil penalty to the First Tier Property Tribunal
 - The consequences of failure to comply with the Notice

Consequences of non-payment and miscellaneous provisions

- 5.3.29 If the penalty charge is not fully paid within the prescribed time, including after an appeal has been finally determined and the charge upheld, the Council will seek to recover the penalty by order from a County Court including the costs incurred in taking such action where deemed appropriate.
- 5.3.30 The Council may at any time withdraw any Notices it has served or amend the amount of penalty specified.

Links with the National Database of 'Rogue Landlords and Letting agents'

- 5.3.31 Upon the commencement of the statutory provisions contained on the Housing and Planning Act 2016 relating to the national Landlord and Letting Agent Database, where two Final Civil Penalty Notices have been issued to the same recipient within a 12 month period, the Council may make an entry on the database. When considering if this is an appropriate course of action the Council will have regard to any guidance issued by the Government.

Penalty Matrix						
	Factors	Score = 1	Score = 5	Score = 10	Score = 15	Score = 20
1	Culpability	Low; Offence committed with little or no fault on the part of the responsible person	Low/Medium; An awareness of the legal framework and systems in place to ensure compliance but these were not implemented	Medium/High; Despite an awareness of the legal responsibilities the responsible person failed to put in place suitable systems in place to ensure compliance	High; There was some awareness of the law but the responsible person still allowed/committed the offence.	Very High; Intentional breach by responsible person. For example non compliance with a Formal Notice
2	Removal of Financial Incentive	No Significant assets. No or very low financial profit made by offender.	Little asset value. Little profit made by offender.	Small portfolio Landlord (between 2-3 properties). Low profit made by offender.	Medium portfolio Landlord (between 4-5 properties) or a small Managing Agent. Medium asset value. Medium profit made by offender.	Large portfolio Landlord (over 5 properties) or a large Managing Agent. Large asset value. Large profit made by offender.
3	Offence & History	No previous enforcement history. Single low level offence.	Minor previous enforcement. Single offence.	Recent second time offender. Offence has moderate severity or small but frequent impact(s).	Multiple offender. Ongoing offences of moderate to large severity or a single instance of a very severe offence or multiple breaches.	Serial offender. Multiple enforcement over recent times. Continuing serious offence.

4	Harm, or potential harm, to tenant(s) [Score is doubled for this section]	Very little or no harm caused. No vulnerable occupants. Tenant provides no information on impact.	Likely some low level health/harm risk(s) to occupant. No vulnerable occupants. Tenant provides poor quality information on impact.	Likely moderate level health/harm risk(s) to occupant. Vulnerable occupants potentially exposed. Tenant provides some information on impact but with no primary or secondary	High level of health/harm risk(s) to occupant. Tenant(s) will be affected frequently or by occasional high impact occurrences. Vulnerable occupants more than likely exposed;(High HHSRS score) Small HMO (3-4 occupants), multiple occupants exposed. Tenant provides good information on impact with primary evidence (e.g. prescription drugs present, clear signs of poor health witnessed) but no secondary evidence	Obvious high level health/harm risk(s) and evidence that tenant(s) are badly and/or continually affected. Multiple vulnerable occupants exposed; (high HHSRS Score) Large HMO (5+occupants), multiple occupants exposed. Tenant provides excellent information on impact with primary and Secondary evidence provided (e.g. medical, social services reports)
---	--	--	--	---	---	---

RENT REPAYMENT ORDERS

5.3.32 Rent Repayment Orders were introduced by the Housing Act 2004. Local authorities were given to the power to apply for a rent repayment order in circumstances where a landlord has failed to licence a house in multiple occupation.

5.3.33 The Housing and Planning Act 2016 extended their use. Local authorities are now under a duty to consider applying for a rent repayment order may in respect of the following:

- Failure to comply with an Improvement Notice under section 30 of the Housing Act 2004;
- Failure to comply with a Prohibition Order under section 32 of the Housing Act 2004;
- Breach of a banning order made under section 21 of the Housing and Planning Act 2016;
- Using violence to secure entry to a property under section 6 of the Criminal Law Act 1977;
- Illegal eviction or harassment of the occupiers of a property under section 1 of the Protection from Eviction Act 1977.

5.3.33 The Council's policy is that it will normally apply for a rent repayment order in all circumstances where there is sufficient evidence to do so, unless there are extenuating circumstances.

5.3.34 Application for a rent repayment order may be made in addition to any other sanction route that it chooses to pursue such as prosecution or levying a civil penalty.

6.0 Drinking Water Quality

6.1 Scope

- 6.1.1 Local authorities have a general duty under the Water Industry Act 1991 to keep themselves informed about the wholesomeness and sufficiency of water supplies provided to premises in their area, including every private supply to any such premises. Local authorities have specific remedial powers in relation to private water supplies. The Environmental Health Service is responsible for fulfilling the Council's duties and powers in respect of drinking water quality matters.

6.2 Other relevant considerations

- 6.2.1 Regard will be had to guidance from the Drinking Water Inspectorate and Public Health England in fulfilling the Council's roles.
- 6.2.2 Signing of formal notices will be undertaken in line with the Council's scheme of delegation.

6.3 The use of formal enforcement tools

- 6.3.1 The general principals relating to enforcement decision making in relation to water quality activities are as outlined in the core section of the Council's enforcement policy and in the introduction to the Environmental Health Enforcement Policy. However, the criticality of safe drinking water is paramount to public health and this will be the significant factor in deciding the appropriate course of action in any particular situation
- 6.3.2 The majority of private water supplies in North Hertfordshire are domestic supplies, often serving single properties. In such instances, the Council's preferred approach is to address issues informally except where there is a specific requirement to take a formal approach.
- 6.3.3 In relation to large domestic private water supply systems and commercial supplies, the Council is more likely to take a formal approach but every case will be judged on its merits, having regard to the public health circumstances.
- 6.3.4 If any private water supply is not deemed to be wholesome or any domestic supply is not deemed to be have a supply that is wholesome and sufficient, the Council may serve a notice stating its reasons and the remedial steps that it believes are required, giving a suitable time period for compliance. If the notice is confirmed, the Council may undertake works in default. Whether the Council chooses to do so will depend on the circumstances of the case. Where the Council decides to undertake works in default, it will seek to recover its full costs, unless there are exceptional reasons not to do so.
- 6.3.5 If any private supply of water intended for human consumption constitutes a potential danger to human health, the Council must serve a notice stating the grounds for serving the notice and the remedial action required. Failure to comply with the notice is an offence and the Council may consider prosecution proceedings in accordance its normal procedure for such matters.
- 6.3.6 The Council will normally seek to recover its full costs in fulfilling its duties under this section where it is empowered to do so, unless there are exceptional circumstances.

7.0 Stray Dogs

7.1 Scope

7.1.1 The Council has a duty under the Environmental Protection Act 1990 to deal with stray dogs in the district. Any stray dogs on public land must, if practicable, be seized and detained. Attempts must be made to advise the owner of the dog that the dog has been seized. Where any dog has been detained for seven clear days without the dog being claimed and the Council's expenses having been paid in full, the Council may dispose of the dog.

7.1.2 Regulations made in 2014 under the Animal Welfare Act 2006 made it mandatory from 6th April 2016 for dog owners to microchip any dog over 8 weeks old.

7.2 The use of formal enforcement tools

7.2.1 The Council may:

- serve on the keeper of a dog which is not microchipped a notice requiring the keeper to have the dog microchipped within 21 days;
- where the keeper of a dog has failed to comply with a notice under paragraph (a), without the consent of the keeper (i) arrange for the dog to be microchipped; and (ii) recover from the keeper the cost of doing so;
- take possession of a dog without the consent of the keeper for the purpose of checking whether it is microchipped or for the purpose of microchipping it in accordance with the above.

7.2.2 The Council's policy in relation to microchipping is to encourage voluntary compliance. Formal action will normally only be considered in the case of repeat offences. The Council will incentivise dog owners to have their dogs microchipped in setting fees for handling stray dogs.

7.2.3 The Council will normally seek to recover its full costs in fulfilling its duties under this section where it is empowered to do so, unless there are exceptional circumstances

APPENDIX C: LICENSING

1. SCOPE

The purpose of licensing is, in the majority of cases, the protection of the general public. In order to achieve this, legislation requires licences, permits or registrations to be obtained for a wide range of activities. These administrative documents are normally subject to certain conditions, imposed either by legislation or the Council. The Licensing Service undertakes the Council's licensing functions, as outlined in 1.1. to 1.6., below.

1.1 ANIMAL LICENSING

- Animal boarding establishments
- Home boarding of dogs
- Dog day crèche
- Dog breeding
- Pet shops
- Riding establishments
- Keeping or training animals for exhibition
- Dangerous wild animals
- Zoos

1.2. CHARITABLE COLLECTIONS

- Street collections
- House to house collections

1.3. PREMISES AND EVENT LICENSING (LICENSING ACT 2003)

- Sale or supply of alcohol
- Provision of regulated entertainment
(plays, films, boxing/wrestling, indoor sporting events, live/recorded music, dancing)
- Late night refreshment

1.4. GAMBLING (GAMBLING ACT 2005)

- Premises licences
(bingo, betting, amusement arcades, casinos, track betting)
- Gaming machine permits
- Small society lottery registration

1.5. HACKNEY CARRIAGE AND PRIVATE HIRE

- Hackney carriage drivers
- Hackney carriage vehicles
- Private hire drivers
- Private hire vehicles
- Private hire operators

1.6. MISCELLANEOUS LICENSING

- Street trading
- Sex shops/cinemas
- Sexual entertainment venues
- Scrap metal dealers (sites and collectors)

2. OTHER RELEVANT CONSIDERATIONS

In addition to the Regulators' Code this Policy is designed to reflect the following sources of primary legislation and any secondary legislation and guidance issued thereunder:

- Licensing Act 2003
- Gambling Act 2005
- Local Government (Miscellaneous Provisions) Act 1976
- Local Government (Miscellaneous Provisions) Act 1982
- Town Police Clauses Act 1847
- Animal Welfare Act 2006
- Dangerous Wild Animals Act 1976
- Zoo Licensing Act 1981
- Scrap Metal Dealers Act 2013
- House to House Collections Act 1939
- Police, Factories & c (Miscellaneous Provisions) Act 1916

3. THE USE OF FORMAL ENFORCEMENT TOOLS

The general principles relating to enforcement decision making are explained within the main body of this Policy.

3.1 GENERAL ENFORCEMENT PRINCIPLES FOR LICENSING

The main purpose of licensing enforcement activity is to secure compliance with legislative requirements ensuring the safety of the public. Ordinarily, a staged approach to enforcement will be undertaken to achieve this objective although this will not preclude formal enforcement action being the first intervention when appropriate e.g. serious risk to the public or deliberate/repeated non-compliance.

3.2 SPECIFIC ENFORCEMENT ACTIVITY RELATING TO EACH ACTIVITY

Each licensing activity has its own specific policy which includes activity-specific enforcement options e.g. licence reviews under the Licensing Act 2003 or penalty points for licensed hackney carriage/private hire drivers. These policies are to be read in conjunction with the corporate enforcement policy.

APPENDIX D: COMMUNITY SAFETY

1. SCOPE

'Community Safety' is a term that is used to define keeping communities a safe place free from the fear of crime (perceived or actual) encompassing education, awareness (crime prevention) and reassurance as well as enforcement (anti-social behaviour and crime reduction). It is a multi-faceted concept used to encompass a diverse and broad range of topics that relate to anti-social behaviour, crime and disorder issues.

The Council undertakes a range of duties in connection with community safety. It has a statutory duty to work with other Responsible Authorities; including the police, fire and rescue service, county council, NHS and the probation service to address wider community safety and crime and disorder issues. The Council is a committed member of the North Herts Community Safety Partnership (NHCSP), and interventions aimed at improving community safety and reducing crime and disorder (and equally its perception) in North Herts is coordinated via the Partnership's Responsible Authorities Group (RAG – a strategic partnership group) and operationally by the Joint Action Group (JAG).

The Council deals with community safety matters in two principle ways: firstly, by means of the provision of advice, diversionary activities, community reassurance events, and the encouragement of responsible behaviour; secondly, it may make use of its enforcement powers, in a proportionate and appropriate way, to manage antisocial behaviour, crime and disorder.

Aside from the strategic planning and coordination of services to tackle local crime and disorder, the Council also undertakes a range of duties in connection with antisocial behaviour. This includes, but is not limited to the following;

- Abandoning a vehicle
- Accumulation of waste
- Bonfires
- Commercial and domestic bin waste bin offences
- Dog fouling
- Drug paraphernalia (e.g. discarded needles)
- Fly-tipping
- Graffiti
- High hedges
- Misuse of street litter bin offences
- Noise Nuisance
- Nuisance Vehicles
- Repairing of vehicles on the public highway
- Waste Duty of Care (domestic and commercial)
- Waste Carriers Licence
- Unauthorised Encampments
- Littering
- Stray dogs

These duties and responsibilities are dealt with by a number of different council departments including those listed above as well as other areas included within this Enforcement Policy (e.g. environmental health, licensing and planning services).

In addition to the Council undertaking its statutory duties in this regard, the law provides for a wide range of powers that can be considered in relation to different types of anti-social behaviour. The Council will also work with, and support, a wide range of organisations to deal with anti-social behaviour including the police, fire service and housing providers.

The Council's Community Safety team is responsible for the operational management of the community crime and environmental crime function. These terms are used to classify anti-social actions and behaviour that degrade local amenities and the environment and impact on the enjoyment and safety of the wider community.

2. OVERVIEW OF CORE COMMUNITY SAFETY TEAM FUNCTIONS

The Community Safety team are involved in dealing with a wide range of community crime and enviro-crime issues which negatively affect the wider community's quality of life, including but not limited to, the following core functions;

Abandoned Vehicles: Section 2 of the Refuse Disposal (Amenity) Act 1978, makes it an offence to abandon a motor vehicle, or any part of a motor vehicle, on a highway or any land in the open air. This includes any trailer intended or adapted for use as an attachment to a motor vehicle. Enviro-Crime Officers in the Community Safety team will assess the vehicle to decide whether it is abandoned. There is no statutory definition of an abandoned vehicle and factors to take into consideration include but are not limited to; length of time at location, condition and damage to vehicle (e.g. unroadworthy, burnt out, contains waste), lacking one or more of its number plates, no registered keeper and is untaxed. The Council is under a duty to remove what is determined to be an abandoned vehicle. Section 3(2) and 3(2)(A) of the Refuse Disposal (Amenity) Act 1978 provides the notice periods before removal. A fixed penalty notice can be issued to anyone who abandons a vehicle and offenders can also be prosecuted.

Bonfires: There is no specific law that makes it illegal to have a bonfire or prohibits the times they can be lit. However, the Council will take action if a smoke nuisance from a bonfire is caused. A bonfire that leads to complaints about smoke may be classified as a statutory nuisance under the Environmental Protection Act 1990. The person responsible may be served with a warning notice for persistent problems or if their actions are likely to interfere with other residents' comfort and enjoyment of their properties. The burning of industrial or commercial waste that cause black smoke is an automatic offence and can lead to prosecution. These offences are dealt with by the Environmental Health department; however the Community Safety team will investigate initial complaints and aim to resolve issues informally in the first instance.

Dog Fouling: The Anti-social Behaviour, Crime and Policing Act, 2014 provides powers to take enforcement action. Anyone reported for allowing their dog to foul may be served with a Community Protection Notice for the persistent, un-reasonable behaviour, detrimental to quality of life in a locality. Any person found guilty of an offence could be liable to a level 4 fine (currently up to £2,500). Officers can offer the opportunity of discharging any liability to conviction for the offence, by payment of a Fixed Penalty Notice of £100. A Fixed Penalty Notice may be issued by any authorised Council Officer if it is witnessed by the officer or there is sufficient evidence by a third party (e.g. a witness statement). Subject to sufficient evidence the Community Safety team will investigate complaints about dog fouling and carry out patrols in problem areas.

Fly tipping and other waste related offences: Section 33 of the Environmental Protection Act 1990 states that a person shall not deposit controlled waste or knowingly cause or permit controlled waste to be deposited in or on any land, without an environmental permit authorising the deposit. Section 34 of the Environmental Protection Act 1990 covers domestic and business duty of care offences relating to individuals and businesses ensuring that their waste is not illegally deposited. Officers will investigate all reports of significant illegal deposits of waste (fly tipping) where it is believed that there is evidence that can lead to enforcement action being taken against offenders. The Community Safety team will also consider taking enforcement action against other waste related offences, such as littering and misuse of a street litter bin, subject to sufficient evidence being obtained. However the Team recognises that other

departments of the Council that act in the capacity of Waste Collection Authority or Principle Litter Authority will take primacy in these types of offences and may take their own enforcement action directly.

Nuisance Vehicles: Section 3 Clean Neighbourhoods and Environment Act 2005 makes it an offence to expose vehicles for sale on a road and a person is guilty of an offence if at any time he leaves two or more motor vehicles parked within 500 metres of each other on a road or roads where they are exposed or advertised for sale. Section 4 Clean Neighbourhoods and Environment Act 2005 makes it an offence for a person to carry out repairs to vehicles on a road unless they have been in an accident within the last 72 hours or have broken down and repairs are necessary. Officers will investigate nuisance vehicle reports and assess in accordance with the Act. A fixed penalty notice can be issued to anyone who is found guilty of these offences and offenders can also be prosecuted.

Community Crime (e.g. anti-social behaviour in parks and open spaces and car parks): The Community Safety team will work with all relevant partners to take appropriate action against 'community crime' issues which can significantly impact on resident's enjoyment and use of their local amenities. This can include but is not limited to anti-social behaviour and crime in parks and open spaces, car parks and town centres. The Community Safety team will consider all options available and will either take appropriate enforcement action directly or assist other partners in undertaking appropriate enforcement action. Due to community crime encapsulating a multitude of anti-social or criminal behaviours and circumstances that are detrimental to the local community's quality of life enforcement action will be considered on a case by case basis.

3. THE LEGAL FRAMEWORK AND USE OF ENFORCEMENT TOOLS

In considering community crime and environmental crime enforcement action the Council will take into account all legislation and statutory guidance including:-

- Anti-social Behaviour Act, 2003
- Anti-social Behaviour, Crime and Policing Act, 2014
- Clean Neighbourhoods and Environment Act 2005
- Control of Pollution (Amendment) Act 1989/Control of Waste (Dealing with Seized Property) (England and Wales) Regulations 2015
- Counter Terrorism and Security Act 2015
- Crime and Disorder Act 1998
- Criminal Justice and Public Order Act 1994
- Domestic Violence, Crime and Victim Act 2004
- Drugs Act 2005
- Environment Act, 1995
- Environmental Protection Act 1990
- Highway Act 1980 (subject to agreement with the Highways Authority)
- Modern Slavery Act 2015
- Police and Criminal Evidence Act 1984
- Police and Justice Act 2006
- Police Reform Act 2002
- Police Reform and Social Responsibility Act 2011
- Policing and Crime Act 2009
- Refuse Disposal Act 1978
- Scrap Metal Dealers Act 2013

In relation to community and environmental crime the Council has a number of enforcement 'tools' and powers available, in addition to informal enforcement action⁵, examples include:

- Civil Injunction
- Closure Order
- Community Protection Notice
- Criminal Behaviour Order
- Fixed Penalty Notice
- Notice to require the provision of information
- Powers to take remedial action/works in default
- Powers of forfeiture and seizure
- Prosecution
- Public Space Protection Order
- Simple Caution

The general principles relating to enforcement decision making are explained within the main body of this Policy. However, it is important to note that whilst community and enviro-crime rarely constitutes a significant threat to public safety or health it can, nevertheless, cause a significant blight to local communities and can lead to neighbourhood decline. In recognition of the above, this Council takes these issues very seriously and will use its formal enforcement powers to deal with offenders. Certain community and enviro-crime offences, such as fly tipping, will be dealt with more rigorously as they are a) unlikely to be inadvertent breaches of the law, and b) are often associated with the pursuit of unfair competitive trading advantage by for example, the illegal and inappropriate disposal of waste.

Where there is sufficient evidence the Authority will commence proceedings at level 3 and 4 if the criteria for formal action (such as issuing of fixed penalty notices or a simple caution) or prosecution are met. For certain enviro-crime offences, e.g. dog fouling, depositing of litter and fly tipping offences, there is provision for fixed penalty notices to be issued. These notices can, in appropriate cases, provide a quick, visible and effective way of dealing with these types of environmental problems and offer a more cost-effective alternative to a prosecution. FPN's will generally be served for first time offenders of lower-level offences. For more serious offences and/or repeat offenders the Council will normally seek to prosecute. The Council, however, reserves the right to consider alternative enforcement mechanisms on a case-by-case basis.

FPNs will only be issued when there is adequate evidence to support a prosecution. If the fine is not paid within the stated period then the Council is likely to mount such a prosecution.

The income to the Council arising from the payment of FPNs will be used to fund environmental related expenditure in accordance with the relevant provisions of the primary legislation and any relevant regulations.

4. LEVEL OF DELEGATION

All decisions relating to formal enforcement matters are delegated by the Council to the Service Director – Legal and Community, who sub delegates as appropriate.

⁵ Advice, no action, verbal warning, written warning

Any decision to take formal enforcement action is taken by the following officers;

Authorisation and Issue of Notices (e.g. Community Protection Notices) – Environmental Crime Officer in consultation with the Community Safety Team Leader, or Community Safety Team Leader in consultation with the Community Protection Manager

Authorisation and Issue of Fixed Penalty Notices - Environmental Crime Officer in consultation with the Community Safety Team Leader, or Community Safety Team Leader in consultation with the Community Protection Manager

Authorisation and Issue of Simple Cautions – Community Safety Team Leader in consultation with the Community Protection Manager (or in their absence in consultation with Legal Service), or Community Protection Manager in consultation with Legal Services

Commencement of legal proceedings such as Criminal Prosecutions - Service Director – Legal and Community (or Legal Team Manager, or Manager as per any delegation or in the Service Director's absence).

APPENDIX E: PLANNING ENFORCEMENT

1.0 What is Planning Compliance (Enforcement)

- 1.1 Planning Compliance is concerned with works which have taken place in breach of planning control as set out in the Town and Country Planning Act 1990 (as amended). This Plan sets out what you can expect the Council as Local Planning Authority to do when a breach of planning control takes place in North Hertfordshire.
- 1.2 A breach of planning control is defined in the Town and Country Planning legislation as "the carrying out of a development without the required planning permission or failing to comply with any condition or limitation subject to which planning permission has been granted".
- 1.3 Breaches of planning control occur in many ways, for example where:
- Building work, engineering operations, and material changes of use are carried out without planning permission having been granted.
 - Development has planning permission but is not carried out in accordance with the approved plans.
 - Failure to comply with conditions or the terms of a legal agreement (Section 106 obligations) attached to a permission or consent.
 - Demolition takes place in conservation areas, without planning permission, when it is required.
 - Works carried out to a "listed" building which affect the historic character or setting, without listed building consent being granted.
 - Removal of, or works carried out, to protected trees and hedgerows without consent being granted or proper notification given.
 - Advertisements, which require consent under the Advertisement Regulations, which are displayed without express consent.
 - Failure to comply with the requirements of a planning legal notice, e.g. enforcement, discontinuance, stop notice, breach of condition notice, etc.
- 1.4 It should be noted that it is not a criminal offence to carry out development without planning permission. However, where this takes place it cannot be assumed that planning permission will always be granted for the development retrospectively. An offence only occurs if the development involves unauthorised advertisements, works to protected trees or listed buildings, or if a formal notice is not complied with.
- 1.5 The legal basis for planning enforcement is set out in the Town and Country Planning Act 1990 (as amended). Further guidance and advice is set out in the National Planning Policy Framework (NPPF) and the National Planning Practice Guidance (NPPG). These set out the discretionary basis of the provision of the service and provide further background and guidance in relation to the delivery of the service. The guidance in the NPPG sets out that a Planning Enforcement Plan should be produced by the Council.

- 1.6 Government Guidance makes it clear that enforcement action should not be taken simply to remedy the absence of a planning permission where development is otherwise considered acceptable on its planning merits.
- 1.7 Parliament has given the Council in its role as Local Planning Authority the primary responsibility for taking whatever enforcement action may be necessary, in the public interest, in their administrative area. Affected or interested parties cannot initiate planning enforcement action nor require the Council to act when it considers there is no case to do so.

2.0 How the Planning Compliance service is delivered by the Council

- 2.1 The service is discretionary - the provision of the Planning Compliance service is discretionary, and the Council can decide, following consideration if it wants to undertake planning enforcement action or not for every reported breach of planning control it receives.
- 2.2 The Council considers that planning compliance is an important aspect of the services that it provides as it maintains control of development that is undertaken within the district ensuring that harmful development is controlled and not allowed to affect the amenity and character of the district. Each potential planning enforcement case that is reported to it will be subject to initial inspection and consideration. Information can be shared between Planning Enforcement and other partners of the Council to assist this initial consideration. A decision will then be made as to whether further action should be taken. Officers are delegated to make these decisions on behalf of Councillors.
- 2.3 Action to be taken is proportionate - the action that can be taken must be proportionate to the harm that is being caused by the breach of planning control. In some cases, whilst uses or works may be in breach of planning control, the impact of them may be very minor, or de minimis. In such cases, after investigation, the Council may decide to take no further action.
- 2.4 In all other cases, where some further action is warranted, this will be implemented considering the degree of harm caused by the unauthorised works or uses.
- 2.5 How new compliance cases are logged with the Council - potential cases where planning enforcement action may be required can be reported to the Council in person, by phone, in writing, by e-mail or by using our online reporting form. You may also contact your local Councillor to report a breach of planning control, details of you Councillor can be found on the Council website here:

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

- 2.6 Contact details to report a breach of planning control are set out at the end of this document
- 2.7 Anonymity in reporting of breaches of planning control to the Council - the Council does not release the identity of those who have requested it to investigate a matter to those who are under investigation. Only in very advanced stages of an investigation, for example where court action is being pursued, would it potentially be of assistance if the person who had raised the matter with the Council to be identified, for example to submit evidence on behalf of the Council. However, the Council will not make any person's identity known without their prior agreement.

- 2.8 As a result, any party who wishes to submit a request to investigate is encouraged to provide their name and contact details so that feedback can be provided, or further information sought.
- 2.9 If the party still wishes to remain anonymous, they are requested to approach their local Ward Councillor or Parish/Town Council, to submit the matter on their behalf.
- 2.10 In the absence of that support the matter may receive no further attention at the discretion of the Council.
- 2.11 Investigation Process. All requests will be registered on the Council's recording system and the party who has raised it with us will receive an acknowledgement setting out the name of the Officer who is dealing with the matter and a reference to quote in future communication. That Officer may seek further information from the party in relation to the matter. A search of the planning history of the site will be undertaken. If it is determined that planning permission is in place, further checks will be undertaken to establish whether there is any reason to believe that work is not being undertaken in accordance with the permission.
- 2.12 Officers will visit the location of the potential breach within the timescales set out below in relation to the priority of the case.
- 2.13 Where no planning permission is in place, checks will be undertaken to establish whether permitted development (PD) rights are being exercised.
- 2.14 The site visit will seek to establish the nature and extent of the works or the use which may be taking place. Often, it may be that works are still in progress, so information will be sought as to the anticipated scale of the works when complete.
- 2.15 Next Steps. It is necessary for the Council to determine what action should be taken next - and whether formal action is expedient. The possible courses of action are as follows:
- 2.16 Take no action. If the works or uses being undertaken are within the scope of a planning permission that has been granted, or fall within the scope of permitted development, then no further action will be taken.
- 2.17 No further action could also be considered as an outcome where the works or intended use fall outside the scope of a planning permission or permitted development rights, but the impact of them is very modest with no discernible impact.

Typical Examples of this could be:

- Minor breaches of planning conditions.
- Fences, gates, boundary walls, or outbuildings being erected which exceed the heights allowed under a planning permission of PD rights by a modest amount.
- Very minor changes to the works that have been granted planning permission which are likely to have very little impact beyond the application site.
- Minor works that require planning permission but have no discernible impact on its surroundings or people.
- Development has not occurred as a matter of fact.

This list is not extensive and should not be considered as binding. The Council looks at each case on an individual basis and treats each case on its merits.

- 2.18 Seek regularisation through a planning application. Where works have taken place or a use has been commenced which does have an impact but are considered to be acceptable within the planning policies that are applicable, then a retrospective planning application to regularise these would be invited.
- 2.19 This should not be taken as indicating that the Council will simply approve any application without due scrutiny. The application process allows the works and/or use to be considered fully against relevant planning policies by the Council or its Planning Committee. The owner of the site will be permitted a limited amount of time at the discretion of the Council to make such a submission and any person who has contacted the Council in relation to the matter and has left appropriate contact details, will be contacted by the enforcement team and informed of any such retrospective planning application when it is submitted, in order that they can make representations on that application if they wish.
- 2.20 If planning permission is granted officers will continue to monitor the site to ensure that the development and/or use implemented are in accordance with the permission granted. If permission is refused, the landowner has a right of appeal against this decision. If, after the expiry of the timescale within which an appeal should be made has expired and none has been submitted, the Council will then decide about which enforcement action which would be appropriate.
- 2.21 The Council will continue to monitor the site during this time. It may be that, if work continues to be undertaken, the appropriate course of action may change from seeking regularisation to taking no further action if the development is acceptable when considered against planning policies, to taking formal enforcement action if the development appears to be harmful.
- 2.22 Undertake formal action. Where it appears to the Council that the impact of unauthorised works and/or use of a site is unacceptably harmful and it is not appropriate to seek a planning application, formal action will be taken if the matter cannot be resolved through negotiation. Formal enforcement action will also be considered following the refusal of any retrospective planning application or appeal which is dismissed for any such planning refusal. The range of formal steps available to the Council, the processes relevant to each, outcomes and timescales are set out in the Appendix A to this document.
- 2.23 Outcomes you can expect if you are the owner of a site under investigation. The Council will seek to ensure that all matters in relation to the enquiry are dealt with professionally, politely, and efficiently. It will be necessary for Council Officers to attend the site. At all times the Officer approach should be polite and respectful. It is often the case that Council

Officers will visit without a pre-arrangement however, they will make themselves known on arrival at a site if it possible to do so. If the time of the visit is not convenient to you, they will seek to arrange a mutually acceptable time to visit.
- 2.24 Officers will be able to advise on the purpose of the visit and what action the Council can take and what options are available to you as Owner. They can provide advice about the planning and enforcement process, but if you require specific planning advice, this should be sought independently.

- 2.26 The Council will endeavour to deal with your case quickly, ensuring that uncertainty is removed. However, we will need your co-operation and ask that, in all circumstances, you provide any information Officers request and answer any questions they put to you.

3.0 Priorities and timescales

- 3.1 The Council adopts a prioritised approach to the consideration of potential enforcement matters. The identified priorities are:

Urgent Cases (Priority A)

- Unauthorised alterations to listed buildings.
- Unauthorised alteration to or demolition of buildings in Conservation Areas.
- Unauthorised developments having a severe and possibly irreversible impact on surroundings e.g., the felling of protected trees.
- Development causing danger to highway users.

All Other Cases (Priority B)

- 3.2 All other unauthorised developments or changes in use of land and buildings.

Timescales

- 3.3 The following table sets out the timescale within which the Council endeavours to undertake the actions set out in this Plan. These are related to the date that the Council has received a request to investigate. This date is identified as the 'start date' and is the first working day on which a request is received. In relation to the start date the timescales (all of which refer to working days) are set out as follows subject to resources being available:

3.4 Urgent Cases

Within 5 working days:

Undertake site visit. Acknowledge receipt of request to investigate.

Within 20 working days of start date:

Reach a decision in relation to whether it is expedient to take action where it is practicable to do so.

3.5 All Other Cases

Within 10 working days of start date:

Acknowledge receipt of the request to investigate.

Within 20 working days of start date:

Undertake site visit where it is practicable to do so.

Within 20 further working days:

Reach a decision on the next steps and where required reach a decision on the expediency of taking further action where it is practicable to do so

Then, if an application is to be invited:

Request that the Owner submit such an application setting out the timescale within which it should be received and accepted by the Council

Or, if the impact is harmful:

If it is expedient, serve an Enforcement (or other relevant) Notice.

4.0 Maintaining contact with the Council

- 4.1 The Council seeks to advise those who have requested an investigation at each stage in the timescales above where key decisions are to be made. The Council's preference is to be able to contact parties by email.
- 4.2 The Council will not provide ongoing updates on enforcement cases as to do so may prejudice legal action the Council seeks to take later. The content of all open and live enforcement files is confidential and not released under FOI/EIR requests until such time as the matter is resolved and the file is closed. If no breach has been established the case will be closed and all evidence deleted.
- 4.3 If complainants or Members of the Council and Parish Councils contact the enforcement service seeking updates on particular cases and there is no new matter or decision to report they will be informed that the matter remains under investigation. There are no timescale within which action can be taken or decisions made as each case will have its own process of investigation and resolution and/or action.

5.0 Section 106 and Condition Monitoring

- 5.1 The Council recognises the importance of condition monitoring for its planning approvals, however due to the staff resources that are available for this work to be undertaken, the Council, has to prioritise what developments are monitored on a regular basis to ensure development is undertaken in accordance with the approved plans and associated conditions.
- 5.2 The Council will proactively monitor strategic and other major development sites once planning permission has been granted and work has commenced, this is to ensure that the development is being undertaken in accordance with planning approvals and conditions that have been imposed on them.
- 5.3 The Council will also monitor other developments at its own discretion where it is considered necessary in the public interest, this is to ensure such developments are undertaken in accordance with planning approvals and conditions that have been imposed on them.
- 5.4 Requests that development sites are regularly monitored will be considered by the Council; however, the Council will only act on these requests if it is considered that such a monitoring activity is in the wider public interest.
- 5.5 The Council is responsible for the administration of Section 106 agreements that form part of planning permissions. These Section 106 agreements are legal agreements (planning obligations) between the Council and Developers and are a mechanism which make a development proposal acceptable in planning terms, that would not otherwise be acceptable.
- 5.6 The common uses of planning obligations such as Section 106 agreements are to secure affordable housing, to specify the type and timing of this housing, to secure financial contributions to provide local infrastructure on or off site, or other affordable housing elsewhere.

- 5.7 The Council will monitor all its Section 106 agreements to ensure that the terms of those agreements are met, and that any breaches of these agreements are identified and subsequently enforced.

6.0 Listed Buildings

- 6.1 The Council attaches particular importance to ensuring that any alterations to listed buildings are properly authorised. The statutory provisions for the preservation of buildings of special architectural or historic interest are contained in the Listed Buildings and Conservation Areas legislation. It is an outright offence under the legislation to carry out unauthorised works to a listed building which could affect its character. The owner of a listed building or those who have an interest in the property or who have carried out the works may be prosecuted by the Council irrespective of whether consent is later obtained retrospectively, or the unauthorised works later made satisfactory. A person found guilty of an offence may be liable to a substantial fine, and/or a term of imprisonment. There is no time limit upon the Council to pursue Listed Building Enforcement Action.
- 6.2 A Listed Building Enforcement Notice may also be served requiring remedial works to the building within a certain time scale. There is a right of appeal to The Planning Inspectorate but failure to comply with the Notice is an offence, which is liable to a substantial fine on summary conviction.

7.0 Complaints

- 7.1 If any party is dissatisfied with the service that has been received there is an expectation that they will contact the Council and discuss it with officers first to attempt a resolution to the matter. The contact details are set out below. In that way we can seek to resolve the matter of concern.
- 7.2 If the concern cannot be resolved in this informal way and dissatisfaction remains, or if the party wishes not to discuss the matter informally the Council has a formal complaints procedure. The details of this are set out on the Council's website:

www.north-herts.gov.uk/home/customer-services/complaints

Contact Details

If you want to inform us about a potential breach of planning control that you want us to investigate, please contact us by:

Via the reporting page on our website:

<https://www.north-herts.gov.uk/home/planning/planning-enforcement>

e-mail: planning.enforcement@north-herts.gov.uk

Phone: 01462 474000 (ask for the duty planning officer)

Post: Planning Enforcement, North Hertfordshire District Council, Council Offices, Gernon Road Letchworth SG6 3JF.

Appendix A

This appendix sets out further background to the planning enforcement service, the actions that can be undertaken and the procedures that the Council will follow, where appropriate.

Legal Framework

Paragraph 58 of the National Planning Policy Framework states that:

"Effective enforcement is important to maintain public confidence in the planning system. Enforcement action is discretionary, and local planning authorities should act proportionately in responding to suspected breaches of planning control. They should consider publishing a local enforcement plan to manage enforcement proactively, in a way that is appropriate to their area. This should set out how they will monitor the implementation of planning permissions, investigate alleged cases of unauthorised development and take action where appropriate."

The ability of the Council to undertake planning enforcement action is set out in primary legislation. The government has also produced a wide range of secondary legislation, policy, guidance, and good practice notes that support that primary legislation, and the Council are also guided by case law.

In considering planning enforcement action the Council will take into account all primary and secondary legislation as well as national planning policy and guidance including: -

Town and Country Planning Act 1990 (as amended); Planning (Listed Buildings & Conservation Areas) Act 1991; Planning & Compensation Act 1991;

Planning & Compulsory Purchase Act 2004.

Police and Criminal Evidence Act 1984 ('P.A.C.E.');

Criminal Procedure and Investigations Act 1996 ('C.P.I.A.');

Protection of Freedoms Act 2012

Human Rights Act 1998; Localism Act 2011.

Caravan Sites and Control of Development Act, 1960.

Town and Country Planning (General Permitted Development) Orders; Town and Country Planning (Control of Advertisements) Regulations; The Town and Country Planning (Use Classes) Orders.

The National Planning Policy Framework.

Department of the Environment, Transport and the Regions Circular 10/97 (Enforcing Planning Control).

Department of the Environment, Transport, and the Regions Enforcement Good Practice Guide.

Enforcement Tools Available

In relation to planning, the Council has a number of planning enforcement "tools" available; examples include:

- notices to require the provision of information.
- planning enforcement notices.
- listed building notices.
- repairs notices.
- urgent works notices.
- stop and temporary stop notices.
- discontinuance notices.
- S106 planning obligations.
- injunctions.
- prosecution.
- direct action.
- planning enforcement orders.

PACE

All work of the Council including investigations will be subject to prioritisation. Once started, investigations will be conducted in a timely manner, in accordance with the requirements of relevant legislation, including the Police and Criminal Evidence Act 1984 (PACE), Regulation of Investigatory Powers Act 2000 (RIPA), Criminal Procedure and Investigation Act 1996, Human Rights Act 1998 and Protection of Freedoms Act 2012. Regard will also be had to the requirements of associated Codes of Practice and Guidance. Investigations will be brought to a timely conclusion where possible.

It may be necessary to undertake surveillance to assist with an investigation. Any surveillance covered by the definitions contained in RIPA will be conducted in accordance with that Act as amended by the Protection of Freedoms Act 2012, appropriate guidance, corporate policy, and Codes of Practice. Covert Surveillance will only be undertaken:

- if it is in the interests of preventing crime
- if the use of covert surveillance is necessary and proportionate to the potential offence being investigated
- if it has been authorised by a Council authorising officer and the authorisation has been brought into effect by a magistrate.

It is sometimes necessary to conduct an interview with a person (or duly authorised representative of a corporate body) suspected of committing an offence. These interviews will be conducted in accordance with the PACE Codes of Practice. Wherever possible, recorded interviews with persons will generally take place at the Council Offices.

Officer Identification

All officers always wear a picture identification card. Upon request, or where statute demands, officers will produce appropriate and necessary identification.

Photography

As part of any investigation, it may be necessary to take digital photographs to assist with the case, procedures are in place to ensure the evidential continuity of any images made.

Immunity

Breaches of planning control become immune from enforcement action, and lawful, if they have been in existence for a given length of time. The relevant time limits are:

- 4 years for operational development (physical development of the land such as buildings, extensions and fences);
- 4 years for changes of use of an existing building to a single dwelling house; and
- 10 years for any other breaches of planning control.

These are mainly material changes of use of land and breaches of planning conditions.

However, Section 124 of the Localism Act 2011 has introduced a new power for local planning authorities which override the above time limits in certain circumstances. If the apparent breach of planning control, has (to any extent) been deliberately concealed by any person or persons the Council may apply to the local Magistrates for a planning enforcement order. Such an order gives the Council a further year (known as a 'the enforcement year') to issue and serve a planning enforcement notice irrespective of the time limits referred to above.

Freedom of Information

The personal details of any party who has requested an investigation and the files relating to each case are confidential. This situation has not been altered by publication of the Freedom of Information Act 2000 or the Environmental Information Regulations 2004. However, depending upon individual circumstances, the Council or the Information Commissioner may decide access to a file is appropriate. Does this need changing following Brexit?

Retrospective Applications

When it is considered that a breach of planning control may be acceptable or lawful, a planning application or an application for a certificate of lawful use or development may be invited to allow the local planning authority to fully consider the full detail of the case leading to a formal decision. However, this does not imply that planning permission will be granted as with any other application.

Permitted Development

The government has granted 'deemed' planning permission for many developments, generally referred to as 'permitted development rights'. These range from building a small scale shed to the rear of the property to extending the main house.

Advice on what may be permitted development is available on the government planning portal website located at <http://www.planningportal.gov.uk/permission/>. The council will not be able to take any action against such authorised developments.

Prosecution/Direct Action

Following the service of certain types of formal notices requiring work to be carried out to cease or remedy a breach of planning control and those works/actions have not been undertaken within the timeframe given via the notice, it is open to the authority to pursue a prosecution in the courts for the non-compliance of the notice. If it is considered that prosecution would not satisfactorily resolve the breach of planning control, it is open to the authority to take direct action by way of employing contractors to carry out the works required by the notice and seek payment for those works from the owner of the land/property or by placing a legal charge on the land/property.

Level of Delegation

All decisions relating to enforcement matters are delegated by the Council to the Director of Regulatory Services, who sub-delegates as appropriate:

Decisions to close enforcement cases

(i.e., take no action as there is no breach, a breach has been resolved or it in the opinion of the Council, not expedient to take formal enforcement action based on assessment of the development under the development plan and other material considerations) are delegated to the Senior Compliance Officer, Area Planning Officer and the Development and Conservation Manager.

A review of decisions to close files can be undertaken by the Development and Conservation Manager following any complaint regarding a decision to close a case.

Any decision to take formal enforcement action is taken by the following officers:

- **Planning Contravention Notices**, a legal requirement to provide information to the Council - Senior Planning Compliance Officer in consultation with the Development and Conservation Manager.
- **Breach of Condition Notices**, a notice requiring the recipient to carry out the requirements of a condition on a planning permission or listed building consent to the satisfaction of the Council - Senior Planning Compliance Officer in consultation with the Development and Conservation Manager.
- **Enforcement notices**, notices relating the enforcement of all legislation within direct control or remit of the Development and Conservation service - Development and Conservation Manager.
- **Criminal Prosecution and Direct Action** - Director of Regulatory Services and Director of Legal and Community Services

APPENDIX F: PARKING ENFORCEMENT

1 Background

North Hertfordshire District Council adopted Decriminalised Parking Enforcement (DPE) powers in January 2005. This followed an application submitted by Hertfordshire County Council in September 2004 for the designation of the District Council of North Hertfordshire as a Special Parking Area (SPA) and a Permitted Parking Area (PPA) under Section 43 of the Road Traffic Act (RTA) 1991. The SPA and the PPA share the same boundary and covers the whole of District Council area, including the off street car parks where Parking Places Orders apply. This excludes enforcement on the A1(M) and its on and off slip roads for its entire length within the District.

In respect of on-street parking (public roads and streets) enforcement, the Council acts on behalf of Hertfordshire County Council (the highway authority) under the terms of an agency agreement between the two authorities⁶⁷. As the parking authority North Herts Council is responsible for the management and enforcement of its own off-street car parks.

Local authorities have had powers to manage and enforce their own off-street car parks for many years; however until recently most on-street parking enforcement was undertaken by police officers or police-employed traffic wardens.

In the mid-1990s central government gave local authorities the right to apply for powers to enforce on-street parking restrictions. The adoption of what was then called Decriminalised Parking Enforcement (DPE) but is now termed Civil Parking Enforcement, or CPE under the Traffic Management Act 2004.

2. Parking Legislation

NHDC parking enforcement operates under The Traffic Management Act 2004 (TMA 2004). This act supersedes the RTA 1991 and allows Civil Parking Enforcement to be carried out by local authorities who have permission from the Secretary of State for Transport to introduce a Civil Enforcement Area (CEA), (previously referred to as an SPA). This is a geographical area in which NHDC may carry out Civil Parking Enforcement.

North Hertfordshire is also a SEA (Special Enforcement Area) that allows for the enforcement of Double Parking, Dropped Footways and Raised Footways.

3. The Purpose of Civil Parking Enforcement (CPE)

The primary purpose of CPE, as identified in statutory guidance, is to support local authorities in their delivery of their overall transport objectives in areas such as those detailed below:

- Managing the traffic network to ensure expeditious movement of traffic, (including pedestrians and cyclists), as required under the TMA Network Management Duty;
- Improving road safety;
- Improving the local environment;
- Improving the accessibility of public transport;
- Meeting the needs of people with disabilities, some of whom will be unable to use public transport and depend entirely on the use of a car;
- Managing and reconciling the competing demands for kerb space.

⁶ Highway Agency Agreement dated 24 January 2002 and Parking and Traffic Order Agency Agreement dated 17 January 2005.

To achieve these aims we enforce:

On-street

- Permitted parking places on-street where waiting restrictions apply;
- Restricted parking where parking is allowed at particular times (single Yellow Lines);
- Restricted parking where parking is not allowed at any time (double yellow lines);
- Controlled Parking Zones (CPZ);
- Restricted Parking Zones (RPZ);
- Dropped Kerb parking.

Off-street

- Parking without payment or valid permit;
- Parking for longer than permitted or after expiry of paid for time;
- Parked in a restricted area;
- Not parking correctly within the marking of a bay.

Central government is also clear in explaining what CPE is not about. In particular, government emphasises that CPE is not to be regarded as a revenue raising exercise. Whilst Government accepts that local authorities will seek to make their CPE operations as close as possible to self-financing as soon as possible, it advises that any shortfall must be met from within existing budgets rather than falling on the local or national taxpayer.

The traffic management objectives of CPE are achieved primarily through encouraging compliance with parking restrictions – and it is with this objective in mind that the Council enforces parking both on and off-street throughout the District.

4. Enforcement

Civil Parking Enforcement in North Hertfordshire is undertaken by a team of Civil Enforcement Officers (CEOs) and a Parking Team Leader. The team is managed by a Parking Enforcement Manager, whose duties are carried out in accordance with North Hertfordshire District Council's Parking Strategy⁷.

NHDC does not clamp or remove vehicles. Clamping is no longer favoured as an enforcement tool, as it often results in a "problem" vehicle being made to remain at an inappropriate location for longer than is necessary. The cost of setting up and running a removal operation, including a vehicle pound for the purpose of storing vehicles would be disproportionate to the benefit it might create for a smaller, rural district council such as North Herts.

When exercising prescribed functions a CEO must wear a uniform that is readily distinguishable from the Police and clearly show:

- That the wearer is engaged in Parking Enforcement
- The name of the local authority on whose behalf her or she is acting
- A personal identity number

5. Penalty Charge Notices (PCN) and Legal Requirements

⁷ The current Parking Strategy is the NHDC Parking Strategy 2009-2019 (revised Aug 2012) available on the Council's website <https://www.north-herts.gov.uk/home/parking/parking-strategy>

A regulation 9 PCN - is the name given to a PCN that is issued by a CEO either on-street or off-street, under the TMA 2004. The way in which a Regulation 9 PCN can be served is by two methods:

- Affixed to vehicle in a special envelope; or
- Handed to the person appearing to be in charge of the vehicle.

In terms of legal requirements, under the TMA 2004, a Regulation 9 PCN must contain the following:

- Date of service;
- Issuing Authority;
- Vehicle Registration Mark;
- Date and time of alleged contravention;
- Location of contravention;
- Grounds of issue (Legislation);
- PCN amount and payable period;
- Discount amount and discount period;
- How and where to pay;
- What will happen if payment not made;
- How to make representations.

Under section 80 of the TMA 2004, a person may who is liable to pay a penalty charge may make representations to the enforcement authority to challenge the charge (i.e. NHDC) and then appeal to an adjudicator if their representations are not accepted.

The processing of PCNs and consideration of representations made are carried out by a separate team within the Council under the Management Support Unit. A Flowchart outlining the Regulation 9 PCN Process is attached at Appendix 1.

Regulation 10 PCNs are not used by NHDC as they are served on the owner of the vehicle by first class post.

6. Contravention Codes

Below is a list of the most common contravention codes used to issue PCNs

Code	DESCRIPTION ON-STREET	Differential Charging level	Observation Period
01	Parked in a restricted street during prescribed hours	HIGHER	5 MINUTES
02	Parked or loading/unloading in a restricted street where waiting and loading/unloading restrictions are in force	HIGHER	INSTANT
12	Parked in a residents' or shared use parking place/zone without clearly displaying either a permit or voucher or pay and display ticket issued for that place	HIGHER	5 MINUTES
19	Parked in a residents' or shared use parking place/zone displaying an invalid permit or voucher or pay and display ticket	LOWER	5 MINUTES

21	Parked in a suspended bay or space or part of bay or space	HIGHER	INSTANT
22	Re-parked in the same parking place or zone within one hour* of leaving	LOWER	INSTANT
23	Parked in a parking place or area not designated for that class of vehicle	HIGHER	5 MINUTES
24	Not parked correctly within the markings of the bay or space	LOWER	INSTANT
25	Parked in a loading place during restricted hours without loading	HIGHER	5 MINUTES
26	Parked in a special enforcement area more than 50 cm from the edge of the carriageway and not within a designated parking place	HIGHER	5 MINUTES
27	Parked in a special enforcement area adjacent to a dropped footway	HIGHER	5 MINUTES
30	Parked for longer than permitted	LOWER	10 MINUTES
40	Parked in a designated disabled person's parking place without displaying a valid disabled person's badge in the prescribed manner	HIGHER	INSTANT
45	Parked on a taxi rank	HIGHER	INSTANT
47	Stopped on a restricted bus stop or stand	HIGHER	INSTANT
48	Stopped in a restricted area outside a school when prohibited	HIGHER	INSTANT
49	Parked wholly or partly on a cycle track or lane	HIGHER	5 MINUTES
55	A commercial vehicle parked in a restricted street in contravention of the Overnight Waiting Ban	HIGHER	5 MINUTES
61	A heavy commercial vehicle wholly or partly parked on a footway, verge or land between two carriageways	HIGHER	5 MINUTES
62	Parked with one or more wheels on or over a footpath or any part of a road other than a carriageway	HIGHER	INSTANT
99	Stopped on a pedestrian crossing and/or crossing area marked by zig-zags	HIGHER	INSTANT

Code	DESCRIPTION OFF-STREET	Differential Charging level	Observation Period
74	Using a vehicle in a parking place in connection with the sale or offering or exposing for sale of goods when prohibited	HIGHER	5 MINUTES
80	Parked for longer than the maximum period permitted	LOWER	10 MINUTES
81	Parked in a restricted area in a car park	HIGHER	INSTANT
82	Parked after the expiry of paid for time	LOWER	10 MINUTES
83	Parked in a car park without clearly displaying a valid pay & display ticket or voucher or parking clock	LOWER	5 MINUTES

84	Parked with additional payment made to extend the stay beyond time first purchased	LOWER	INSTANT
86	Parked beyond the bay markings	LOWER	INSTANT
87	Parked in a designated disabled person's parking place without displaying a valid disabled person's badge in the prescribed manner	HIGHER	INSTANT
91	Parked in a car park or area not designated for that class of vehicle	HIGHER	INSTANT
92	Parked causing an obstruction	HIGHER	INSTANT
93	Parked in car park when closed	LOWER	INSTANT

Differential Charging Level

Differential parking charging was introduced in 2008 under the TMA 2004 to address the perception of fairness to the motorist.

There is now a two-tier approach to the cost of a PCN to recognise that there are contraventions which are more serious and should receive a higher charge, and that there are less serious contraventions which should receive a lower charge.

Differential parking charging is prescribed by the type of contravention and not at the discretion of the CEO. The type of contravention is set nationally and not locally.

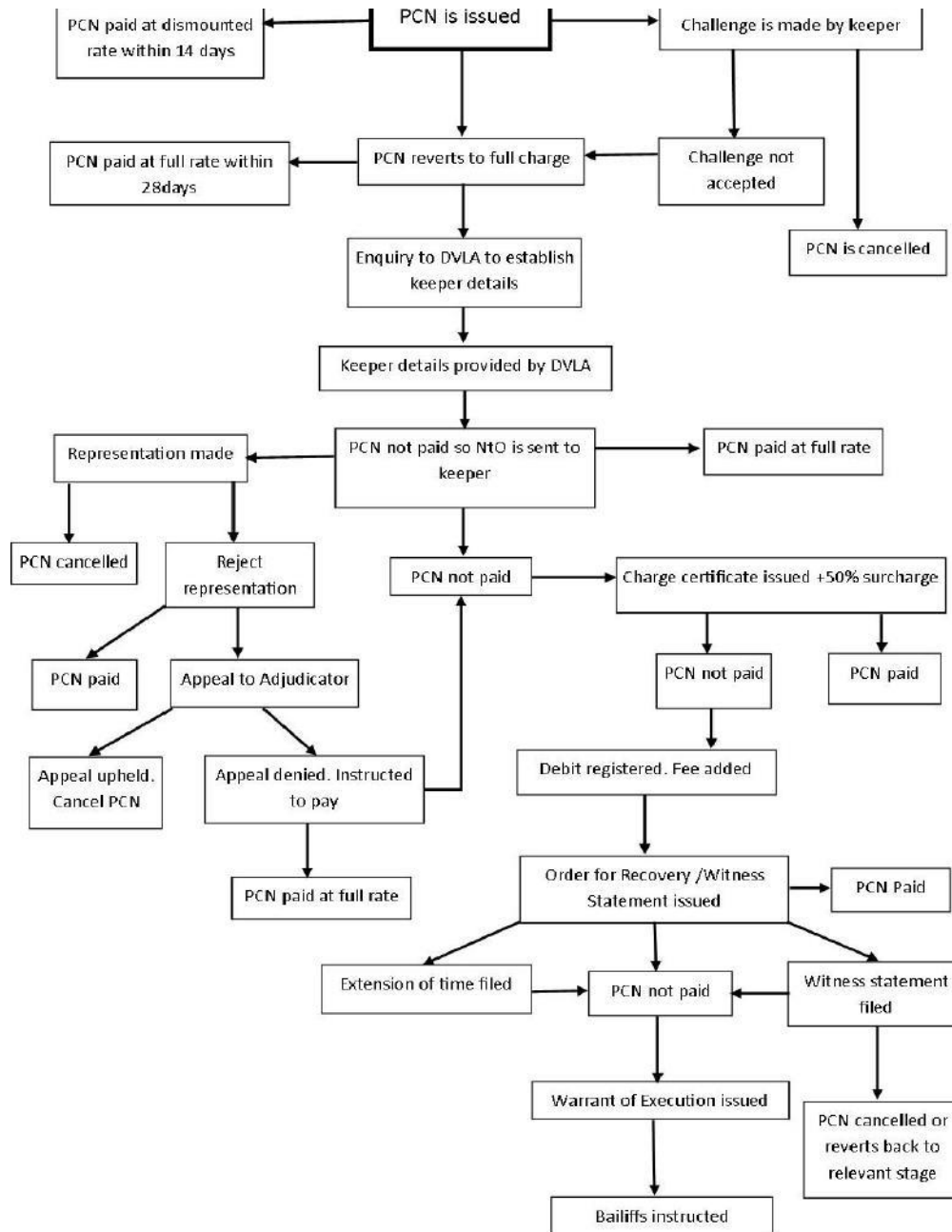
Observation Period

The observation times listed are those most commonly used for Parking Enforcement.

The CEOs will under normal circumstances seek to give a 10 minute grace period to vehicles parked in designated parking places, when the period of permitted parking ends. If a vehicle is parked legally in a designated parking place when it is initially parked and stays beyond the permitted parking period, then the 10 minute grace period will in normal circumstances be given before a Penalty Charge Notice is issued.

Appendix 1

Regulation 9 PCN process flowchart



APPENDIX G: ACCESS TO HOUSING

1. SCOPE

The Council undertakes a range of duties in connection with helping the public to access housing.

The Council is an enforcing authority for the Protection from Eviction Act 1977 and will exercise the discretion under this legislation to protect residential tenants from illegal eviction or harassment.

It is an offence under Sections 171 and 214 of the Housing Act 1996 for a person to make a statement which is false, or to knowingly withhold information from the Council which would be relevant to their application for housing assistance. Where fraud or deception is suspected, the Council will consider all enforcement options, including prosecution.

The Council's Housing Team is responsible for the operational management of these functions (for illegal eviction/harassment cases, any action would be carried out in conjunction with the Environmental Health team).

2. THE USE OF ENFORCEMENT TOOLS

The general principles relating to enforcement decision making are explained within the main body of this Policy.

APPENDIX H: FRAUD PREVENTION

Fraud Prevention Policy (including fraud, corruption, money-laundering, bribery and tax evasion)

This policy applies to:	
Members	Yes
Officers	Yes
Managers	Yes, including some specific additional requirements
Others	Agency staff, temporary staff, volunteers, consultants, contractors and partners

You must:

- Be aware of the definitions in relation to fraudulent and related activity, including the various criminal offences they include
- Not commit any of the offences detailed
- Report any suspicions of these offences being committed
- Develop (where applicable to role) and fully comply with policies and processes to reduce the risk of these offences being committed
- Disclose any gifts and hospitality that you receive, in line with other policies

Policy author and further advice from: Ian Couper, Service Director- Resources

Contents:

1. Definitions
2. Reporting
3. Practical Considerations
4. Implications of non-compliance
5. Toolkit A- Potential signs of control weaknesses
6. Toolkit B- Specific requirements in relation to Money Laundering risks
7. Appendix A- Disclosure Report to the Money Laundering Reporting Officer
8. Appendix B- Role of the Money Laundering Reporting Officer (MLRO)

1. Definitions

Fraud encompasses an array of irregularities and illegal acts characterised by intentional deception with intent to make a gain or to cause a loss, or to expose another to a risk of loss. It can be perpetrated for the benefit of or to the detriment of North Hertfordshire District Council and by persons outside as well as inside the Council.

Corruption is the offering, giving, soliciting or acceptance of an inducement or reward that may influence the action of a Member or officer of the Council.

Money laundering is the term used to describe a number of offences involving the proceeds of crime or terrorist funds. It is a criminal offence to:

- Conceal, disguise, convert, transfer or remove criminal property from the United Kingdom
- Enter into or become concerned in an arrangement which an individual knows or suspects facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person
- Acquire, use or possess criminal property
- Fail to disclose one of the principal offences listed above, where there are reasonable grounds for knowing or suspecting the money was a proceed of crime
- Tell someone that you are going to make a report or tell someone that they are being investigated (tipping-off)
- Falsify, destroy, dispose of, conceal any document which is relevant to an investigation, or allow this to happen

Bribery is an inducement or reward offered, promised, received or provided to gain personal, commercial, regulatory or contractual advantage and such advantage leads to the improper performance of a relevant function or activity. It is a criminal offence to:

- Give, promise to give, or offer payment, gifts or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given
- Give, promise to give, or offer payment, gifts or hospitality to a government official, agent or representative to “facilitate” or expedite a routine procedure
- Accept payment from a third party that is offered with the expectation that it will obtain business advantage for them, whether known or suspected
- Accept a gift or hospitality from a third party if it is offered or provided with an expectation that a business advantage will be provided by the Council in return, whether known or suspected
- Retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy.

It is also an offence for the Council to fail to prevent bribery, or to fail to put in place adequate measures to prevent bribery.

Tax evasion is criminal conduct which involves individuals or businesses paying too little tax or wrongly claiming tax repayments by acting dishonestly. It is an offence to dishonestly “take steps with a view to” or “be knowingly concerned in” the evasion of the tax. For these offences to be committed it is not necessary that any tax actually be successfully evaded. It is now also an offence for the Council to fail to take appropriate steps to prevent an associated person (e.g. employees and contractors) criminally facilitating the evasion of a tax, and this will be the case whether the tax evaded is owed in the UK or in a foreign country. Examples include:

- Knowingly entering false or misleading information in relation to the employment of an individual to facilitate the underpayment of income tax
- Knowingly processing invoice payments or raise debt to facilitate the underpayment of tax
- Knowingly processing documents for services supplied to the Council as being outside the scope of VAT, when they should be in scope
- Knowingly helping an overseas contractor to avoid overseas tax on payments they make to the Council
- Knowingly processing a payment to an employee / contractor as an expense rather than another type of payment which would be subject to tax.

2. Reporting

The Council will promote an environment where everyone feels able to report any concerns that they have, including anything related to this policy.

With the exception of Money Laundering (see below), any suspicions that you have can be reported to:

- Your immediate Manager or Supervisor
- Your Service Director
- The Monitoring Officer (see the Whistleblowing policy)

Suspensions of fraud against the Council can also be reported to the Shared Anti-Fraud Service (<https://www.hertfordshire.gov.uk/services/Business/Consumer-advice/safs.aspx>).

Suspensions of benefit fraud (including housing benefit fraud) should be reported to the Department for Work and Pensions (online at <https://www.gov.uk/report-benefit-fraud>, by phone 0800 854 440 or text phone 0800 328 0512).

Suspensions of Money Laundering must be reported directly to the Money Laundering Reporting Officer (MLRO) (Head of Shared Anti-Fraud Service) or the Deputy MLRO (Asst Manager- Shared Anti-Fraud Service) using the form at Appendix A. The form guides you through the information that you need to provide, and you should provide as much information as possible, including any supporting information. You should avoid talking to anyone else about any suspicions, due to the criminal offence of tipping-off.

The referral should take place before any payment is taken (where applicable) and must not then be taken until clearance is received from the MLRO. The MLRO will consider all reports in a timely manner and follow the process described in Appendix B.

The Council will investigate all suspicions, and where deemed appropriate the matter raised may be:

- Referred to the Shared Internal Audit Service (SIAS)
- Referred to the Shared Anti-Fraud Service (SAFS)
- Referred to the Police
- Subject to an HR investigation undertaken by management
- Referred to the Council's External Auditor
- Subject to an Independent Inquiry
- Reported to National Crime Agency (Money Laundering only)

Individuals may be worried about repercussions from failing to engage in what they believe is a criminal activity or reporting that activity. The Council encourages openness and will support anyone who raises genuine concerns under this Policy and/ or our Whistleblowing Policy, even if they turn out to be mistaken. This is because reporting such concerns has been identified as one of the most effective tools to counter fraud and related offences.

The Council is committed to ensuring no one suffers any detrimental treatment as a result of acting in good faith. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the Monitoring Officer immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Complaints Resolution Policy.

You should also note that failing to report suspicions of money laundering is, in itself, a criminal offence.

3. Practical considerations

The Council, through the Senior Management Team, is committed to developing a policy that is proportionate to the risks it faces. This section highlights some of the more detailed requirements.

The role of the Finance, Audit and Risk Committee includes reviewing and developing antifraud and anti-corruption strategies, as well as reviewing the effectiveness of SAFS.

Risk Assessment and Proportionate Action

Management are responsible for putting in place processes and controls that help to prevent fraud, corruption and bribery. For higher risk areas (e.g. payments and income) this should limit the responsibility that is placed on one person, involve effective separation of duties and be fully compliant with the Financial Regulations and Contract and Procurement Rules. This should include that full records are maintained. These controls should be kept under review to ensure they are operating effectively and that staff have received appropriate training. SIAS can support in this through operational audits.

If a SIAS audit or a fraud incident highlights an opportunity for controls to be improved, then the Council is committed to taking proportionate action to address this. The responsible manager is expected to determine and implement any improvements.

The Council has an overarching “Fraud, Corruption and Bribery” risk on its risk register. This incorporates a number of sub-risks that are kept under regular review. This includes the risks from both within the Council, and from outside. It also covers financial and other (e.g. reputational) risks.

In relation to Money Laundering, the Council has determined those activities that are most susceptible to money laundering. From this it has developed some specific requirements that are detailed in Toolkit B. If you are involved in financial transactions, treasury management, Council Tax, NNDR or sale of land and property then you must be fully aware of the requirements in this toolkit.

Linked Policies and Procedures

Everyone is required to adhere to all Council policies, procedures and processes. There are a number of policies/ Codes that specifically relate to this area, i.e.:

- Employee Code of Conduct (Officers)
- Councillor’s Code of Conduct (Members)
- Employee Handbook (Officers)
- Financial Regulations (Officers and Members)
- Contract and Procurement Rules (Officers and Members)
- Conflicts of Interest Policy (Officers) Management of Organisational Conflicts in Council roles and duties Guidance (Officers and Members)

- Whistleblowing Policy (Officers and Members)
- Employee Gifts and Hospitality Policy (Officers)
- Members Protocol for Gifts and Hospitality (Members)
- Protocol for Member/ Officer Working Arrangements
- Information Security Policy (Officers and Members)

General management controls

Effective management also helps to ensure that controls are operating effectively. Toolkit A at the end of this policy provides some areas to look out for.

Managers are required to comply with HR checks during the recruitment process. This requires that written references are obtained for all employees (including temporary and agency staff). Also, where appointment is dependent on the holding of specific qualifications, HR manages the process for ensuring that stated qualifications are verified and copies of certificates retained on the individual's personal file. This helps to ensure the integrity of all staff working for the Council.

The Council's Scheme of Delegation, Financial Regulations and Contract Procurement Rules contain checks and balances on decision-making and ensure that decisions are taken at the right level with appropriate transparency.

Working with third parties and contractual terms

It is appreciated that the Council has less control when it contracts with others to undertake services or works on its behalf. However it takes a risk based approach, based on the need to acquire specialist skills, seek economies of scale or obtain additional capacity. There are additional requirements when working with contractors and third parties.

The terms of the Council's contracts require that contractors take all reasonable steps, in accordance with good industry practice, to prevent any bribery and fraudulent activity by the Staff, the Contractor (including its shareholders, members, directors) and/or any of the Contractor's suppliers, in connection with the receipt of monies from the Council. The Contractor must notify the Council immediately if it has reason to suspect that any fraud has occurred, is occurring or is likely to occur. In response to this information, the Council will decide how to respond.

The Council's zero tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and partners at the outset of our business relationship with them and as appropriate thereafter.

The contact manager, or partnership lead, will be responsible for communicating and ensuring adherence to these requirements. Where a Selection Questionnaire is used, the standard version ensures understanding and acceptance of these requirements at an early stage, and therefore this must be used as a template.

A company is automatically and perpetually barred from competing for public contracts where it is convicted of a corruption offence. Although this can be lifted where the company has demonstrated that they have taken sufficient action to change their behaviour (known as self-cleaning). Organisations that are convicted of failing to prevent bribery are not automatically barred. The Council has the discretion to exclude organisations convicted of

this offence, and (unless exceptional circumstances apply) will exercise this discretion. The Council will also reserve the right to continue to exclude organisations where it is felt that evidence of 'self-cleaning' is insufficient.

Toolkit A at the end of this policy provides some further areas to look out for.

Communication and Training

The Council is committed to making training available to everyone. This will range from general training (e.g. e-learning) through to specific training for certain roles. Some of this training will be deemed to be mandatory. Managers should identify and arrange any training that their staff require. All officers should also request training on any areas that they are uncertain about.

4. Implications of non-compliance

In all cases the Council will seek to make use of the strongest available sanctions for engagement in these illegal activities and/ or non-compliance with this policy. Whilst this is primarily focused on behaviour against the Council or where purporting to be acting on behalf of the Council, it is likely that it will also be applied to more general engagement in these activities. As a deterrent and to make public its position with regard to these acts, the Council seeks to publicise its successful sanctions in the local press

For Members, this will include prosecution and civil proceedings. The Council will also utilise its own Standards Committee to the fullest extent to promote high standards and regulate the conduct of Members.

For employees (including agency and temporary staff), this will include disciplinary action, prosecution and civil proceedings. Employees found to have committed guilty of gross misconduct for offences of fraud, theft, serious financial malpractice, using their position for personal gain or for the gain of others, will be subject to immediate dismissal. As with all disciplinary matters, the level of proof required is that of the balance of probability. Disciplinary cases involving allegations of fraud, corruption and financial malpractice will be handled on this basis. The decision to refer the matter on for further action, such as Police prosecution, will be taken by the Service Director- Resources and the investigating officer, in conjunction with the Council's Monitoring Officer.

It should also be noted that failure to undertake any mandatory training will also result in disciplinary action being taken against employees and Members.

Where others commit, or attempt to commit, fraud (or related acts) against the Council, then the Council will seek to apply sanctions whenever possible. This will range from official warnings to criminal prosecution. In all cases, the Council will seek to recover any fraudulently obtained amounts, and where necessary and appropriate its costs incurred in doing so, and will utilise all means available to recover these amounts. This will include freezing assets, confiscation orders, civil litigation and general debt recovery.

5. **TOOLKIT A- Potential signs of control weaknesses**

The following are potential signs of concern in relation to staff and processes.

- Staff not taking annual leave
- Staff only ever taking very short periods of leave
- Due to sickness or vacancies, processes are not being followed in full (e.g. where checks are required, they are not taking place)
- Complaints (or an increase in complaints) from customers or other stakeholders
- Decision making records are missing, or rationale is missing or not sufficiently justified
- Authorisation processes are not followed correctly, and those responsible for monitoring those processes are hindered from doing so
- Staff are secretive about certain matters or relationships
- Staff make trips out at short notice without explanation
- Staff have a more lavish lifestyle than you would expect
- Staff or a contractor/ consultant is accused of engaging in improper business practices

The following are risk factors in relation to suppliers.

- Requests for stage payments that are not in accordance with the contract or seem unusual
- Requests for payment in a different way to usual (e.g. a new bank account)
- Requests for payment in a different currency or via a different country, especially where there is no known connection to the business
- A supplier or potential supplier has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials
- A potential supplier/ supplier requests payment in cash and/or refuses to sign a formal agreement, or to provide an invoice or receipt for a payment made
- A supplier or potential supplier requests an unexpected additional fee or commission to "facilitate" a service
- A supplier or potential supplier demands entertainment or gifts before commencing or continuing contractual negotiations or provision of services
- A supplier or potential supplier requests that you provide employment or some other advantage to a friend or relative
- The Council receives an invoice from a supplier or potential supplier that appears to be non-standard or customised
- A supplier or potential supplier insists on the use of side letters or refuses to put terms agreed in writing
- A supplier or potential supplier requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to the Council
- Those who work for the Council or on its behalf are offered an unusually generous gift or lavish hospitality by a supplier or potential supplier
- Requests for charitable support or donations in lieu of, or in addition to, contractual payments

6. TOOLKIT B- Specific requirements in relation to Money Laundering risks

General

The Council will not accept cash payments that are greater than £3,000. Anyone who wishes to make a cash payment in excess of this limit will need to make advance arrangements for acceptance with the Service Director- Resources.

The Council will also not accept £50 notes due to the increased risk of fraudulent notes.

For all transactions it is important to think about if anything feels wrong, e.g.:

- Is it plausible that the person can pay the amount they are paying by the means that they are paying it?
- Does the name of the person involved match the source of the funds (e.g. name on cheque book, credit card)?
- Is the payment being broken down in to a number of small transactions?
- Refunds where the money is going to a different place than the original source
- Does the transaction make sense?

Treasury Management

The Service Director- Resources is responsible for detailing the procedures it has in place for establishing the identity / authenticity of lenders, and ensuring that these are followed. The Council does not accept loans from individuals, and loans will only be obtained from the Public Works Loan Board (PWLb), authorised institutions under the Banking Act and other Local Authorities.

Council Tax and NNDR

Refunds that exceed £500 for Council Tax or £5,000 for NNDR Tax will be subject to a Money Laundering check. This involves the Senior Officer/Manager checking the validity of the refund and confirming that the refund is being paid to the correct party (i.e. the party responsible for the payment).

Sale of Land and Property

Where the Council is proposing to sell either land or property with a value in excess of £10,000, client identification must be sought before business is conducted. If the client has legal representation, then the responsibility for confirmation of identity rests with their legal representative, otherwise it rests with the Council's Legal Services Team.

Evidence of the identity of the prospective client should be obtained as soon as practicable after instructions are received unless evidence of the client has already been obtained. This requirement applies to both new and existing clients.

Evidence obtained from an individual should confirm proof of identity and proof of their current address. Evidence obtained with regard to an organisation should allow the company to be

fully identified in terms of registered office, registration number etc. If satisfactory evidence of identity is not obtained then the transaction must not be progressed.

Evidence should be annotated 'Evidence re Money Laundering', placed on the Council's client file and retained for at least five years from the end of the business relationship or one-off transaction(s). This is to ensure that it could be used in a future investigation into money laundering. Care must be taken to ensure compliance with the General Data Protection Regulations when storing individuals' personal data.

Records should be maintained in such a way as to provide an audit trail during any subsequent investigation. In practice, records of work carried out for clients in the normal course of Council business should suffice in this regard.

Where evidence of identity is required, the Council officer dealing with the transaction, must require individuals to provide evidence of identity in the form of at least one of the following documents:

- Current passport
- Current full UK photocard driving licence (both sections)
- Current UK provisional photocard driving licence (both sections)
- Birth or Marriage certificate

Additionally, an individual must prove their current address by providing at least one item from the following list:

- Current full UK photocard driving licence (if not already used as evidence of identity)
- Current UK provisional photocard driving licence (if not already used as evidence of identity)
- Bank, building society or credit union statement or passbook (with printed address) (less than 3 months old)
- Recent utility bill (i.e. dated within the last twelve months), i.e. gas, electric, water (not a mobile phone bill)
- Mortgage statement (less than 12 months old)
- Insurance document (less than 12 months old)
- Credit card statement (less than 3 months old)

Original documents should be photocopied and the client requested to sign them thus confirming that the photocopies are an authentic copy of the original documents presented.

If a client is unable to visit in person, the client should be asked to provide documents 'certified as a true copy' by a notary public. Checks should then be made to ensure that the notary is registered with the Law Society. Once this has been confirmed, the notary should be contacted to confirm that they did indeed certify the documents.

Where the client is a company, identity should be established by means of:

- The company's full name and registration number;
- Details of the registered office address; and
- Any separate trading address relevant to the contract concerned

A company search should then be carried out to verify the details given and check the location of any relevant trading address.

In the event that one or a few individuals effectively own the company, the personal identity

of the key contact should also be checked. This should include obtaining the evidence described above in relation to individuals, as well as evidence of their position within the organisation.

APPENDIX A- Disclosure Report to the Money Laundering Reporting Officer

CONFIDENTIAL

FOR COMPLETION BY THE OFFICER REPORTING THE SUSPECTED OFFENCE

To: Nick Jennings, Head of Shared Anti-Fraud Service

Email: Nick.jennings@hertfordshire.gov.uk

Tel: 01438 844705

Address; Shared Anti-Fraud Service. Hertfordshire County Council. Robertson House, SROB 112, Six Hills Way, Stevenage, SG1 2FQ

From:

Service Directorate: Tel:

DETAILS OF SUSPECTED OFFENCE:

Name(s) and address(es) of person(s) involved:

(Please also include date of birth, nationality, national insurance numbers- if possible)

(If a company please include details of nature of business, type of organisation, registered office address, company registration number, VAT registration number)

Nature, value and timing of activity involved:

(Please include full details e.g. what, when, where, how. Continue on a separate sheet if necessary)

Nature of suspicions regarding such activity:

(Please continue on a separate sheet if necessary) **Has any investigation been undertaken**

(as far as you are aware)?

Yes No

If yes, please include details below:

Have you discussed your suspicions with anyone else?

Yes No

If yes, please specify below, explaining why such discussion was necessary:

Have you consulted any supervisory body guidance re money laundering? (e.g. the Law Society)

Yes No

If yes, please specify below:

Do you feel you have reasonable grounds for not disclosing the matter to the FCA? (e.g. are you a lawyer and wish to claim legal professional privilege?)

Yes No

If yes, please set out full details below:

Are you involved in a transaction which might be a prohibited act under the Proceeds of Crime Act and which requires appropriate consent from NCA?

Yes

No

If yes, please enclose details below:

Please detail below any other information you feel is relevant:

S i g n e d .__

D a t e d .__

Do not discuss the content of this report with anyone, especially the person you believe to be involved in the suspected money laundering activity described. To do so may constitute a tipping off offence.

FOR COMPLETION BY THE MONEY LAUNDERING REPORTING OFFICER

Date report received:

Date receipt of report acknowledged:

Consideration of Disclosure

Action plan:

Outcome of Consideration of Disclosure

Are there reasonable grounds for suspecting money-laundering activity?

If there are reasonable grounds for suspicion, will a report be made to NCA?

Yes No

If yes, please confirm date of report to NCA:

Details of liaison with NCA regarding the report:

Is consent required from the SOCA for any ongoing or imminent transactions that would otherwise be prohibited acts?

Yes No

If yes, please confirm full details:

Date consent received from SOCA:

Date consent given by you to employee:

If there are reasonable grounds to suspect money laundering, but you do not intend to report the matter to the SOCA, please set out below the reason(s) for non-disclosure:

Date consent given by you to employee for any prohibited act transactions to proceed:

.....Other relevant information:

S i g n e d .____

D a t e d .__

THIS REPORT MUST BE RETAINED FOR FIVE YEARS

APPENDIX B- Role of the Money Laundering Reporting Officer (MLRO)

Upon receiving a disclosure report, the MLRO will date it and formally acknowledge its receipt. The acknowledgement will also advise of the timescale within which response should be expected.

The MLRO will consider the disclosure report and any other relevant internal information available to them. This might include:

- Reviewing other transaction patterns and volumes
- The length of any business relationship involved
- The number of any one-off transactions and linked one-off transactions
- Any identification evidence held.

The MLRO may undertake other reasonable inquiries to ensure that all available information is taken into account when deciding whether a report to NCA is required. The MLRO may need to discuss his report with the reporting individual.

Once the MLRO has evaluated the disclosure report and any other relevant information, they must determine in a timely manner whether:

- there is actual or suspected money laundering taking place; or
- there are reasonable grounds to know or suspect that this is the case; and
- there is a need to seek consent from NCA for a particular transaction to proceed.

Where the MLRO concludes that there are no reasonable grounds to suspect or confirm money laundering, the disclosure report is annotated accordingly. All information known to the Council at the time is recorded and the reasons why the information obtained did not give rise to knowledge or suspicion of money laundering detailed. Consent can then be given for any ongoing or imminent transactions to proceed.

In cases where legal professional privilege may apply, the MLRO will liaise with the Service Director- Legal and Community to decide whether there are reasonable grounds for not reporting the matter to the NCA.

Where the MLRO concludes that actual or suspected money laundering is taking place this will be disclosed as soon as practicable to NCA via the SAR Online system.

Where consent is required from NCA for a transaction to proceed, then the transaction(s) in question must not be undertaken or completed until this consent has been received.

The MLRO will act as the link between NCA and the relevant Council officers to ensure that the appropriate action is taken in these circumstances.

This page is intentionally left blank



www.north-herts.gov.uk

CORPORATE STATEMENT OF ENFORCEMENT POLICY

January 2022

Contents	Page
1. Introduction	2
2. Enforcement Mission Statement	2
3. General Principles	2
4. Shared Enforcement and Corporate Approach	3
5. Aims of Enforcement Action	3
6. Levels of Enforcement Action	3 – 4
7. No Action	4
8. Statutory notices	4
9. Works in Default	4 – 5
10. Fixed Penalty Notice	5
11. Simple Cautions	5 – 6
12. Prosecution	6
13. Unauthorised Encampments	6
14. Licences	6 – 7
15. Proceeds of Crime Applications	7
16. Considering the views of those affected by offences	7
17. Publication of Enforcement Action	8
APPENDICES	
Appendix A: Revenues Recovery	9 – 10
Appendix B: Environmental Health	11 – 34
Appendix C: Licensing	35 – 36
Appendix D: Community Safety	37 – 41
Appendix E: Planning Enforcement	42 – 52
Appendix F: Parking Enforcement	53 – 58
Appendix G: Access to Housing	59
Appendix H: Fraud Prevention Policy	

1. Introduction

The purpose of this Policy is to set out North Hertfordshire District Council's enforcement principles, practice and provide guidance to Council officers, businesses and the public.

Enforcement action is a wide term which includes informal and formal steps and covers a range of options detailed below. When undertaking such action the Council will have regard to this Policy, and any service specific enforcement policy/procedure. This overarching Policy does not seek to duplicate the specific ones detailed in the Appendices, but to provide a framework. In developing and updating these policies, regard has been given to the Regulators' Code 2014¹ issued under section 23 of the Legislative and Regulatory Reform Act 2006 ('the Act'), and good practice. This Policy explains the approach that will be adopted by officers when carrying out the Council's duties and how the Council will respond to noncompliance. Each service area has its own procedures and protocols that will have regard to this Policy, though there may be local variations within them; these are contained in the Appendices below. The Policy covers both criminal and civil enforcement practices and is based on the Council's enforcement mission statement.

2. Enforcement Mission Statement

A consistent and proportionate approach to enforcement that is targeted, and contributes to achieving the Council's priorities, policy aims and meets the needs of the community.

3. General Principles

In line with the requirements of the Act, the Council will have regard to the following principles when considering enforcement action:

- **Transparency:** to ensure enforcement action to be taken by the Council is easily understood. Clear distinctions will be made between legal requirements and recommendations about good practice which are not compulsory. Where possible the Council shall be sharing information about compliance and risk.
- **Accountability:** to ensure that the Council is answerable for its enforcement practices and can be held to account for the actions it takes.
- **Proportionality:** to consider whether proposed action is proportionate considering all relevant factors, including the severity of the offence, likely outcome, risk and costs of proceedings.
- **Consistency:** to ensure that similar issues are dealt with in an equitable way, making full use of guidance produced by Government and other agencies.

Where any rights contained within the Human Rights Act 1998 may be affected, officers should consider whether the action is both necessary and proportionate, and ensure that the provisions of the Act are taken into consideration where applicable.

4. Shared Enforcement and Corporate Approach

The range of enforcement matters dealt with by the Council may sometimes require officers to work with other departments or agencies to maximise effective

¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/300126/14-705-regulators-code.pdf

enforcement.

Consideration should be given as to whether it is appropriate to share information with external agencies or colleagues in other departments. Where activity impacts across different Council departments, officers should adopt a corporate approach, working together to seek the best results overall. All instances of data sharing must comply with relevant Data Protection Legislation².

5. Aims of Enforcement Action

If enforcement action is necessary, then the Council utilises the sanctions and penalties available to it in order to:

- change the behaviour of the offender;
- change attitudes in society to offences which may not be serious in themselves, but which are widespread;
- eliminate any financial gain or benefit from non-compliance;
- be responsive and consider what is appropriate for the particular offender and regulatory issue, which can include punishment and the public stigma that should be associated with a criminal conviction;
- be proportionate to the nature of the offence and the harm caused;
- address the harm caused by regulatory non-compliance, where appropriate; and
- deter future non-compliance.

6. Levels of Enforcement Action

Prior to taking enforcement action, Council officers must ensure that they are authorised to do so under the Council's Constitution and their delegations. Officers will generally consider the following enforcement options when taking action:

LEVEL 1 - Advice and Guidance: to assist individuals, existing and prospective businesses and other organisations to comply with their legal obligations. This will be achieved by providing written and verbal advice, information leaflets and the opportunity for face-to-face contact to discuss and help resolve potential problems.

LEVEL 2 - Informal Warnings: these will be used to reinforce advice and guidance where minor breaches of the law occur and it is not appropriate to take formal action. Warnings are more likely to be appropriate for minor contraventions where it can be reasonably expected that informal warnings will achieve compliance. Warnings issued in respect of more significant breaches of the law should include timescales within which the breaches should be remedied. Monitoring should be undertaken as appropriate where there are ongoing breaches.

LEVEL 3 - Formal Action: this includes the use of statutory (legal) notices and is generally taken if informal advice or warnings are not considered to be the most appropriate route. Before formal action is taken, other than where immediate action is required, officers will provide an opportunity to discuss the circumstances of the case and, where possible, attempt to resolve points of difference.

² Means: all applicable data protection and privacy legislation in force from time to time in the UK including the General Data Protection Regulation ((EU) 2016/679); the Data Protection Act 2018; the Privacy and Electronic Communications Directive 2002/58/EC (as updated by Directive 2009/136/EC) and the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426) as amended, or any successor legislation.

LEVEL 4 - Legal Proceedings: this includes, amongst other things, the issue of fixed penalty tickets, simple cautions, prosecutions, injunction proceedings, review and revocation of licences and execution of works in default.

Enforcement will normally move from Level 1 through to Level 4, although depending on the facts of a given matter, it may be appropriate to adopt a fluid approach to how a matter proceeds through the above Levels. For example in certain circumstances a matter may begin at Level 1 but then, if required, go straight to Level 3 or 4. Likewise it may be suitable to commence proceedings at Level 3 or 4 if the criteria for formal action or prosecution are met.

Different service areas may have their own service specific sanctions available to them; including such things as civil penalties that can be utilised as an alternative to prosecution. Where these specific sanctions are available to a given service area, these will be set out in the relevant procedure document in the appendices below.

7. No Action

In certain circumstances, contraventions may not warrant any action. This can be where the cost of compliance significantly outweighs the detrimental impact of the contravention, or where the cost of the required enforcement action to the Council significantly outweighs the detrimental impact of the contravention on the community. A decision of no action may also be taken where action is inappropriate in the circumstances, such as where an organisation has ceased to trade, or the offender has mental capacity considerations or is elderly and frail and formal action would seriously damage their well being.

8. Statutory notices

Some legislation provides for the service of statutory notices, which require a person, business or organisation to comply with specific requirements.

Generally, the notice will explain:

- what is wrong
- what is required to put things right
- the timescale in which to put things right
- what will happen if the notice is not complied with.

In some circumstances where a formal notice has been served there might be a right of appeal against the Council's decision. In such cases an explanation of the method of appeal will be provided at the time the notice is issued.

9. Works in Default

In general, it is Council policy to either caution or prosecute individuals, organisations or businesses that do not comply with a statutory notice. In addition, failure to carry out specified work may result in the Council carrying out the works in default and recovering all costs. In such cases the expenses associated with default works will usually be recovered by issuing an invoice to the relevant party. Where appropriate, these costs may be recovered by way of a charge against land/ property, and such a charge may be further enforced through sale of the land/ property.

In calculating the recovery of costs incurred when undertaking works in default the Council will have regard to the following:

- Contractor's costs or expenses;
- Costs associated with officer time (including overhead costs); and

- Legal costs or expenses.

10. Fixed Penalty Notice ('FPN')

For certain offences, e.g. fly-tipping, household waste duty of care offences, breaches of community protection notices (CPN's), depositing of litter, abandoned vehicles, there is provision for fixed penalty notices to be issued. Where there is evidence that an offence has been committed, authorised officers from the Council may issue the appropriate penalty ticket. The issue of an FPN gives an offender the opportunity to discharge their liability to prosecution by the payment of set fine within a specified period. FPNs will only be issued when there is adequate evidence to support a prosecution. If the fine is not paid in full within the stated period then the Council is likely to mount such a prosecution.

Details of the Council's FPN scheme, including which offences are included, the level of fine and early payment discounts amongst other things, , are being reviewed and updated to be available on the council's website in due course

11. Simple Cautions

A simple caution is a non-statutory, non-conviction disposal for adult offenders aged 18 or over. Under certain circumstances, a simple caution may be used as an alternative to prosecution and will usually be considered before making a decision to prosecute. A simple caution is a serious matter. It may be used to influence any decision whether or not to prosecute should the individual, organisation or business reoffend, and it may be referred to in any subsequent court proceedings. Regard will be given to government guidance by the Ministry of Justice – Simple Caution for Adult Offenders⁴.

Simple cautions are intended to:-

- deal quickly and simply with certain offences;
- avoid unnecessary appearance in criminal courts;
- reduce the chance of offenders re-offending.

Before issuing a caution the following will be relevant:

- there must be evidence of guilt sufficient to give a realistic prospect of conviction and it must be in the public interest to offer a simple caution;
- that it is a low-level first time offending situation;
- not a repeat offence *and where relevant and appropriate* a victim's views will be taken into account;
- the offender must understand and be capable of understanding the significance of the simple caution and admit the offence by signing a declaration;
- the person against whom a caution is issued must have legal responsibility for the offence(s), for example in the case of a company, and be 18 years or over.

Where an individual chooses not to accept a simple caution the Council will normally consider prosecution.

The decision to offer a caution will normally be taken in consultation between the relevant service manager and the Service Director – Legal and Community, or those officers delegated to make that decision under a scheme of delegation.

³ <https://www.north-herts.gov.uk/sites/northherts-cms/files/Housing%20Public%20Protection%20Fee%20Structure%202018-19%20v1%200.pdf>

⁴ <https://www.gov.uk/government/publications/simple-cautions-for-adult-offenders> or any subsequent guidance

12. Prosecution

The Council will take individual circumstances into account when deciding whether to initiate a prosecution and will only bring proceedings when it is considered to be in the public interest. Before deciding to prosecute there must be sufficient evidence for a realistic prospect of conviction, taking account of any defence that may be available. In certain circumstances, including cases of dishonesty or fraud, or other serious health and safety cases, prosecution may be taken without prior warning.

In addition the decision to prosecute will always take into account the CPS Code for Crown Prosecutors⁵. This Code includes the requirement that both the evidential test and public interest test referred to above are met before issuing proceedings.

Most prosecution proceedings require the authorisation of the Service Director: - Legal and Community under the Council's Constitution, although some require specific officers to do so, such as Health and Safety, in consultation with the Service Director. Officers must ensure that Legal Services are consulted at the appropriate stage to consider the evidential and public interest tests and institute proceedings where appropriate.

13. Unauthorised Encampments

An Unauthorised Encampment "UE" is defined by the Government as:

"Encampments of caravans and/or other vehicles on land without the landowner or occupier's consent and constituting trespass"

For the purpose of this Policy, UE is defined as the occupation of land for the purpose of habitation, without the expressed permission of the landowner, or without the necessary planning approval and caravan sites licences, where necessary.

Unauthorised encampments may arise where land is (a) privately owned and occupied by an owner(s) or (b) with the landowner's consent but without the benefit of planning permission or caravan site licence.

The law provides for a range of possible responses to trespass. In simple cases, the landowner may apply for an order of repossession. In others the local authority can use its powers but, where there are aggravating factors of crime and disorder, the police can exercise their powers given under Section 61 of the Criminal Justice and Public Order Act 1994.

Where the UE is on council land the council has exercised common law powers given under Halsbury's Laws of England, Paragraph 1400, Volume 45 of the Fourth Edition. It has been established that a landowner has the common law right where someone has trespassed on their land to get possession of their land back without getting a specific court order, by use of Certificated Bailiffs now known as Certificated Enforcement Agents.

Each case must be treated on its merits with the safety of all concerned, including those who are involved in the UE and the potential for disorder or disruption as major guiding factors.

14. Licences

The Council is responsible for licensing a wide range of activities from taxis and the sale of alcohol to scrap metal dealers and dog breeders. These administrative documents are normally subject to certain conditions that are imposed either by

legislation or the Council. When licence conditions are breached, the licensing regime, which is covered in many different acts of Parliament, sets out the circumstances in which licences can be suspended or revoked by the Council.

⁵http://www.cps.gov.uk/sites/default/files/documents/publications/code_2013_accessible_english.pdf

As the process of suspending or revoking a license is statute driven, the Council will be bound to follow the processes set out in the relevant legislation from time to time, however the Council's licensing team will normally be able to advise parties of what action it intends to take.

If revocation action is taken, the relevant parties will be made aware of any rights of appeal open to them at that time.

Where revocation is not being immediately considered, however the Council is able to issue other types of enforcement sanctions for breach of condition and will follow relevant service specific policies and statutory guidance when reaching a decision on what action is appropriate.

15. Proceeds of Crime Applications

The Council, either through its own officers or in cooperation with the Police, may make an application under the Proceeds of Crime Act 2002 to restrain and/or confiscate the assets of an offender. The purpose of any such proceedings is to recover the financial benefit that the offender has obtained from his criminal conduct. Proceedings are conducted according to the civil standard of proof. Officers should consider whether such an application is appropriate when initiating a prosecution.

16. Considering the views of those affected by offences

The Council undertakes enforcement on behalf of the public at large and not just in the interests of any particular individual or group. When considering the public interest test and whether enforcement action is appropriate, any views expressed by those affected by the offence(s) will be taken into account.

Those people affected by an offence will be kept informed of any decision that makes a significant difference to the case in which they are involved.

The Council understands that people making complaints may not wish their identity to be made known to the party about whom the complaint is being made. Accordingly, it will take care to respect the confidentiality of complainants wherever possible. However, most types of formal enforcement action, such as a prosecution, cannot take place unless the complainant is prepared for their identity to be revealed and they may be required to attend court. The Council will endeavour to make it clear whether or not complainant confidentiality can be maintained in these circumstances, although it should be made clear that this is a matter for the Court and it is unlikely in the majority of cases.

Most complaints require an investigation to be mounted and this may, on occasion, require a regular dialogue with the complainant in order to establish evidence. Accordingly, it is not possible for the Council to initiate such an investigation where the complainant does not wish to provide their name and contact details. Therefore, anonymous complaints will only be investigated wherever it is appropriate, practicable and in the public interest to do so.

17. Publication of Enforcement Action

Where enforcement action is successful, officers may want to publicise the outcome to inform the public and deter potential offenders, this may be done through press releases as well as other means. In doing so, officers should have regard to the relevant Council procedures.

Waste management is a shared service with East Hertfordshire Council and the council do not have dedicated waste enforcement team. Currently enforcement work is undertaken on an ad hoc basis by the Council's legal department. Should the Council require the shared service to undertake enforcement then this will have to be arranged and agreed with East Hertfordshire Council.

19. Victim's right to review

The Victims' Right to Review only applies to decisions made on or after 1 April 2015 in cases where a suspect has been identified, formally interviewed under caution and either:

- the Police decide to take 'no further action' (NFA), or
- the Crown Prosecution Service (CPS) decide not to prosecute.

VRR applies to cases where a suspect has been identified and interviewed under caution. This happens either after they've been arrested or because they've volunteered to be interviewed.

There is a VRR scheme for both Police and CPS and an application can be made under either, depending on who the decision maker is.

Police VRR scheme

When there has been a decision to take 'no further action', and close an investigation by the police, the victim is entitled to have the reasons for such a decision explained. The information provided should be sufficient enough for them to make a decision as to whether they want to make a VRR request.

Each police force has its own VRR process, which should be conducted by a police officer who is independent of the original investigation and senior to the initial officer dealing.

A police VRR would usually challenge the assessment of evidence, further investigations, consideration of alternative offences, the decision not to refer the case to the CPS and a request to re-open the case and refer it to the CPS.

How to apply for a review in Hertfordshire

Fill in our simple [online form](#) or write to:

Victim Services Team
Hertfordshire Constabulary
Stanborough Road
Welwyn Garden City
Herts
AL8 6XF

CPS VRR scheme

Where a decision has been taken not to pursue a prosecution the CPS should provide the victim with a detailed written explanation, and for certain offences conduct a meeting to explain the decision.

There are two stages to the CPS VRR scheme:

Stage 1: Local resolution— a review is undertaken by a different local prosecutor i.e. from the same office. If the decision to prosecute is upheld at this stage the victim can within 10 days refer the decision to the Appeal and Review unit (stage 2)

Stage 2: Appeal and Review unit – a full independent review conducted by the Appeals and Review Unit of the CPS

Following a VRR the original decision not to prosecute/close the investigation can be upheld or overturned along with other possible outcomes.

Time frames

There are strict time limits which apply and therefore a VRR should be requested as soon as practicable and/or the CPS/Police put on notice of such.

Police VRR: VRR request should be made within three months from date of the decision

CPS VRR: VRR request preferred within five working days from the date of the decision. The CPS can consider a request made within three months of the original decision.

If you're not happy with the decision, you can apply to the High Court for a [judicial review](#).

APPENDIX A: REVENUES RECOVERY

The Revenues Recovery team have a statutory duty to collect debts accrued in relation to Council Tax, Non Domestic Rates, Business Improvement District Levy, Housing Benefit Overpayments (from Final Notice Stage), Sundry Debts and Penalty Charges Notices (from Warrant Stage)

The relevant legislation which governs the Revenues Recovery team's work are as follows:

Council Tax

- Primary - The Local Government Finance Act 1992
- Secondary - The Council Tax (Administration & Enforcement) Regulations 1992

NNDR

- Primary - The Local Government Finance Act 1988
- Secondary - The Non Domestic Rates (Collection & Enforcement) (Local Lists) Regulations 1989

BIDS

- Primary – The Local Government and Housing Act 1989 and Local Government Act 2003
- Secondary - The Business Improvement Districts (England) Regulations 2004 & The Non Domestic Rates (Collection & Enforcement) (Local Lists) Regulations 1989

Enforcement for Council Tax, NNDR & BID

- Primary – The Tribunals Courts and Enforcement Act 2007
- Secondary – The Taking Control of Goods Regulations 2013 & The Taking Control of Goods (Fees) Regulations 2014

Enforcement for Parking

- Primary – The Traffic Management Act
- Secondary - The Taking Control of Goods Regulations 2013 & the Taking Control of Goods (Fees) Regulations 2014

With regard to Council Tax, once a Liability Order has been granted, this secures the Council's debt and allows the Council to consider using one of the following methods to recovery the amount:

Attachment of a Welfare Benefit

Attachment of Earnings

Attachment of Members Allowances

Refer the case to an Enforcement Agent; this will incur the fees laid out in the Taking Control of Goods (Fees) Regulations 2014

If the above fails, then consideration can be given to making an application for a Warrant of Commitment to prison

Make an application for a Charging Order to be placed over a property, where this is owned by the debtor.

Consideration of personal bankruptcy, if there are believed to be assets that could realise the debt,

With regard to NNDR and BID Levy, once a Liability Order has been granted, this secures the Council's debt and allows the Council to consider using one of the following methods to recovery the amount:

Refer the case to an Enforcement Agent; this will incur the fees laid out in the Taking Control of Goods (Fees) Regulations 2014

If the above fails, then consideration can be given to making an application for a Warrant of Commitment to prison if the business is a sole trader

Make an application for a Charging Order (Security of Rates) to be placed over a property, where this is owned by the debtor.

Consideration of personal bankruptcy if the business is a sole trader

Consideration of a Winding up order if the business is a partnership or Limited Company.

In all cases the Council can only consider Bankruptcy if the debt exceeds £5,000 or in the case of a Charging Order the debt must exceed £1,000.

With regard to Warrants of Execution for Parking Fines, the Council refers these to an External Enforcement Agent to pursue. The Agents work in line with the Taking Control of Goods Regulations 2013, but ultimately can clamp and remove a vehicle once a Taking Control of Goods Agreement has been sought.

APPENDIX B: ENVIRONMENTAL HEALTH

1.0 Introduction

- 1.1 The Environmental Health Service exercises a wide range of regulatory powers, most of which relate to the protection of public health or the prevention of nuisance. The main activities delivered by the service are:
- Food safety
 - Occupational health and safety
 - Pollution control
 - Private sector housing
 - Public health
 - Stray dogs
- 1.2 This Enforcement Policy is part of the Council's Corporate Enforcement Policy. It follows the principles laid down in the core policy and does not seek to duplicate these except where necessary to aid clarity or context.
- 1.3 In framing this policy, regard has been had to the Regulators' Code, corporate policies and national guidance relating to the functional areas covered by the environmental health remit.
- 1.4 This policy is not intended to be an operational policy but to provide a basis for framing operational policies and procedures regarding enforcement activities. Any particular operational case needs to be dealt with on its merits and due to the range of activities covered by the Environmental Health Service, this policy can not be considered to be exhaustive.

ENFORCEMENT AND REGULATORY ACTIVITIES

- 1.5 The enforcement and regulatory activities undertaken by the environmental health service normally are related to either statutory inspection programmes or service requests. Where possible and relevant, risk assessment is undertaken to guide the deployment of resources, in particular with regard to programmed inspection activities. The following table sets out the risk based systems normally used with regard to the Service's inspection programmes.

Area	Activity	Risk methodology
Food safety	Food premises inspection programme	Food Standards Agency Food Law Code of Practice
Health and safety	Health and safety intervention programme	Health and Safety Executive Guidance
Pollution	Environmental Permitting	Defra risk assessment methodology

Private Housing	Sector	Houses in multiple occupation	Local risk assessment system
Private Housing	Sector	Park home and caravan sites	Local risk assessment system
Private supplies	water	Water sampling	Legislation, DWI guidance and local risk assessment

- 1.6 Risk principles are used where appropriate in deciding how to respond to service requests including accident reports and ID notifications, complaints, and notifications from other agencies.

ENFORCEMENT OPTIONS

- 1.7 The core part of the Council's Enforcement Policy sets out the general enforcement options, ranging from no action up to prosecution or a similar level sanction. The Environmental Health Service follows this approach, taking a number of factors into consideration when deciding what enforcement response is appropriate in each case.
- 1.8 The Service also has a number of unique options in service specific areas such as seizing noise making equipment, issuing a hygiene emergency prohibition notice for a serious food safety issue, or making a rent repayment order against a landlord. These are set out in detail in the relevant functional area below.
- 1.9 A principle that the Service follows is that enforcement action should follow a graduated approach, starting with a lower sanction for less serious, one off offences, ranging upwards to higher sanctions for serious and/or repeat offences. However, each case needs to be considered on its merits having regard to all relevant factors. For more serious situations prosecution or another higher level sanction may be the first course of action if the circumstances justify such an approach. In every case, the appropriate enforcement option is carefully considered and approved in line with the Council's scheme of delegation.

2.0 Food Safety

2.1 Scope

- 2.1.1 This is a documented policy on food safety enforcement including prosecution. This Policy will be reviewed periodically and in response to new legislation, the Food Standards Agency (FSA), Department of Health (DoH), Department for Food, Environment and Rural Affairs (Defra) and other guidance etc as necessary. This document encompasses the principles of the Regulators' Code.
- 2.1.2 This Policy directs that enforcement action, be it the issue of written warnings, statutory notices, or prosecution, is based primarily upon an assessment of risk to public health. This risk is the probability of harm to health occurring due to non-compliance with food safety law. Formal

action should not, therefore, be the normal response to minor technical contraventions of legislation.

2.1.3 This Policy encompasses the guidance set out in the Food Standard Agency publication 'Framework Agreement on Local Authority Food Law Enforcement' and the Food Law Code of Practice (England) issued under Section 40 of the Food Safety Act 1990.

2.1.4 Where appropriate this Policy will be read in conjunction with this Authority's Health and Safety Enforcement Policy.

2.2 Other relevant considerations

2.2.1 In this context, formal action includes the following:

- Written warning
- Hygiene Improvement Notice
- Hygiene Emergency Improvement Notice
- Voluntary (closure) procedure
- Emergency prohibition procedures
- Seizure and detention of food
- Voluntary (surrender of food) procedures
- Remedial Actions Notices
- Prosecution procedures (including simple cautions)

2.2.2 The competency of officers specialising in food safety must follow the guidance in the Food Law Code of Practice and other guidance issued from time to time by recognised bodies.

2.2.3 Signing of Improvement Notices under the Food Safety and Hygiene (England) Regulations 2013 Food Safety Act 1990 will only be undertaken by officers who have been authorised to do so by the Council after demonstrating the relevant competencies. These must be qualified officers with experience in food law enforcement, in accordance with the Food Law Safety Act Code of Practice i.e.

- a. Environmental Health Officers enforcing food hygiene
- b. Holders of the Higher Certificate in Food Control Premises Inspection who are authorised to carry out food hygiene inspections
- c. Equivalent qualifications with assessment of equivalency approved by the Food Standards Agency Holders of the Ordinary Certificate in Food Premises Inspection in relation to the premises they are authorised to inspect

2.2.4 The officer who signs the notice must have witnessed the contravention and be satisfied that it constitutes a breach of the Food Safety and Hygiene (England) Regulations 2013.

2.2.5 Emergency Prohibition Notices should be signed only by Environmental Health Officers who have two years post qualification experience in food safety matters, are currently involved in food law enforcement and who are properly trained, competent and duly authorised. The Officer will ensure a second opinion is obtained prior to the notice being issued.

- 2.2.6 The Council will ensure that any authorised officer is competent to take action under The Food Safety and Hygiene (England) Regulations 2013, is fully qualified, and possess experience in a variety of food enforcement situations which would allow him / her to undertake the duties for which he/she has been authorised.
- 2.2.7 The Council recognises and affirms the importance of achieving and maintaining consistency in their approach to making all decisions which concern food safety enforcement action, including prosecution. To achieve and maintain consistency, it is important that the guidance in statutory Codes of Practice, other recognised and relevant guidance and advice offered through any relevant Primary Authority is always considered and followed where appropriate.
- 2.2.8 The Council will seek to ensure that enforcement decisions are always consistent, balanced, fair and relate to common standards that ensure that the public is adequately protected. The Council will base all enforcement decisions on an assessment of risk to the public health and will consider a number of factors set out in the Food Law Code of Practice including seriousness of offence, the enterprise's past history, confidence in management, the consequences of non-compliance and the likely effectiveness of the various enforcement options.
- 2.2.9 Officers should be aware of possible conflicts of interest that may arise in an enforcement situation as a result of Primary Authority responsibilities or through the promotion of North Herts District Council services.
- 2.2.10 In premises where North Herts District Council are the proprietor of a food business any breaches of the law must be brought, without undue delay, to the attention of the relevant Service Director.
- 2.2.11 Where the Council is considering taking enforcement action which is not consistent with current guidance or not subject of guidance, the matter should be brought to the attention of the Hertfordshire and Bedfordshire Food Liaison Group and where consensus cannot be reached to the FSA via the Food Focus Group.
- 2.2.12 Compliance should normally be achieved through letters and advice, and only in the more serious instances should formal enforcement through Improvement or Prohibition Notices be considered. Prosecutions and other higher level sanctions should be reserved for the most serious offences which either result or could have resulted in serious risk to public health or which represent a blatant disregard by employers, employees or others of their responsibilities under food safety legislation.

2.3 The use of formal enforcement tools

FORMAL ACTION

- 2.3.1 Before formal action is taken, officers will provide an opportunity to discuss the circumstances of the case and, if possible, resolve points of difference, unless immediate action is required (for example, in the interests of health and safety or environmental protection or to prevent evidence being destroyed).

STATUTORY NOTICES AND RELATED PROCEDURES

2.3.2 In relation to the following formal actions:

- Hygiene Improvement Notice
- Hygiene Emergency Improvement Notice
- Voluntary (closure) procedure
- Emergency prohibition procedures
- Seizure and detention of food
- Voluntary (surrender of food) procedures
- Remedial Actions Notices

consideration will be given to the guidance in the Food Law Code of Practice. Other relevant guidance will also be considered as well as the site specific and case specific factors.

PROSECUTION

2.3.3 The Authority recognises that the following are circumstances which are likely to warrant prosecution:

- i) The alleged offence involves an obvious breach of the law such that the public health, safety or well-being is or has been put at risk.
- ii) The alleged offence involves a failure by the suspected offender to correct an identified serious potential risk to food safety, having been given a reasonable opportunity to comply with the lawful requirements of an authorised officer.
- iii) The offence involves a failure to comply in full or in part with the requirements of a statutory notice.
- iv) There is a history of similar offences, related to risk to public health.

2.3.4 The Officer, must be satisfied that there is relevant, admissible substantial and reliable evidence that an offence has been committed by an identifiable person / company.

2.3.5 The following guidance criteria are some of the factors that it may be relevant to have regard to when considering the instigation of legal proceedings.

- i) the seriousness of the alleged offences;
- ii) the previous history of the party concerned;
- iii) the likelihood of the defendant being able to establish a due diligence defence;
- iv) the availability of any important witnesses and their willingness to co-operate;
- v) the willingness of the party to prevent a recurrence of the problem;
- vi) the probable public benefit of a prosecution and the importance of the case;
- vii) whether other action (Simple Cautioning, improvement notices) will be more appropriate or effective.

SIMPLE CAUTIONS

- 2.3.6 In certain circumstances when legal proceedings are being considered, the Council may consider offering to discharge the matter by way of a Simple Caution. The procedure adopted and the form and content of the caution will be in accordance with relevant guidance. Any internal guidance will also be considered.

3.0 Occupational Health and Safety

3.1 Scope

- 3.1.1 This section of the Policy directs that the enforcement of health and safety law should be informed by the principles of proportionality in applying the law and securing compliance; consistency of approach, targeting of enforcement action and transparency about how the regulator operates and what those regulated may expect.

- 3.1.2 This document provides detailed guidance applicable to the various options for enforcement action.

3.2 Other relevant considerations

- 3.2.1 Officers will carry out duties in a fair, equitable and consistent manner. While inspectors are expected to exercise judgement in individual cases, arrangements will be in place to promote consistency, including effective arrangements for liaison with other authorities and enforcement bodies through schemes such as those operated by the Health and Safety Executive (HSE), Local Authority and Safety Unit (LASU), HELA and the Hertfordshire and Bedfordshire Environmental Health Officers' Health and Safety Group.

- 3.2.2 Where there may be a shared or complimentary enforcement role with other agencies (e.g. The Health and Safety Executive) consideration should be given to liaison in appropriate circumstances (e.g. enforcement in Council owned premises).

- 3.2.3 Where a Primary Authority Partnership arrangement is in place for a particular employer, the Primary Authority will be contacted in appropriate cases and will be kept advised of the progress and outcome of any formal action.

- 3.2.4 Health and safety enforcement action may only be initiated by duly authorised officers. The Council will ensure that officers who are appointed under Section 19 of the Health and Safety at Work etc. Act 1974 are authorised to initiate enforcement action, are competent to do so, are suitably qualified and have relevant and adequate experience in health and safety enforcement, in accordance with HSE guidance, currently set out in LAC 22/8.

3.3 The use of formal enforcement tools

- 3.3.1 Having considered all relevant information in the light of the HSE Enforcement Management Model and all other evidence, the choices for action are:

- to give verbal advice
 - to take no action
 - to take informal action
 - to use statutory notices
 - to use Simple Cautions where local policy dictates
 - to prosecute
 - to use other relevant provisions of legislation, for example to seize or destroy unsafe items, plant or equipment
 - or a combination thereof
- 3.3.2 Where the Council is considering taking enforcement action which is in an unfamiliar area presently not subject to guidance the matter should be discussed with the relevant body e.g., Enforcement Liaison Officer (ELO), the LASU.
- 3.3.3 Compliance should normally be achieved through letters and advice, and only in the more serious instances should formal enforcement through improvement or prohibition notices be considered. Prosecutions should be reserved for the most serious offences which either result or could have resulted in serious injury or ill health or which represent a blatant disregard by employers, employees or others of their responsibilities under health, safety, or welfare legislation.
- 3.3.4 The Council recognises and affirms the importance of achieving and maintaining consistency in their approach to making all decisions that concern health and safety enforcement action, including prosecution. To achieve and maintain consistency, it is important that the guidance in statutory Codes of Practice, HELA circulars and advice offered in relation to the Primary Authority Partnerships is always considered and followed where appropriate.
- 3.3.5 The Council will ensure that enforcement decisions are always consistent, balanced, fair and relate to common standards that ensure that persons affected by work activities are adequately protected. In coming to any decision the Council will consider many criteria including seriousness of offence, the enterprise's past history, confidence in management, the consequences of non-compliance and the likely effectiveness of the various enforcement options.

FORMAL ACTION

- 3.3.6 Any enforcement action will be directed against duty holders responsible for the breach. This may be employers in relation to employees or others; the self-employed; owners of premises; suppliers of equipment; designers of equipment or clients of projects; or employees themselves. Where there are several duty holders enforcement authorities may take action against more than one.

STATUTORY NOTICES

- 3.3.7 Before formal enforcement action is taken, officers will provide the duty holder an opportunity to discuss the circumstances of the case and, if possible, resolve points of difference, unless immediate action is required (for example, in the interests of health and safety or environmental protection, or to prevent evidence being destroyed).

- 3.3.8 Where immediate action is considered necessary, an explanation of why such action was required will be given at the time and confirmed in writing in most cases within 5 working days and, in all cases, within 10 working days.
- 3.3.9 An Improvement Notice will be issued only when the officer is of the opinion that there is or has been a contravention of one or more of the relevant statutory provisions at the time of the visit in circumstances that make it likely that the contravention will continue.
- 3.3.10 Prohibition Notices can be issued to have an immediate or deferred effect. The Notice will only be served if the officer is of the opinion that there is, or will be a risk of serious personal injury.
- 3.3.11 Where there are rights of appeal to an Employment Tribunal against formal action, advice on the appeal mechanism will be clearly set out in writing at the time the action is taken.
- 3.3.12 The officer will provide employees or their representatives with certain information where it is necessary for the purpose of keeping them informed about matters affecting their health, safety and welfare. The type of information that an officer will provide includes matters which an inspector considers to be of serious concern and details of any action taken. Depending upon the circumstances, the officer may provide this information orally, or in writing.
- 3.3.13 When an Improvement or Prohibition Notice is served, a second copy must be enclosed, marked for the attention of employees or their representatives.
- 3.3.14 Officers can consider both prosecution and notice procedures in the following circumstances:-
- (i) occasionally a situation may be so hazardous that even when a prohibition notice has been issued prosecution may also be merited;
 - and
 - (ii) if a prosecution is taken due to the circumstance of an accident, a notice may also be used to enforce the remedy.

In these situations the information should not be laid until after the appeal period for the notice has passed (21 days) and any appeal has been heard. It is highly undesirable that there should be a hearing in a court where a possibly contrary decision could be reached subsequently in the Employment Tribunal. On occasions, however, this will be unavoidable where a tribunal has agreed to accept a late appeal.

- 3.3.15 Non-compliance with a served Notice will normally result in prosecution.

PROSECUTION

- 3.3.16 The most serious offences where, in the public interest and following an investigation, a prosecution would be the appropriate course of action as in the following circumstances:
- (i) where there is a death as a result of a breach of the

- (ii) where there is a blatant disregard for the law, particularly where the economic advantages of breaking the law are substantial and the law abiding are placed at a disadvantage to those who disregard it;
- (iii) when there appears to have been reckless disregard for the health and safety of work people or others;
- (iv) where there have been repeated breaches of legal requirements in an establishment, or in various branches of a multiple concern, and it appears that management is neither willing nor structured to deal adequately with these. An examination of the company safety policy, if any, would be particularly useful in such a situation;
- (v) where a particular type of offence is prevalent in an activity or an area;
- (vi) where, as a result of a substantial legal contravention, there has been a serious accident or a case of ill health;
- (vii) where a particular contravention has caused serious public alarm;
- (viii) where there are persistent poor standards for control of health hazards.
- (ix) where there has been failure to comply with an improvement or prohibition notice; repetition of a breach that was subject to a Simple Caution.
- (x) inspectors have been intentionally obstructed in the lawful course of their duties.
- (xi) where inspectors are assaulted, enforcing authorities will seek police assistance with a view to seeking prosecution of offenders.

The decision to prosecute in the above cases does not preclude the issue of notices as well

PROSECUTION WITHOUT PRIOR WARNING

- 3.3.17 As a general rule a person or a company should be given a reasonable opportunity to comply with the law, although in some circumstances it is right to prosecute without giving prior warning. Examples of such circumstances include those where the contravention is a particularly serious one, or where there has been a particularly blatant disregard by employers, employees or others of their responsibilities under health and safety legislation. For example, the commission of an offence, similar to one for which a Notice has previously been issued to that person or organisation, should normally result in prosecution. Failure to comply with an Improvement Notice or a Prohibition Notice should normally result in prosecution and unless this happens the value of notices will be seriously undermined.

PROSECUTION FOLLOWING AN ACCIDENT

- 3.3.18 Seriousness of the contravention (not the severity of the accident) is the prime consideration in deciding whether to take a prosecution following an accident. The extent to which management was responsible for the circumstances which led to the accident, and whether the employer had been previously warned of a similar infringement, are also relevant. An important question for inspectors to ask themselves is what they would have done if they had discovered the contravention in the absence of an accident. However, an accident may contribute to the strength of the evidence and therefore to the chances of achieving a successful prosecution, it may therefore provide a useful occasion for a salutary prosecution of a generally unco-operative employer. In cases where there

is any possibility of a charge of manslaughter being made the matter must be referred to the Crown Prosecution Service, having regard to the 'Work Related Death Protocol'.

SIMPLE CAUTIONS

- 3.3.19 In certain circumstances when legal proceedings are being considered, the Council may consider offering to discharge the matter by way of a Simple Caution. The procedure adopted and the form and content of the caution will be in accordance with relevant guidance. Any internal guidance will also be considered.

ENFORCEMENT ACTION AGAINST EMPLOYEES

- 3.3.20 Enforcement action may be taken against employees and others, including managers, company officers etc., under HSW Act s.7, 8, 36(1) and 37(1).
- 3.3.21 When inspectors discover a contravention of HSW Act s7, it will be their duty to consider what action (if any) they should take in regard to the employee, by way of warning or prosecution. A letter warning any employee about subsequent contraventions may be desirable in some cases.
- 3.3.22 The issue of a notice against the employee may also be appropriate on occasions although the value of the notice is limited since in general a continuing obligation should not be imposed. For example, notices should not be served on employees requiring them to wear goggles. Not only can employees be required by HSW Act s.7 (1) to use appliances provided for their health and safety, but they can be required to co-operate in a more general way, e.g., by adjusting a guard properly or by reporting promptly a defect in the arrangements for health and safety which comes to their notice.
- 3.3.23 In certain circumstances proceedings against an employee may be appropriate if there is evidence of negligence on their behalf. In such cases consultation with workers' representatives will be undertaken prior to any decision to prosecute. Prosecution will be considered only if the employee had been warned before (either by an inspector or by the business) or if the employer can demonstrate that he/she has taken all reasonably practicable steps to see that relevant health and safety controls were brought to the attention of the employee safety devices were used and the offence by the employee was flagrant.

4.0 Pollution Control

4.1 Scope

- 4.1.1 The Environmental Health Service undertakes regulatory duties relating to the following pollution control areas:
- Noise pollution arising from both domestic and commercial premises (including noise/vibration from construction sites) and, in certain circumstances, equipment or vehicles in the street.

- Out of hours service for statutory noise nuisances.
- Air pollution control, including smoke, odour and dust statutory nuisances.
- Other statutory nuisances e.g. excess artificial light, insects.
- Permitting of industrial processes having the potential to release harmful pollutants to the air.
- Enforcement of controls over contaminated land, to ensure that contaminants do not interfere with human health, animal/plant health or the built environment. Also to assess whether contaminants are likely to affect rivers, aquifers or other controlled water courses.
- Local Air Quality Management (LAQM) duties as regards the Environment Act 1995

4.1.2 This section of the Environmental Health Enforcement Policy provides specific guidance on regulatory activities associated with pollution control. However, the Council has separate policies relating to contaminated land enforcement: (a) financial support for householders affected by contamination, and (b) the scope and extent of formal enquiries.

4.2 Other relevant considerations

4.2.1 Regard will be had to statutory guidance, and any other relevant guidance or good practice documentation considered to be relevant to a particular enforcement situation.

4.2.2 Signing of formal notices will be undertaken in line with the Council's scheme of delegation.

4.2.3 Officers will have regard to any issues that may arise as a result of a Primary Authority interest.

4.3 The use of formal enforcement tools

4.3.1 The general principals relating to enforcement decision making in relation to pollution control activities are as outlined in the core section of the Council's enforcement policy and in the introduction to the Environmental Health Enforcement Policy.

ENFORCEMENT ACTIVITY RELATING TO STATUTORY NUISANCES

4.3.2 Abatement notices can be an effective and quick method of securing compliance with the requirements of the Environmental Protection Act 1990 in that they require problems to be rectified without the potential delays and uncertainty of going to Court. The Council has a separate Statutory Nuisance Policy that sets out its approach to fulfilling its duties and responsibilities under Part III Environmental Protection Act 1990.

4.3.3 On the rare occasions when abatement notices are breached the above legislation provides for a number of enforcement sanctions. Paragraphs 4.3.4 – 4.3.7 indicate the likely response of the Council when a notice is breached in a residential situation. However, the Council reserves the right to consider the use of all enforcement mechanisms in accordance with the principles outlined in this Policy.

SEIZURE OF NOISE MAKING EQUIPMENT FROM DOMESTIC PREMISES

- 4.3.4 Where the requirements of the notice are not carried out, in many instances the Council is empowered to do whatever is necessary to abate the nuisance. This can include the seizure of noise making equipment.
- 4.3.5 In domestic settings the Council is likely to favour the seizure of noise-making equipment for the first evidenced breach of an abatement notice as this is likely to offer rapid relief to those adversely affected by the noise in question. Furthermore, this intervention is likely to be a more cost effective approach than formal prosecution.
- 4.3.6 If appropriate, the Council will seek a warrant from a Magistrate authorising entry to premises, if necessary by force, to facilitate seizure of noise making equipment. The Council will seek to recover the full costs associated with the seizure of noise making equipment.

FORFEITURE OF NOISE MAKING EQUIPMENT

- 4.3.7 If, after noise making equipment has been returned to the recipient of the abatement notice or a successful prosecution has taken place, further breaches are witnessed the Council is likely to repeat the seizure of equipment and seek permission from a Magistrates' Court for its permanent forfeiture.

ENFORCEMENT ACTIVITY RELATING TO CONSTRUCTION SITE NOISE

- 4.3.8 A certain amount of noise is inherent in most types of construction and building operations, which can rarely be completely prevented. However, noise from construction and demolition sites can be very disturbing.
- 4.3.9 The Council can control excessive noise from construction and demolition sites by using powers available to it under the Control of Pollution Act 1974 (COPA) and the Environmental Protection Act 1990 (EPA). Contractors can apply for a 'prior consent' under COPA which sets out allowable working hours and noise limits – the Council encourages the use of prior consents since they represent a proactive method of pollution control.
- 4.3.10 The Council can serve a notice imposing requirements as to how construction works should be carried out so as to minimise noise and disturbance. The notice can cover controls such as working hours and noise limits; failure to comply with a notice may result in a prosecution being taken.
- 4.3.11 Whilst each construction site is different (and will be assessed as such) the generally acceptable hours for noisy work within populated areas of the District are:

Monday to Friday	08:00-18:00
Saturdays	08:00-13:00

Sundays and Bank Holidays	At no time
---------------------------	------------

- 4.3.12 For particularly noisy work, e.g. piling and de-watering, it may be necessary for authorised officers of the Council to further restrict these times.
- 4.3.13 However, the Council recognises that some operations, for safety or practical reasons, cannot always be undertaken within the above time restrictions. Operations outside of the above hours may, however, be agreed by the Council if it can be demonstrated that the works cannot be carried out at any other time and that items of plant and equipment are operated and maintained so that their use causes the minimum amount of noise.
- 4.3.14 Sometimes, emergency works have to be undertaken, for example a burst water main. In such circumstances the normal daytime hours of operation would not apply. The work would be undertaken as soon as possible, which if undertaken at night, may cause some disturbance.
- 4.3.15 Also, works on main roads would normally be undertaken outside peak times in order to minimise traffic congestion. Therefore evening and night-time working may be permitted. Noise would however be kept to as low a level as reasonably practicable.

ENFORCEMENT ACTIVITY RELATING TO PERMITTED PROCESSES

- 4.3.16 Regulation 23 of the Pollution Prevention and Control (PPC) Regulations 2000 places a duty on local authorities to take the necessary action to ensure that permit conditions are complied with. North Hertfordshire District Council recognises that appropriate regulation of organisations covered by the PPC pollution control regime is necessary in order to protect local communities and the wider environment; the following type of offences will be considered for enforcement action:
- Operating without a permit
 - Failure to comply with a condition
 - Failure to notify a relevant change in operation
 - Failure to supply without reasonable excuse information requested under the regulations
 - Making false or misleading statements
 - Making false entries in any record
 - Forgery and deception in relation to documents
 - Failure to comply with a court order
 - Obstruction of Council officers in carrying out their duties
- 4.3.17 If, in the opinion of authorised officers of the Council, the operation of the installation (or part of an installation) poses an imminent risk of serious pollution, the Authority will serve a suspension notice unless it intends to carry out the works in default under regulation 26 (this will involve the recovery of costs).

PROSECUTION

- 4.3.18 The Authority recognises that the following are circumstances which are likely to warrant prosecution. The following are examples of such circumstances but this is not an exhaustive list.
- i) The alleged offence involves an obvious breach of the law such that the public health has been put at risk, there has been a serious adverse environment impact or serious nuisance caused
 - ii) The offence involves a failure to comply in full or in part with the requirements of a statutory notice.
 - iii) There is a history of similar offences
- 4.3.19 The Officer, must be satisfied that there is relevant, admissible substantial and reliable evidence that an offence has been committed by an identifiable person / company.
- 4.3.20 Legal proceedings may be taken in conjunction with other sanctions such as works in default accompanied by enforcement action for the recovery of costs.

5.0 Private Sector Housing

5.1 Scope

- 5.1.1 This Environmental Health Service has regulatory responsibilities with regard to private sector housing including the following:
- Regulating standards of repair, amenity and safety in the private rented sector and dealing with housing hazards.
 - Restoring vacant properties and bringing them back into occupation.
 - Regulating standards of management, repair, amenity and safety in houses in multiple occupation.
 - Administration of the mandatory Houses in Multiple Occupation Licensing Scheme.
 - Inspection of bed and breakfast establishments and any private accommodation used for the temporary housing homeless and asylum seekers as appropriate.
 - Investigation and abatement of public health nuisances relating to housing.
 - Investigation and elimination of pests and vermin infesting land, premises and persons as may be appropriate.
 - Regulation of standards in relation to mobile home sites

5.2 Other relevant considerations

- 5.2.1 Regard will be had to statutory guidance, and any other relevant guidance or good practice documentation considered to be relevant to a particular enforcement situation.
- 5.2.2 Signing of formal notices will be undertaken in line with the Council's scheme of delegation.

- 5.2.3 Officers will have regard to any issues that may arise as a result of a Primary Authority interest.

5.3 The use of formal enforcement tools

- 5.3.1 The general principals relating to enforcement decision making in relation to private sector housing activities are as outlined in the core section of the Council's enforcement policy and in the introduction to the Environmental Health Enforcement Policy.
- 5.3.2 The Council may undertake works in default as well as or in place of taking other enforcement action. Where works in default are undertaken, the Council will seek to recover the cost of undertaking such works, as outlined in the core section of the Council's enforcement policy.

STATUTORY NOTICES

- 5.3.3 The Council has a range of options for service of statutory notices under different pieces of legislation. In some cases, the Council is under a duty to serve a particular notice and in other cases, there is a power to serve a notice with the aim of resolving a particular situation. This power will be exercised in accordance with the general principles set out in the Council's core policy and the Environmental Health Enforcement policy.

- 5.3.4 Section 49 of the Housing Act 2004 gives local authorities the power to make a reasonable charge as a means of recovering certain expenses incurred in:

- serving an improvement notice;
- making a prohibition order;
- serving a hazard awareness notice;
- taking emergency remedial action;
- making an emergency prohibition order;
- making a demolition order

- 5.3.5 It is the Council's policy to levy an appropriate charge in all situations where the above notices are served, with the exception of Hazard Awareness Notices served on owner-occupiers, unless there are extenuating circumstances. The charge will reflect the costs incurred by the Authority in undertaking the inspection and preparing and serving the relevant notice.

HOUSING ACT 2004 CATEGORY 1 AND CATEGORY 2 HAZARDS

- 5.3.6 The Housing Act 2004 puts authorities under a duty to take appropriate action in relation to a Category 1 hazard found under the Housing Health and Safety Rating System (HHSRS). A 'Category 1' hazard arises when a hazard reaches a score of 1000, or more, under the HHSRS. In such cases the Authority must take the most appropriate of the following courses of action:

- to serve an Improvement Notice;
- to make a Prohibition Order;
- to serve a Hazard Awareness Notice;

- to make a Demolition Order in accordance with s265 of the Housing Act 1985;
 - to declare a clearance area in accordance with s289 of the 1985 Act;
 - to serve an Emergency Remedial Action notice;
 - to make an Emergency Prohibition Order.
- 5.3.7 Only one of these courses of action can be taken at any one time (except for emergency measures). It is for the local authority to decide which course of action is the best in all the circumstances. The basis of this decision will be provided with each notice served in the format of a "Statement of Reasons". The views of the manager and occupier of the property should, if possible, be considered in the decision making process.
- 5.3.8 Where there are concerns about a vulnerable person the appropriate agencies should be consulted to help make a decision regarding the appropriate enforcement action.
- 5.3.9 The Fire Authority must be consulted where a fire hazard exists in an HMO or in any common parts of a building containing one or more flats.
- 5.3.10 Authorities have similar powers to deal with Category 2 hazards as those listed in above, except that they cannot use the emergency measures and can make a Demolition Order, and declare a clearance area, only in circumstances prescribed in Regulations. In deciding whether to take action to address Category 2 hazards (where action is discretionary) the following factors should be considered:
- Where the owner is being asked to deal with 'Category 1' hazards the 'Category 2' hazards should be dealt with at the same time where they materially affect the comfort of the occupying tenant or they cause the property to be in serious disrepair
 - Multiple hazards may be found which on their own are not too serious but in combination present a more serious situation than one single 'Category 1' hazard
 - If the hazard relates to fire safety the Fire Authority should be consulted and the appropriate action taken based on their recommendations
 - If the hazard or combination of hazards materially affects the comfort of the occupying tenant or causes property to be in serious disrepair the appropriate enforcement action should be taken.

PROSECUTION

- 5.3.11 The Authority recognises that the following are circumstances which are likely to warrant prosecution. The following are examples of such circumstances but this is not an exhaustive list.
- i) The alleged offence involves an obvious breach of the law such that the public health, safety or well-being is or has been put at risk.
 - ii) The offence involves a failure to comply in full or in part with the requirements of a statutory notice.
 - iii) There is a history of similar offences relating to housing conditions

- 5.3.12 The Officer, must be satisfied that there is relevant, admissible substantial and reliable evidence that an offence has been committed by an identifiable person / company.

CIVIL PENALTIES

- 5.3.13 The Housing and Planning Act 2016 enables Local authorities to impose civil penalties as an alternative to prosecution for certain offences under the Housing Act 2004.

- 5.3.14 In particular the relevant offences are:

- Section 30 – Failing to comply with an Improvement Notice
- Section 72 – Offences in relation to the licensing of Houses in Multiple Occupation
- Section 95 – Offences in relation to the licensing of houses under Part 3 of the Housing Act 2004 (Selective Licensing of Residential Accommodation)
- Section 139 – Offences in relation to the contravention of an overcrowding notice
- Section 234 – Failure to comply with Management Regulations in respect of Houses in Multiple Occupation.

- 5.3.15 In deciding how to proceed, the Council has to be satisfied that they have sufficient evidence to prove that an offence has been committed and this needs to be to the criminal burden i.e. beyond reasonable doubt. In determining that the issuing of a civil penalty as opposed to prosecution is the appropriate course of action the Council will consider each case individually and will take into consideration factors including the seriousness of the offence; the culpability of the offender; the harm, or potential harm to tenants; and the impact on the wider community.

- 5.3.16 In making a decision as to what, if any, enforcement action is appropriate the Council will refer to its own Enforcement Policy, and must also have regard to the Code for Crown Prosecutors. Due regard must also be given to any potential defences and it may be appropriate to undertake an interview under caution in accordance with the Police and Criminal Evidence Act 1984 (PACE) to explore this.

- 5.3.17 When the Council is satisfied that a relevant offence has been committed and that it is in the public interest to proceed formally it must decide whether to prosecute or issue a civil penalty.

- 5.3.18 The following, whilst not exhaustive, are situations where prosecution may be appropriate:

- The offence was serious, for example breach of a prohibition order or where there was imminent risk of injury or loss of life;
- The offender has been prosecuted for similar Housing Act offences

- 5.3.19 The following factors, whilst not exhaustive, are situations where the issuing of a civil penalty may be appropriate:

- No history of previous non-compliance with relevant legislation
- No previous convictions of relevant offences

- The offence was committed as a result of a genuine mistake or misunderstanding, but this must be balanced against the seriousness of the offence.
- Prosecution is likely to have a serious adverse effect upon the offender's physical or mental wellbeing, but this must be balanced against the seriousness of the offence.

5.3.20 The Housing and Planning Act 2016 also specifies that the amount of penalty that can be imposed is to be determined by the Council but must not be more than £30,000. The Government's desire is that the penalty should be a punishment which has a real economic impact to the offender.

5.3.21 In determining the amount of penalty the Council will use a Penalty Matrix (see table below) which takes into account relevant matters including, but not limited to:

- The penalty should act as a deterrent to repeating the offence, and to others from committing similar offences;
- The penalty should remove any financial benefit obtained as a result of the commission of the offence;
- The severity and seriousness of the offence;
- The culpability and past history of the offender;
- The harm, or potential harm, caused to the tenant;

5.3.22 The use of the matrix generates a score which corresponds to a representative penalty as follows.

Score	Penalty
1-5	£250
6-10	£500
11-20	£750
21-30	£1,000
31-40	£2,500
41-55	£5,000
56-65	£10,000
66-75	£15,000
76-85	£20,000
86-95	£25,000
96-100	£30,000

Factors when considering the harm, or potential harm, caused

5.3.23 In determining the level of harm the Council will have regard to:

- The persons affected in terms of physical injury, negative impacts on their health, and any psychological distress;
- Any Vulnerability of the persons affected
- The number of persons affected
- The community in terms of economic loss and the effects on public health, public complaints and the effects of poor housing condition on the neighbourhood.

- 5.3.24 The degree of harm will depend on the personal characteristics and circumstances of the person affected, normally the tenant. Where no actual harm has resulted from the commission of the offence the Council will consider the relative danger and the potential of harm that could have resulted as a result of the offences.

Factors when considering culpability

- 5.3.25 In determining the level of culpability the Council will have regard to the following:
- Whether there was the intention to commit the offence
 - Whether the offence has resulted from reckless behaviour for example where the offender had some appreciation of the effects their actions would have but proceeded regardless.
 - Whether the offender had knowledge of the risks of harm that their actions could cause
 - Whether the offender's actions are considered to be negligent.

Aggravating Factors

- 5.3.26 The amount of penalty can be increased if there are any relevant aggravating factors. Furthermore, the amount of penalty can be reduced if any relevant mitigating factors are disclosed by the offender.

Multiple Offences

- 5.3.27 Where the Council are satisfied that more than one offence has been committed a multiple Civil Penalty Notice can be issued, for example multiple breaches of the Management regulations in a House in Multiple Occupation. However the Council will consider whether the issuing of multiple penalties would result in an excessive cumulative amount and this policy gives discretion in this situation. For instance the Council could decide that it is appropriate to issue a civil penalty for the most significant offences and warn the offender that continuation or repeating of the other offences may result in further formal enforcement action being taken.

The Process for Imposing Penalty Charges

- 5.3.28 Where it has been determined that a Civil penalty Charge as opposed to prosecution is the appropriate course of action the Council will follow the following process:
- 1) A 'Notice of Intent' will be served on the person(s) responsible for the commission of the offence(s). The Notice will specify:
 - The amount of the proposed penalty
 - The reasons for the proposed penalty
 - Information relating to the right of the recipient to make representation to the Council.
 - 2) The recipient of the Notice is given 28 days to make representation to the Council regarding the proposal to impose a Civil Penalty.
 - 3) Following the 28 day period the Council will decide; Whether to impose the proposed financial penalty and the appropriate value. This could be varied taking into account any comments received from the recipients.

- 4) If the Council decides that a Civil Penalty is still appropriate, it will issue a Final Notice which will specify:
- The amount of the financial penalty
 - The reasons for imposing the penalty
 - Information on how and when to pay the penalty
 - Information regarding the right of appeal against the imposition of a Civil penalty to the First Tier Property Tribunal
 - The consequences of failure to comply with the Notice

Consequences of non-payment and miscellaneous provisions

- 5.3.29 If the penalty charge is not fully paid within the prescribed time, including after an appeal has been finally determined and the charge upheld, the Council will seek to recover the penalty by order from a County Court including the costs incurred in taking such action where deemed appropriate.
- 5.3.30 The Council may at any time withdraw any Notices it has served or amend the amount of penalty specified.

Links with the National Database of 'Rogue Landlords and Letting agents'

- 5.3.31 Upon the commencement of the statutory provisions contained on the Housing and Planning Act 2016 relating to the national Landlord and Letting Agent Database, where two Final Civil Penalty Notices have been issued to the same recipient within a 12 month period, the Council may make an entry on the database. When considering if this is an appropriate course of action the Council will have regard to any guidance issued by the Government.

Penalty Matrix						
	Factors	Score = 1	Score = 5	Score = 10	Score = 15	Score = 20
1	Culpability	Low; Offence committed with little or no fault on the part of the responsible person	Low/Medium; An awareness of the legal framework and systems in place to ensure compliance but these were not implemented	Medium/High; An awareness of the legal responsibilities the responsible person failed to put in place suitable systems in place to ensure compliance	High; There was some awareness of the law but the responsible person still allowed/committed the offence.	Very High; Intentional breach by responsible person. For example non compliance with a Formal Notice
2	Removal of Financial Incentive	No Significant assets. No or very low financial profit made by offender.	Little asset value. Little profit made by offender.	Small portfolio of landlord (between 2-3 properties) Low profit made by offender.	Medium portfolio of landlord (between 4-5 properties) or a small Managing Agent. Medium asset value. Medium profit made by offender.	Large portfolio of landlord (over 5 properties) or a large Managing Agent. Large asset value. Large profit made by offender.
3	Offence & History	No previous enforcement history. Single low level offence.	Minor previous enforcement. Single offence.	Recent second time offender. Offence has moderate severity or small but frequent impact(s).	Multiple offender. Ongoing offences of moderate to large severity or a single instance of a very severe offence or multiple breaches	Serial offender. Multiple enforcement over recent times. Continuing serious offence.

4	Harm, or potential harm, to tenant(s) [Score is doubled for this section]	Very little or no harm caused. No vulnerable occupants. Tenant provides no information on impact.	Likely some low level health/harm risk(s) to occupant. No vulnerable occupants. Tenant provides poor quality information on impact.	Likely moderate level health/harm risk(s) to occupant. Vulnerable occupants potentially exposed. Tenant provides some information on impact but with no primary or secondary.	High level of health/harm risk(s) to occupant. Tenant(s) will be affected frequently or by occasional high impact occurrences. Vulnerable occupants more likely exposed; (High HHSRS score) Small HMO (3-4 occupants), multiple occupants exposed. Tenant provides good information on impact with primary evidence (e.g. prescription drugs present, clear signs of poor health witnessed), but no secondary evidence.	Obvious high level health/harm risk(s) and evidence that tenant(s) are badly and/or continually affected. Multiple vulnerable occupants exposed; (high HHSRS Score) Large HMO (5+ occupants), multiple occupants exposed. Tenant provides excellent information on impact with evidence provided (e.g. medical, social services reports).
---	---	---	---	---	---	---

RENT REPAYMENT ORDERS

5.3.32 Rent Repayment Orders were introduced by the Housing Act 2004. Local authorities were given to the power to apply for a rent repayment order in circumstances where a landlord has failed to licence a house in multiple occupation.

5.3.33 The Housing and Planning Act 2016 extended their use. Local authorities are now under a duty to consider applying for a rent repayment order may in respect of the following:

- Failure to comply with an Improvement Notice under section 30 of the Housing Act 2004;
- Failure to comply with a Prohibition Order under section 32 of the Housing Act 2004;
- Breach of a banning order made under section 21 of the Housing and Planning Act 2016;
- Using violence to secure entry to a property under section 6 of the Criminal Law Act 1977;
- Illegal eviction or harassment of the occupiers of a property under section 1 of the Protection from Eviction Act 1977.

5.3.33 The Council's policy is that it will normally apply for a rent repayment order in all circumstances where there is sufficient evidence to do so, unless there are extenuating circumstances.

5.3.34 Application for a rent repayment order may be made in addition to any other sanction route that it chooses to pursue such as prosecution or levying a civil penalty.

6.0 Drinking Water Quality

6.1 Scope

- 6.1.1 Local authorities have a general duty under the Water Industry Act 1991 to keep themselves informed about the wholesomeness and sufficiency of water supplies provided to premises in their area, including every private supply to any such premises. Local authorities have specific remedial powers in relation to private water supplies. The Environmental Health Service is responsible for fulfilling the Council's duties and powers in respect of drinking water quality matters.
- 6.2 Other relevant considerations
- 6.2.1 Regard will be had to guidance from the Drinking Water Inspectorate and Public Health England in fulfilling the Council's roles.
- 6.2.2 Signing of formal notices will be undertaken in line with the Council's scheme of delegation.
- 6.3 The use of formal enforcement tools
- 6.3.1 The general principals relating to enforcement decision making in relation to water quality activities are as outlined in the core section of the Council's enforcement policy and in the introduction to the Environmental Health Enforcement Policy. However, the criticality of safe drinking water is paramount to public health and this will be the significant factor in deciding the appropriate course of action in any particular situation
- 6.3.2 The majority of private water supplies in North Hertfordshire are domestic supplies, often serving single properties. In such instances, the Council's preferred approach is to address issues informally except where there is a specific requirement to take a formal approach.
- 6.3.3 In relation to large domestic private water supply systems and commercial supplies, the Council is more likely to take a formal approach but every case will be judged on its merits, having regard to the public health circumstances.
- 6.3.4 If any private water supply is not deemed to be wholesome or any domestic supply is not deemed to be have a supply that is wholesome and sufficient, the Council may serve a notice stating its reasons and the remedial steps that it believes are required, giving a suitable time period for compliance. If the notice is confirmed, the Council may undertake works in default. Whether the Council chooses to do so will depend on the circumstances of the case. Where the Council decides to undertake works in default, it will seek to recover its full costs, unless there are exceptional reasons not to do so.
- 6.3.5 If any private supply of water intended for human consumption constitutes a potential danger to human health, the Council must serve a notice stating the grounds for serving the notice and the remedial action required. Failure to comply with the notice is an offence and the Council may consider prosecution proceedings in accordance its normal procedure for such matters.
- 6.3.6 The Council will normally seek to recover its full costs in fulfilling its duties under this section where it is empowered to do so, unless there are exceptional circumstances.

7.0 Stray Dogs

7.1 Scope

7.1.1 The Council has a duty under the Environmental Protection Act 1990 to deal with stray dogs in the district. Any stray dogs on public land must, if practicable, be seized and detained. Attempts must be made to advise the owner of the dog that the dog has been seized. Where any dog has been detained for seven clear days without the dog being claimed and the Council's expenses having been paid in full, the Council may dispose of the dog.

7.1.2 Regulations made in 2014 under the Animal Welfare Act 2006 made it mandatory from 6th April 2016 for dog owners to microchip any dog over 8 weeks old.

7.2 The use of formal enforcement tools

7.2.1 The Council may:

- serve on the keeper of a dog which is not microchipped a notice requiring the keeper to have the dog microchipped within 21 days;
- where the keeper of a dog has failed to comply with a notice under paragraph (a), without the consent of the keeper (i) arrange for the dog to be microchipped; and (ii) recover from the keeper the cost of doing so;
- take possession of a dog without the consent of the keeper for the purpose of checking whether it is microchipped or for the purpose of microchipping it in accordance with the above.

7.2.2 The Council's policy in relation to microchipping is to encourage voluntary compliance. Formal action will normally only be considered in the case of repeat offences. The Council will incentivise dog owners to have their dogs microchipped in setting fees for handling stray dogs.

7.2.3 The Council will normally seek to recover its full costs in fulfilling its duties under this section where it is empowered to do so, unless there are exceptional circumstances.

APPENDIX C: LICENSING

1. SCOPE

The purpose of licensing is, in the majority of cases, the protection of the general public. In order to achieve this, legislation requires licences, permits or registrations to be obtained for a wide range of activities. These administrative documents are normally subject to certain conditions, imposed either by legislation or the Council. The Licensing Service undertakes the Council's licensing functions, as outlined in 1.1. to 1.6., below.

1.1 ANIMAL LICENSING

- Animal boarding establishments
- Home boarding of dogs
- Dog day crèche
- Dog breeding
- Pet shops
- Riding establishments
- Keeping or training animals for exhibition
- Dangerous wild animals
- Zoos

1.2. CHARITABLE COLLECTIONS

- Street collections
- House to house collections

1.3. PREMISES AND EVENT LICENSING (LICENSING ACT 2003)

- Sale or supply of alcohol
- Provision of regulated entertainment
(plays, films, boxing/wrestling, indoor sporting events, live/recorded music, dancing)
- Late night refreshment

1.4. GAMBLING (GAMBLING ACT 2005)

- Premises licences
(bingo, betting, amusement arcades, casinos, track betting)
- Gaming machine permits
- Small society lottery registration

1.5. HACKNEY CARRIAGE AND PRIVATE HIRE

- Hackney carriage drivers
- Hackney carriage vehicles
- Private hire drivers
- Private hire vehicles
- Private hire operators

1.6. MISCELLANEOUS LICENSING

- Street trading
- Sex shops/cinemas
- Sexual entertainment venues
- Scrap metal dealers (sites and collectors)

2. OTHER RELEVANT CONSIDERATIONS

In addition to the Regulators' Code this Policy is designed to reflect the following sources of primary legislation and any secondary legislation and guidance issued thereunder:

- Licensing Act 2003
- Gambling Act 2005
- Local Government (Miscellaneous Provisions) Act 1976
- Local Government (Miscellaneous Provisions) Act 1982
- Town Police Clauses Act 1847
- Animal Welfare Act 2006
- Dangerous Wild Animals Act 1976
- Zoo Licensing Act 1981
- Scrap Metal Dealers Act 2013
- House to House Collections Act 1939
- Police, Factories & c (Miscellaneous Provisions) Act 1916

3. THE USE OF FORMAL ENFORCEMENT TOOLS

The general principles relating to enforcement decision making are explained within the main body of this Policy.

3.1 GENERAL ENFORCEMENT PRINCIPLES FOR LICENSING

The main purpose of licensing enforcement activity is to secure compliance with legislative requirements ensuring the safety of the public. Ordinarily, a staged approach to enforcement will be undertaken to achieve this objective although this will not preclude formal enforcement action being the first intervention when appropriate e.g. serious risk to the public or deliberate/repeated non-compliance.

3.2. SPECIFIC ENFORCEMENT ACTIVITY RELATING TO EACH ACTIVITY

Each licensing activity has its own specific policy which includes activity-specific enforcement options e.g. licence reviews under the Licensing Act 2003 or penalty points for licensed hackney carriage/private hire drivers. These policies are to be read in conjunction with the corporate enforcement policy.

APPENDIX D: COMMUNITY SAFETY

1. SCOPE

'Community Safety' is a term that is used to define keeping communities a safe place free from the fear of crime (perceived or actual) encompassing education, awareness (crime prevention) and reassurance as well as enforcement (anti-social behaviour and crime reduction). It is a multi-faceted concept used to encompass a diverse and broad range of topics that relate to anti-social behaviour, crime and disorder issues.

The Council undertakes a range of duties in connection with community safety. It has a statutory duty to work with other Responsible Authorities; including the police, fire and rescue service, county council, NHS and the probation service to address wider community safety and crime and disorder issues. The Council is a committed member of the North Herts Community Safety Partnership (NHCSP), and interventions aimed at improving community safety and reducing crime and disorder (and equally its perception) in North Herts is coordinated via the Partnership's Responsible Authorities Group (RAG – a strategic partnership group) and operationally by the Joint Action Group (JAG).

The Council deals with community safety matters in two principle ways: firstly, by means of the provision of advice, diversionary activities, community reassurance events, and the encouragement of responsible behaviour; secondly, it may make use of its enforcement powers, in a proportionate and appropriate way, to manage anti-social behaviour, crime and disorder.

Aside from the strategic planning and coordination of services to tackle local crime and disorder, the Council also undertakes a range of duties in connection with anti-social behaviour. This includes, but is not limited to the following;

- Abandoning a vehicle
- Accumulation of waste
- Bonfires
- Commercial and domestic bin waste bin offences
- Dog fouling
- Drug paraphernalia (e.g. discarded needles)
- Fly-tipping
- Graffiti
- High hedges
- Misuse of street litter bin offences
- Noise Nuisance
- Nuisance Vehicles
- Repairing of vehicles on the public highway
- Waste Duty of Care (domestic and commercial)
- Waste Carriers Licence
- Unauthorised Encampments
- Littering
- Stray dogs

These duties and responsibilities are dealt with by a number of different council departments including those listed above as well as other areas included within this Enforcement Policy (e.g. environmental health, licensing and planning services).

In addition to the Council undertaking its statutory duties in this regard, the law provides for a wide range of powers that can be considered in relation to different types of anti-social behaviour. The Council will also work with, and support, a wide range of organisations to deal with anti-social behaviour including the police, fire service and housing providers.

The Council's Community Safety team is responsible for the operational management of the community crime and environmental crime function. These terms are used to classify anti-social actions and behaviour that degrade local amenities and the environment and impact on the enjoyment and safety of the wider community.

2. OVERVIEW OF CORE COMMUNITY SAFETY TEAM FUNCTIONS

The Community Safety team are involved in dealing with a wide range of community crime and enviro-crime issues which negatively affect the wider community's quality of life, including but not limited to, the following core functions;

Abandoned Vehicles: Section 2 of the Refuse Disposal (Amenity) Act 1978, makes it an offence to abandon a motor vehicle, or any part of a motor vehicle, on a highway or any land in the open air. This includes any trailer intended or adapted for use as an attachment to a motor vehicle. Enviro-Crime Officers in the Community Safety team will assess the vehicle to decide whether it is abandoned. There is no statutory definition of an abandoned vehicle and factors to take into consideration include but are not limited to; length of time at location, condition and damage to vehicle (e.g. unroadworthy, burnt out, contains waste), lacking one or more of its number plates, no registered keeper and is untaxed. The Council is under a duty to remove what is determined to be an abandoned vehicle. Section 3(2) and 3(2)(A) of the Refuse Disposal (Amenity) Act 1978 provides the notice periods before removal. A fixed penalty notice can be issued to anyone who abandons a vehicle and offenders can also be prosecuted.

Bonfires: There is no specific law that makes it illegal to have a bonfire or prohibits the times they can be lit. However, the Council will take action if a smoke nuisance from a bonfire is caused. A bonfire that leads to complaints about smoke may be classified as a statutory nuisance under the Environmental Protection Act 1990. The person responsible may be served with a warning notice for persistent problems or if their actions are likely to interfere with other residents' comfort and enjoyment of their properties. The burning of industrial or commercial waste that cause black smoke is an automatic offence and can lead to prosecution. These offences are dealt with by the Environmental Health department; however the Community Safety team will investigate initial complaints and aim to resolve issues informally in the first instance.

Dog Fouling: The Anti-social Behaviour, Crime and Policing Act, 2014 provides powers to take enforcement action. Anyone reported for allowing their dog to foul may be served with a Community Protection Notice for the persistent, un-reasonable behaviour, detrimental to quality of life in a locality. Any person found guilty of an offence could be liable to a level 4 fine (currently up to £2,500). Officers can offer the opportunity of discharging any liability to conviction for the offence, by payment of a Fixed Penalty Notice of £100. A Fixed Penalty Notice may be issued by any authorised Council Officer if it is witnessed by the officer or there is sufficient evidence by a third party (e.g. a witness statement). Subject to sufficient evidence the Community Safety team will investigate complaints about dog fouling and carry out patrols in problem areas.

Fly tipping and other waste related offences: Section 33 of the Environmental Protection Act 1990 states that a person shall not deposit controlled waste or knowingly cause or permit controlled waste to be deposited in or on any land, without an environmental permit authorising the deposit. Section 34 of the Environmental Protection Act 1990 covers domestic and business duty of care offences relating to individuals and businesses ensuring that their waste is not illegally deposited. Officers will investigate all reports of significant illegal deposits of waste (fly tipping) where it is believed that there is evidence that can lead to enforcement action being taken against offenders. The Community Safety team will also consider taking enforcement

action against other waste related offences, such as littering and misuse of a street litter bin, subject to sufficient evidence being obtained. However the Team recognises that other departments of the Council that act in the capacity of Waste Collection Authority or Principle Litter Authority will take primacy in these types of offences and may take their own enforcement action directly.

Nuisance Vehicles: Section 3 Clean Neighbourhoods and Environment Act 2005 makes it an offence to expose vehicles for sale on a road and a person is guilty of an offence if at any time he leaves two or more motor vehicles parked within 500 metres of each other on a road or roads where they are exposed or advertised for sale. Section 4 Clean Neighbourhoods and Environment Act 2005 makes is an offence for a person to carry out repairs to vehicles on a road unless they have been in an accident within the last 72 hours or have broken down and repairs are necessary. Officers will investigate nuisance vehicle reports and assess in accordance with the Act. A fixed penalty notice can be issued to anyone who is found guilty of these offences and offenders can also be prosecuted.

Community Crime (e.g. anti-social behaviour in parks and open spaces and car parks): The Community Safety team will work with all relevant partners to take appropriate action against 'community crime' issues which can significantly impact on resident's enjoyment and use of their local amenities. This can include but is not limited to anti-social behaviour and crime in parks and open spaces, car parks and town centres. The Community Safety team will consider all options available and will either take appropriate enforcement action directly or assist other partners in undertaking appropriate enforcement action. Due to community crime encapsulating a multitude of anti-social or criminal behaviours and circumstances that are detrimental to the local community's quality of life enforcement action will be considered on a case by case basis.

3. THE LEGAL FRAMEWORK AND USE OF ENFORCEMENT TOOLS

In considering community crime and environmental crime enforcement action the Council will take into account all legislation and statutory guidance including:-

- Anti-social Behaviour Act, 2003
- Anti-social Behaviour, Crime and Policing Act, 2014
- Clean Neighbourhoods and Environment Act 2005
- Control of Pollution (Amendment) Act 1989/Control of Waste (Dealing with Seized Property) (England and Wales) Regulations 2015
- Counter Terrorism and Security Act 2015
- Crime and Disorder Act 1998
- Criminal Justice and Public Order Act 1994
- Domestic Violence, Crime and Victim Act 2004
- Drugs Act 2005
- Environment Act, 1995
- Environmental Protection Act 1990
- Highway Act 1980 (subject to agreement with the Highways Authority)
- Modern Slavery Act 2015
- Police and Criminal Evidence Act 1984
- Police and Justice Act 2006
- Police Reform Act 2002
- Police Reform and Social Responsibility Act 2011
- Policing and Crime Act 2009
- Refuse Disposal Act 1978

Scrap Metal Dealers Act 2013

In relation to community and environmental crime the Council has a number of enforcement 'tools' and powers available, in addition to informal enforcement action⁶, examples include:

- Civil Injunction
- Closure Order
- Community Protection Notice
- Criminal Behaviour Order
- Fixed Penalty Notice
- Notice to require the provision of information
- Powers to take remedial action/works in default
- Powers of forfeiture and seizure
- Prosecution
- Public Space Protection Order
- Simple Caution

The general principles relating to enforcement decision making are explained within the main body of this Policy. However, it is important to note that whilst community and enviro-crime rarely constitutes a significant threat to public safety or health it can, nevertheless, cause a significant blight to local communities and can lead to neighbourhood decline. In recognition of the above, this Council takes these issues very seriously and will use its formal enforcement powers to deal with offenders. Certain community and enviro-crime offences, such as fly tipping, will be dealt with more rigorously as they are a) unlikely to be inadvertent breaches of the law, and b) are often associated with the pursuit of unfair competitive trading advantage by for example, the illegal and inappropriate disposal of waste.

Where there is sufficient evidence the Authority will commence proceedings at level 3 and 4 if the criteria for formal action (such as issuing of fixed penalty notices or a simple caution) or prosecution are met. For certain enviro-crime offences, e.g. dog fouling, depositing of litter and fly tipping offences, there is provision for fixed penalty notices to be issued. These notices can, in appropriate cases, provide a quick, visible and effective way of dealing with these types of environmental problems and offer a more cost-effective alternative to a prosecution. FPN's will generally be served for first time offenders of lower-level offences. For more serious offences and/or repeat offenders the Council will normally seek to prosecute. The Council, however, reserves the right to consider alternative enforcement mechanisms on a case-by-case basis.

FPNs will only be issued when there is adequate evidence to support a prosecution. If the fine is not paid within the stated period then the Council is likely to mount such a prosecution.

The income to the Council arising from the payment of FPNs will be used to fund environmental related expenditure in accordance with the relevant provisions of the primary legislation and any relevant regulations.

4. LEVEL OF DELEGATION

All decisions relating to formal enforcement matters are delegated by the Council to the Service Director – Legal and Community, who sub delegates as appropriate.

⁶ Advice, no action, verbal warning, written warning

Any decision to take formal enforcement action is taken by the following officers;

Authorisation and Issue of Notices (e.g. Community Protection Notices) – Environmental Crime Officer in consultation with the Community Safety Team Leader, or Community Safety Team Leader in consultation with the Community Protection Manager

Authorisation and Issue of Fixed Penalty Notices - Environmental Crime Officer in consultation with the Community Safety Team Leader, or Community Safety Team Leader in consultation with the Community Protection Manager

Authorisation and Issue of Simple Cautions – Community Safety Team Leader in consultation with the Community Protection Manager (or in their absence in consultation with Legal Service), or Community Protection Manager in consultation with Legal Services

Commencement of legal proceedings such as Criminal Prosecutions - Service Director – Legal and Community (or Legal Team Manager, or Manager as per any delegation or in the Service Director's absence).

APPENDIX E: PLANNING ENFORCEMENT

APPENDIX E: PLANNING ENFORCEMENT

1.0 What is Planning Compliance (Enforcement)

- 1.1 Planning Compliance is concerned with works which have taken place in breach of planning control as set out in the Town and Country Planning Act 1990 (as amended). This Plan sets out what you can expect the Council as Local Planning Authority to do when a breach of planning control takes place in North Hertfordshire.
- 1.2 A breach of planning control is defined in the Town and Country Planning legislation as "the carrying out of a development without the required planning permission or failing to comply with any condition or limitation subject to which planning permission has been granted".
- 1.3 Breaches of planning control occur in many ways, for example where:
- Building work, engineering operations, and material changes of use are carried out without planning permission having been granted.
 - Development has planning permission but is not carried out in accordance with the approved plans.
 - Failure to comply with conditions or the terms of a legal agreement (Section 106 obligations) attached to a permission or consent.
 - Demolition takes place in conservation areas, without planning permission, when it is required.
 - Works carried out to a "listed" building which affect the historic character or setting, without listed building consent being granted.
 - Removal of, or works carried out, to protected trees and hedgerows without consent being granted or proper notification given.
 - Advertisements, which require consent under the Advertisement Regulations, which are displayed without express consent.
 - Failure to comply with the requirements of a planning legal notice, e.g. enforcement, discontinuance, stop notice, breach of condition notice, etc.
- 1.4 It should be noted that it is not a criminal offence to carry out development without planning permission. However, where this takes place it cannot be assumed that planning permission will always be granted for the development retrospectively. An offence only occurs if the development involves unauthorised advertisements, works to protected trees or listed buildings, or if a formal notice is not complied with.
- 1.5 The legal basis for planning enforcement is set out in the Town and Country Planning Act 1990 (as amended). Further guidance and advice is set out in the National Planning Policy Framework (NPPF) and the National Planning Practice Guidance (NPPG). These set out the discretionary basis of the provision of the service and provide further background and guidance in relation to the delivery of the service. The guidance in the NPPG sets out that a Planning Enforcement Plan should be produced by the Council.
- 1.6 Government Guidance makes it clear that enforcement action should not be taken simply to remedy the absence of a planning permission where development is otherwise considered acceptable on its planning merits.
- 1.7 Parliament has given the Council in its role as Local Planning Authority the primary responsibility for taking whatever enforcement action may be necessary, in the public interest, in their administrative area. Affected or interested parties cannot initiate planning enforcement action nor require the Council to act when it considers there is no case to do so.
- 2.0 How the Planning Compliance service is delivered by the Council**
- 2.1 The service is discretionary - the provision of the Planning Compliance service is discretionary, and the Council can decide, following consideration if it wants to undertake planning enforcement action or not for every reported breach of planning control it receives.

- 2.2 The Council considers that planning compliance is an important aspect of the services that it provides as it maintains control of development that is undertaken within the district ensuring that harmful development is controlled and not allowed to affect the amenity and character of the district. Each potential planning enforcement case that is reported to it will be subject to initial inspection and consideration. Information can be shared between Planning Enforcement and other partners of the Council to assist this initial consideration. A decision will then be made as to whether further action should be taken. Officers are delegated to make these decisions on behalf of Councillors.
- 2.3 Action to be taken is proportionate - the action that can be taken must be proportionate to the harm that is being caused by the breach of planning control. In some cases, whilst uses or works may be in breach of planning control, the impact of them may be very minor, or de minimis. In such cases, after investigation, the Council may decide to take no further action.
- 2.4 In all other cases, where some further action is warranted, this will be implemented considering the degree of harm caused by the unauthorised works or uses.
- 2.5 How new compliance cases are logged with the Council - potential cases where planning enforcement action may be required can be reported to the Council in person, by phone, in writing, by e-mail or by using our online reporting form. You may also contact your local Councillor to report a breach of planning control, details of you Councillor can be found on the Council website here:
<https://www.north-herts.gov.uk/home/council-and-democracy/councillors/your-councillors>
- 2.6 Contact details to report a breach of planning control are set out at the end of this document
- 2.7 Anonymity in reporting of breaches of planning control to the Council - the Council does not release the identity of those who have requested it to investigate a matter to those who are under investigation. Only in very advanced stages of an investigation, for example where court action is being pursued, would it potentially be of assistance if the person who had raised the matter with the Council to be identified, for example to submit evidence on behalf of the Council. However, the Council will not make any person's identity known without their prior agreement.
- 2.8 As a result, any party who wishes to submit a request to investigate is encouraged to provide their name and contact details so that feedback can be provided, or further information sought.
- 2.9 If the party still wishes to remain anonymous, they are requested to approach their local Ward Councillor or Parish/Town Council, to submit the matter on their behalf.
- 2.10 In the absence of that support the matter may receive no further attention at the discretion of the Council.
- 2.11 Investigation Process. All requests will be registered on the Council's recording system and the party who has raised it with us will receive an acknowledgement setting out the name of the Officer who is dealing with the matter and a reference to quote in future communication. That Officer may seek further information from the party in relation to the matter. A search of the planning history of the site will be undertaken. If it is determined that planning permission is in place, further checks will be undertaken to establish whether there is any reason to believe that work is not being undertaken in accordance with the permission.
- 2.12 Officers will visit the location of the potential breach within the timescales set out below in relation to the priority of the case.
- 2.13 Where no planning permission is in place, checks will be undertaken to establish whether permitted development (PD) rights are being exercised.
- 2.14 The site visit will seek to establish the nature and extent of the works or the

use which may be taking place. Often, it may be that works are still in progress, so information will be sought as to the anticipated scale of the works when complete.

- 2.15 Next Steps. It is necessary for the Council to determine what action should be taken next - and whether formal action is expedient. The possible courses of action are as follows:
- 2.16 Take no action. If the works or uses being undertaken are within the scope of a planning permission that has been granted, or fall within the scope of permitted development, then no further action will be taken.
- 2.17 No further action could also be considered as an outcome where the works or intended use fall outside the scope of a planning permission or permitted development rights, but the impact of them is very modest with no discernible impact.

Typical Examples of this could be:

- Minor breaches of planning conditions.
- Fences, gates, boundary walls, or outbuildings being erected which exceed the heights allowed under a planning permission of PD rights by a modest amount.
- Very minor changes to the works that have been granted planning permission which are likely to have very little impact beyond the application site.
- Minor works that require planning permission but have no discernible impact on its surroundings or people.
- Development has not occurred as a matter of fact.

This list is not extensive and should not be considered as binding. The Council looks at each case on an individual basis and treats each case on its merits.

- 2.18 Seek regularisation through a planning application. Where works have taken place or a use has been commenced which does have an impact but are considered to be acceptable within the planning policies that are applicable, then a retrospective planning application to regularise these would be invited.
- 2.19 This should not be taken as indicating that the Council will simply approve any application without due scrutiny. The application process allows the works and/or use to be considered fully against relevant planning policies by the Council or its Planning Committee. The owner of the site will be permitted a limited amount of time at the discretion of the Council to make such a submission and any person who has contacted the Council in relation to the matter and has left appropriate contact details, will be contacted by the enforcement team and informed of any such retrospective planning application when it is submitted, in order that they can make representations on that application if they wish.
- 2.20 If planning permission is granted officers will continue to monitor the site to ensure that the development and/or use implemented are in accordance with the permission granted. If permission is refused, the landowner has a right of appeal against this decision. If, after the expiry of the timescale within which an appeal should be made has expired and none has been submitted, the Council will then decide about which enforcement action which would be appropriate.
- 2.21 The Council will continue to monitor the site during this time. It may be that, if work continues to be undertaken, the appropriate course of action may change from seeking regularisation to taking no further action if the development is acceptable when considered against planning policies, to taking formal enforcement action if the development appears to be harmful.

- 2.22 Undertake formal action. Where it appears to the Council that the impact of unauthorised works and/or use of a site is unacceptably harmful and it is not appropriate to seek a planning application, formal action will be taken if the matter cannot be resolved through negotiation. Formal enforcement action will also be considered following the refusal of any retrospective planning application or appeal which is dismissed for any such planning refusal. The range of formal steps available to the Council, the processes relevant to each, outcomes and timescales are set out in the Appendix A to this document.
- 2.23 Outcomes you can expect if you are the owner of a site under investigation. The Council will seek to ensure that all matters in relation to the enquiry are dealt with professionally, politely, and efficiently. It will be necessary for Council Officers to attend the site. At all times the Officer approach should be polite and respectful. It is often the case that Council Officers will visit without a pre-arrangement however, they will make themselves known on arrival at a site if it possible to do so. If the time of the visit is not convenient to you, they will seek to arrange a mutually acceptable time to visit.
- 2.24 Officers will be able to advise on the purpose of the visit and what action the Council can take and what options are available to you as Owner. They can provide advice about the planning and enforcement process, but if you require specific planning advice, this should be sought independently.
- 2.26 The Council will endeavour to deal with your case quickly, ensuring that uncertainty is removed. However, we will need your co-operation and ask that, in all circumstances, you provide any information Officers request and answer any questions they put to you.
- 3.0 Priorities and timescales**
- 3.1 The Council adopts a prioritised approach to the consideration of potential enforcement matters. The identified priorities are:
- Urgent Cases (Priority A)**
- Unauthorised alterations to listed buildings.
 - Unauthorised alteration to or demolition of buildings in Conservation Areas.
 - Unauthorised developments having a severe and possibly irreversible impact on surroundings e.g., the felling of protected trees.
 - Development causing danger to highway users.
- All Other Cases (Priority B)**
- 3.2 All other unauthorised developments or changes in use of land and buildings.
- Timescales**
- 3.3 The following table sets out the timescale within which the Council endeavours to undertake the actions set out in this Plan. These are related to the date that the Council has received a request to investigate. This date is identified as the 'start date' and is the first working day on which a request is received. In relation to the start date the timescales (all of which refer to working days) are set out as follows subject to resources being available:
- 3.4 Urgent Cases**
- Within 5 working days:**
Undertake site visit. Acknowledge receipt of request to investigate.
- Within 20 working days of start date:**
Reach a decision in relation to whether it is expedient to take action where it is practicable to do so.
- 3.5 All Other Cases**
- Within 10 working days of start date:**
Acknowledge receipt of the request to investigate.
- Within 20 working days of start date:**
Undertake site visit where it is practicable to do so.
- Within 20 further working days:**
Reach a decision on the next steps and where required reach a decision on the expediency of taking further action where it is practicable to do so

Then, if an application is to be invited:

Request that the Owner submit such an application setting out the timescale within which it should be received and accepted by the Council

Or, if the impact is harmful:

If it is expedient, serve an Enforcement (or other relevant) Notice.

4.0 Maintaining contact with the Council

- 4.1 The Council seeks to advise those who have requested an investigation at each stage in the timescales above where key decisions are to be made. The Council's preference is to be able to contact parties by email.
- 4.2 The Council will not provide ongoing updates on enforcement cases as to do so may prejudice legal action the Council seeks to take later. The content of all open and live enforcement files is confidential and not released under FOI/EIR requests until such time as the matter is resolved and the file is closed. If no breach has been established the case will be closed and all evidence deleted.
- 4.3 If complainants or Members of the Council and Parish Councils contact the enforcement service seeking updates on particular cases and there is no new matter or decision to report they will be informed that the matter remains under investigation. There are no timescale within which action can be taken or decisions made as each case will have its own process of investigation and resolution and/or action.

5.0 Section 106 and Condition Monitoring

- 5.1 The Council recognises the importance of condition monitoring for its planning approvals, however due to the staff resources that are available for this work to be undertaken, the Council, has to prioritise what developments are monitored on a regular basis to ensure development is undertaken in accordance with the approved plans and associated conditions.
- 5.2 The Council will proactively monitor strategic and other major development sites once planning permission has been granted and work has commenced, this is to ensure that the development is being undertaken in accordance with planning approvals and conditions that have been imposed on them.
- 5.3 The Council will also monitor other developments at its own discretion where it is considered necessary in the public interest, this is to ensure such developments are undertaken in accordance with planning approvals and conditions that have been imposed on them.
- 5.4 Requests that development sites are regularly monitored will be considered by the Council; however, the Council will only act on these requests if it is considered that such a monitoring activity is in the wider public interest.
- 5.5 The Council is responsible for the administration of Section 106 agreements that form part of planning permissions. These Section 106 agreements are legal agreements (planning obligations) between the Council and Developers and are a mechanism which make a development proposal acceptable in planning terms, that would not otherwise be acceptable.
- 5.6 The common uses of planning obligations such as Section 106 agreements are to secure affordable housing, to specify the type and timing of this housing, to secure financial contributions to provide local infrastructure on or off site, or other affordable housing elsewhere.
- 5.7 The Council will monitor all its Section 106 agreements to ensure that the terms of those agreements are met, and that any breaches of these agreements are identified and subsequently enforced.

6.0 Listed Buildings

- 6.1 The Council attaches particular importance to ensuring that any alterations to listed buildings are properly authorised. The statutory provisions for the preservation of buildings of special architectural or historic interest are contained in the Listed Buildings and Conservation Areas legislation. It is an outright offence under the legislation to carry out unauthorised works to a listed building which could affect its character. The owner of a listed building or those who have an interest in the property or who have carried out the

works may be prosecuted by the Council irrespective of whether consent is later obtained retrospectively, or the unauthorised works later made satisfactory. A person found guilty of an offence may be liable to a substantial fine, and/or a term of imprisonment. There is no time limit upon the Council to pursue Listed Building Enforcement Action.

- 6.2 A Listed Building Enforcement Notice may also be served requiring remedial works to the building within a certain time scale. There is a right of appeal to The Planning Inspectorate but failure to comply with the Notice is an offence, which is liable to a substantial fine on summary conviction.

7.0 Complaints

- 7.1 If any party is dissatisfied with the service that has been received there is an expectation that they will contact the Council and discuss it with officers first to attempt a resolution to the matter. The contact details are set out below. In that way we can seek to resolve the matter of concern.

- 7.2 If the concern cannot be resolved in this informal way and dissatisfaction remains, or if the party wishes not to discuss the matter informally the Council has a formal complaints procedure. The details of this are set out on the Council's website:

www.north-herts.gov.uk/home/customer-services/complaints

Contact Details

If you want to inform us about a potential breach of planning control that you want us to investigate, please contact us by:

Via the reporting page on our website:

<https://www.north-herts.gov.uk/home/planning/planning-enforcement>

e-mail: planning.enforcement@north-herts.gov.uk

Phone: 01462 474000 (ask for the duty planning officer)

Post: Planning Enforcement, North Hertfordshire District Council, Council Offices, Gernon Road Letchworth SG6 3JF.

Appendix A

This appendix sets out further background to the planning enforcement service, the actions that can be undertaken and the procedures that the Council will follow, where appropriate.

Legal Framework

Paragraph 58 of the National Planning Policy Framework states that:

"Effective enforcement is important to maintain public confidence in the planning system. Enforcement action is discretionary, and local planning authorities should act proportionately in responding to suspected breaches of planning control. They should consider publishing a local enforcement plan to manage enforcement proactively, in a way that is appropriate to their area. This should set out how they will monitor the implementation of planning permissions, investigate alleged cases of unauthorised development and take action where appropriate."

The ability of the Council to undertake planning enforcement action is set out in primary legislation. The government has also produced a wide range of secondary legislation, policy, guidance, and good practice notes that support that primary legislation, and the Council are also guided by case law. In considering planning enforcement action the Council will take into account all primary and secondary legislation as well as national planning policy and guidance including: -

Town and Country Planning Act 1990 (as amended); Planning (Listed Buildings & Conservation Areas) Act 1991; Planning & Compensation Act 1991;

Planning & Compulsory Purchase Act 2004.

Police and Criminal Evidence Act 1984 ('P.A.C.E.');

Criminal Procedure and Investigations Act 1996 ('C.P.I.A.');

Protection of Freedoms Act 2012

Human Rights Act 1998; Localism Act 2011.

Caravan Sites and Control of Development Act, 1960.

Town and Country Planning (General Permitted Development) Orders; Town and Country Planning (Control of Advertisements) Regulations; The Town and Country Planning (Use Classes) Orders.

The National Planning Policy Framework.

Department of the Environment, Transport and the Regions Circular 10/97 (Enforcing Planning Control).

Department of the Environment, Transport, and the Regions Enforcement Good Practice Guide.

Enforcement Tools Available

In relation to planning, the Council has a number of planning enforcement "tools" available; examples include:

- notices to require the provision of information.
- planning enforcement notices.
- listed building notices.
- repairs notices.
- urgent works notices.
- stop and temporary stop notices.
- discontinuance notices.
- S106 planning obligations.
- injunctions.
- prosecution.
- direct action.
- planning enforcement orders.

RIPA/PACE

All work of the Council including investigations will be subject to prioritisation. Once started, investigations will be conducted in a timely manner, in accordance with the requirements of relevant legislation, including the Police and Criminal Evidence Act 1984 (PACE), Regulation of Investigatory Powers Act 2000 (RIPA), Criminal Procedure and Investigation Act 1996, Human Rights Act 1998 and Protection of Freedoms Act 2012. Regard will also be had to the requirements of associated Codes of Practice and Guidance. Investigations will be brought to a timely conclusion where possible.

It may be necessary to undertake surveillance to assist with an investigation. Any surveillance covered by the definitions contained in RIPA will be conducted in accordance with that Act as amended by the Protection of Freedoms Act 2012, appropriate guidance, corporate policy, and Codes of Practice. Covert Surveillance will only be undertaken:

- if it is in the interests of preventing crime
- if the use of covert surveillance is necessary and proportionate to the potential offence being investigated
- if it has been authorised by a Council authorising officer and the authorisation has been brought into effect by a magistrate.

It is sometimes necessary to conduct an interview with a person (or duly authorised representative of a corporate body) suspected of committing an offence. These interviews will be conducted in accordance with the PACE Codes of Practice. Wherever possible, recorded interviews with persons will generally take place at the Council Offices.

Officer Identification

All officers always wear a picture identification card. Upon request, or where statute demands, officers will produce appropriate and necessary identification.

Photography

As part of any investigation, it may be necessary to take digital photographs to assist with the case, procedures are in place to ensure the evidential continuity of any images made.

Immunity

Breaches of planning control become immune from enforcement action, and lawful, if they have been in existence for a given length of time. The relevant time limits are:

- 4 years for operational development (physical development of the land such as buildings, extensions and fences);
- 4 years for changes of use of an existing building to a single dwelling house;
- 10 years for any other breaches of planning control.

These are mainly material changes of use of land and breaches of planning conditions.

However, Section 124 of the Localism Act 2011 has introduced a new power for local planning authorities which override the above time limits in certain circumstances. If the apparent breach of planning control, has (to any extent) been deliberately concealed by any person or persons the Council may apply to the local Magistrates for a planning enforcement order. Such an order gives the Council a further year (known as a 'the enforcement year') to issue and serve a planning enforcement notice irrespective of the time limits referred to above.

Freedom of Information

The personal details of any party who has requested an investigation and the files relating to each case are confidential. This situation has not been altered by publication of the Freedom of Information Act 2000 or the Environmental Information Regulations 2004. However, depending upon individual circumstances, the Council or the Information Commissioner may decide access to a file is appropriate. Does this need changing following Brexit?

Retrospective Applications

When it is considered that a breach of planning control may be acceptable or lawful, a planning application or an application for a certificate of lawful use or development may be invited to allow the local planning authority to fully consider the full detail of the case leading to a formal decision. However, this does not imply that planning permission will be granted as with any other application.

Permitted Development

The government has granted 'deemed' planning permission for many developments, generally referred to as 'permitted development rights'. These range from building a small scale shed to the rear of the property to extending the main house.

Advice on what may be permitted development is available on the government planning portal website located at <http://www.planningportal.gov.uk/permission/> The council will not be able to take any action against such authorised developments.

Prosecution/Direct Action

Following the service of certain types of formal notices requiring work to be carried out to cease or remedy a breach of planning control and those works/actions have not been undertaken within the timeframe given via the notice, it is open to the authority to pursue a prosecution in the courts for the non-compliance of the notice. If it is considered that prosecution would not satisfactorily resolve the breach of planning control, it is open to the authority to take direct action by way of employing contractors to carry out the works required by the notice and seek payment for those works from the owner of the land/property or by placing a legal charge on the land/property.

Level of Delegation

All decisions relating to enforcement matters are delegated by the Council to the Director of Regulatory Services, who sub-delegates as appropriate:

Decisions to close enforcement cases

(i.e., take no action as there is no breach, a breach has been resolved or it in the opinion of the Council, not expedient to take formal enforcement action based on assessment of the development under the development plan and other material considerations) are delegated to the Senior Compliance Officer, Area Planning Officer and the Development and Conservation Manager.

A review of decisions to close files can be undertaken by the Development and Conservation Manager following any complaint regarding a decision to close a case.

Any decision to take formal enforcement action is taken by the following officers:

- **Planning Contravention Notices**, a legal requirement to provide information to the Council - Senior Planning Compliance Officer in consultation with the Development and Conservation Manager.
- **Breach of Condition Notices**, a notice requiring the recipient to carry out the requirements of a condition on a planning permission or listed building consent to the satisfaction of the Council - Senior Planning Compliance Officer in consultation with the Development and Conservation Manager.
- **Enforcement notices**, notices relating the enforcement of all legislation within direct control or remit of the Development and Conservation service - Development and Conservation Manager.
- **Criminal Prosecution and Direct Action** - Director of Regulatory Services and Director of Legal and Community Services

-

APPENDIX F: PARKING ENFORCEMENT

1 Background

North Hertfordshire District Council adopted Decriminalised Parking Enforcement (DPE) powers in January 2005. This followed an application submitted by Hertfordshire County Council in September 2004 for the designation of the District Council of North Hertfordshire as a Special Parking Area (SPA) and a Permitted Parking Area (PPA) under Section 43 of the Road Traffic Act (RTA) 1991. The SPA and the PPA share the same boundary and covers the whole of District Council area, including the off street car parks where Parking Places Orders apply. This excludes enforcement on the A1(M) and its on and off slip roads for its entire length within the District.

In respect of on-street parking (public roads and streets) enforcement, the Council acts on behalf of Hertfordshire County Council (the highway authority) under the terms of an agency agreement between the two authorities⁷. As the parking authority North Herts Council is responsible for the management and enforcement of its own off-street car parks.

Local authorities have had powers to manage and enforce their own off-street car parks for many years; however until recently most on-street parking enforcement was undertaken by police officers or police-employed traffic wardens.

In the mid-1990s central government gave local authorities the right to apply for powers to enforce on-street parking restrictions. The adoption of what was then called Decriminalised Parking Enforcement (DPE) but is now termed Civil Parking Enforcement, or CPE under the Traffic Management Act 2004.

2. Parking Legislation

NHDC parking enforcement operates under The Traffic Management Act 2004 (TMA 2004). This act supersedes the RTA 1991 and allows Civil Parking Enforcement to be carried out by local authorities who have permission from the Secretary of State for Transport to introduce a Civil Enforcement Area (CEA), (previously referred to as an SPA). This is a geographical area in which NHDC may carry out Civil Parking Enforcement.

North Hertfordshire is also a SEA (Special Enforcement Area) that allows for the enforcement of Double Parking, Dropped Footways and Raised Footways.

3. The Purpose of Civil Parking Enforcement (CPE)

The primary purpose of CPE, as identified in statutory guidance, is to support local authorities in their delivery of their overall transport objectives in areas such as those detailed below:

- Managing the traffic network to ensure expeditious movement of traffic, (including pedestrians and cyclists), as required under the TMA Network Management Duty;
- Improving road safety;
- Improving the local environment;

⁷ Highway Agency Agreement dated 24 January 2002 and Parking and Traffic Order Agency Agreement dated 17 January 2005.

- Improving the accessibility of public transport;
- Meeting the needs of people with disabilities, some of whom will be unable to use public transport and depend entirely on the use of a car;
- Managing and reconciling the competing demands for kerb space.

To achieve these aims we enforce:

On-street

- Permitted parking places on-street where waiting restrictions apply;
- Restricted parking where parking is allowed at particular times (single Yellow Lines);
- Restricted parking where parking is not allowed at any time (double yellow lines);
- Controlled Parking Zones (CPZ);
- Restricted Parking Zones (RPZ);
- Dropped Kerb parking.

Off-street

- Parking without payment or valid permit;
- Parking for longer than permitted or after expiry of paid for time;
- Parked in a restricted area;
- Not parking correctly within the marking of a bay.

Central government is also clear in explaining what CPE is not about. In particular, government emphasises that CPE is not to be regarded as a revenue raising exercise. Whilst Government accepts that local authorities will seek to make their CPE operations as close as possible to self-financing as soon as possible, it advises that any shortfall must be met from within existing budgets rather than falling on the local or national taxpayer.

The traffic management objectives of CPE are achieved primarily through encouraging compliance with parking restrictions – and it is with this objective in mind that the Council enforces parking both on and off-street throughout the District.

4. Enforcement

Civil Parking Enforcement in North Hertfordshire is undertaken by a team of Civil Enforcement Officers (CEOs) and a Parking Team Leader. The team is managed by a Parking Enforcement Manager, whose duties are carried out in accordance with North Hertfordshire District Council's Parking Strategy⁸.

NHDC does not clamp or remove vehicles. Clamping is no longer favoured as an enforcement tool, as it often results in a "problem" vehicle being made to remain at an inappropriate location for longer than is necessary. The cost of setting up and running a removal operation, including a vehicle pound for the purpose of storing vehicles would be disproportionate to the benefit it might create for a smaller, rural district council such as North Herts.

When exercising prescribed functions a CEO must wear a uniform that is readily distinguishable from the Police and clearly show:

⁸ The current Parking Strategy is the NHDC Parking Strategy 2009-2019 (revised Aug 2012) available on the Council's website <https://www.north-herts.gov.uk/home/parking/parking-strategy>

- That the wearer is engaged in Parking Enforcement
- The name of the local authority on whose behalf her or she is acting
- A personal identity number

5. Penalty Charge Notices (PCN) and Legal Requirements

A regulation 9 PCN - is the name given to a PCN that is issued by a CEO either on-street or off-street, under the TMA 2004. The way in which a Regulation 9 PCN can be served is by two methods:

- Affixed to vehicle in a special envelope; or
- Handed to the person appearing to be in charge of the vehicle.

In terms of legal requirements, under the TMA 2004, a Regulation 9 PCN must contain the following:

- Date of service;
- Issuing Authority;
- Vehicle Registration Mark;
- Date and time of alleged contravention;
- Location of contravention;
- Grounds of issue (Legislation);
- PCN amount and payable period;
- Discount amount and discount period;
- How and where to pay;
- What will happen if payment not made;
- How to make representations.

Under section 80 of the TMA 2004, a person may who is liable to pay a penalty charge may make representations to the enforcement authority to challenge the charge (i.e. NHDC) and then appeal to an adjudicator if their representations are not accepted.

The processing of PCNs and consideration of representations made are carried out by a separate team within the Council under the Management Support Unit. A Flowchart outlining the Regulation 9 PCN Process is attached at [Appendix 1](#).

Regulation 10 PCNs are not used by NHDC as they are served on the owner of the vehicle by first class post.

6. Contravention Codes

Below is a list of the most common contravention codes used to issue PCNs

Code	DESCRIPTION ON-STREET	Differential Charging level	Observation Period
01	Parked in a restricted street during prescribed hours	HIGHER	5 MINUTES
02	Parked or loading/unloading in a restricted street where waiting and loading/unloading restrictions are in force	HIGHER	INSTANT
12	Parked in a residents' or shared use parking place/zone without clearly displaying either a permit or voucher or pay and display ticket issued for that place	HIGHER	5 MINUTES

19	Parked in a residents' or shared use parking place/zone displaying an invalid permit or voucher or pay and display ticket	LOWER	5 MINUTES
21	Parked in a suspended bay or space or part of bay or space	HIGHER	INSTANT
22	Re-parked in the same parking place or zone within one hour* of leaving	LOWER	INSTANT
23	Parked in a parking place or area not designated for that class of vehicle	HIGHER	5 MINUTES
24	Not parked correctly within the markings of the bay or space	LOWER	INSTANT
25	Parked in a loading place during restricted hours without loading	HIGHER	5 MINUTES
26	Parked in a special enforcement area more than 50 cm from the edge of the carriageway and not within a designated parking place	HIGHER	5 MINUTES
27	Parked in a special enforcement area adjacent to a dropped footway	HIGHER	5 MINUTES
30	Parked for longer than permitted	LOWER	10 MINUTES
40	Parked in a designated disabled person's parking place without displaying a valid disabled person's badge in the prescribed manner	HIGHER	INSTANT
45	Parked on a taxi rank	HIGHER	INSTANT
47	Stopped on a restricted bus stop or stand	HIGHER	INSTANT
48	Stopped in a restricted area outside a school when prohibited	HIGHER	INSTANT
49	Parked wholly or partly on a cycle track or lane	HIGHER	5 MINUTES
55	A commercial vehicle parked in a restricted street in contravention of the Overnight Waiting Ban	HIGHER	5 MINUTES
61	A heavy commercial vehicle wholly or partly parked on a footway, verge or land between two carriageways	HIGHER	5 MINUTES
62	Parked with one or more wheels on or over a footpath or any part of a road other than a carriageway	HIGHER	INSTANT
99	Stopped on a pedestrian crossing and/or crossing area marked by zig-zags	HIGHER	INSTANT

Code	DESCRIPTION OFF-STREET	Differential Charging level	Observation Period
74	Using a vehicle in a parking place in connection with the sale or offering or exposing for sale of goods when prohibited	HIGHER	5 MINUTES
80	Parked for longer than the maximum period permitted	LOWER	10 MINUTES
81	Parked in a restricted area in a car park	HIGHER	INSTANT
82	Parked after the expiry of paid for time	LOWER	10 MINUTES
83	Parked in a car park without clearly displaying a valid pay & display ticket or voucher or parking clock	LOWER	5 MINUTES

84	Parked with additional payment made to extend the stay beyond time first purchased	LOWER	INSTANT
86	Parked beyond the bay markings	LOWER	INSTANT
87	Parked in a designated disabled person's parking place without displaying a valid disabled person's badge in the prescribed manner	HIGHER	INSTANT
91	Parked in a car park or area not designated for that class of vehicle	HIGHER	INSTANT
92	Parked causing an obstruction	HIGHER	INSTANT
93	Parked in car park when closed	LOWER	INSTANT

Differential Charging Level

Differential parking charging was introduced in 2008 under the TMA 2004 to address the perception of fairness to the motorist.

There is now a two-tier approach to the cost of a PCN to recognise that there are contraventions which are more serious and should receive a higher charge, and that there are less serious contraventions which should receive a lower charge.

Differential parking charging is prescribed by the type of contravention and not at the discretion of the CEO. The type of contravention is set nationally and not locally.

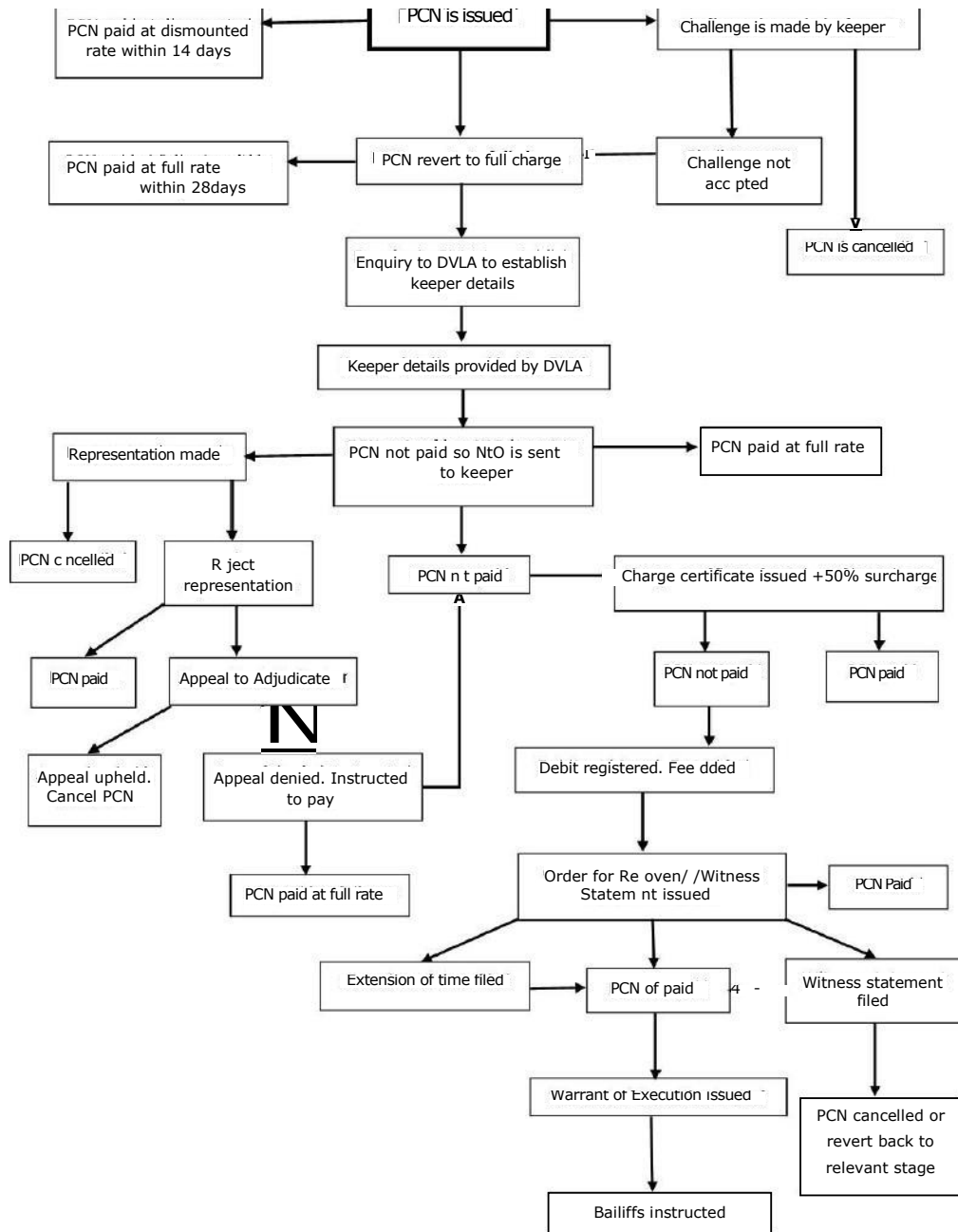
Observation Period

The observation times listed are those most commonly used for Parking Enforcement.

The CEOs will under normal circumstances seek to give a 10 minute grace period to vehicles parked in designated parking places, when the period of permitted parking ends. If a vehicle is parked legally in a designated parking place when it is initially parked and stays beyond the permitted parking period, then the 10 minute grace period will in normal circumstances be given before a Penalty Charge Notice is issued.

Appendix 1

Regulation 9 PCN process flowchart



APPENDIX G: ACCESS TO HOUSING

1. SCOPE

The Council undertakes a range of duties in connection with helping the public to access housing.

The Council is an enforcing authority for the Protection from Eviction Act 1977 and will exercise the discretion under this legislation to protect residential tenants from illegal eviction or harassment.

It is an offence under Sections 171 and 214 of the Housing Act 1996 for a person to make a statement which is false, or to knowingly withhold information from the Council which would be relevant to their application for housing assistance. Where fraud or deception is suspected, the Council will consider all enforcement options, including prosecution.

The Council's Housing Team is responsible for the operational management of these functions (for illegal eviction/harassment cases, any action would be carried out in conjunction with the Environmental Health team).

2. THE USE OF ENFORCEMENT TOOLS

The general principles relating to enforcement decision making are explained within the main body of this Policy.

Fraud Prevention Policy (including fraud, corruption, money-laundering, bribery and tax evasion)

This policy applies to:	
Members	Yes
Officers	Yes
Managers	Yes, including some specific additional requirements
Others	Agency staff, temporary staff, volunteers, consultants, contractors and partners

You must:

- Be aware of the definitions in relation to fraudulent and related activity, including the various criminal offences they include
- Not commit any of the offences detailed
- Report any suspicions of these offences being committed
- Develop (where applicable to role) and fully comply with policies and processes to reduce the risk of these offences being committed
- Disclose any gifts and hospitality that you receive, in line with other policies

Policy author and further advice from: Ian Couper, Service Director- Resources

Contents:

1. Definitions
2. Reporting
3. Practical Considerations
4. Implications of non-compliance
5. Toolkit A- Potential signs of control weaknesses
6. Toolkit B- Specific requirements in relation to Money Laundering risks
7. Appendix A- Disclosure Report to the Money Laundering Reporting Officer
8. Appendix B- Role of the Money Laundering Reporting Officer (MLRO)

1. Definitions

Fraud encompasses an array of irregularities and illegal acts characterised by intentional deception with intent to make a gain or to cause a loss, or to expose another to a risk of loss. It can be perpetrated for the benefit of or to the detriment of North Hertfordshire District Council and by persons outside as well as inside the Council.

Corruption is the offering, giving, soliciting or acceptance of an inducement or reward that may influence the action of a Member or officer of the Council.

Money laundering is the term used to describe a number of offences involving the proceeds of crime or terrorist funds. It is a criminal offence to:

- Conceal, disguise, convert, transfer or remove criminal property from the United Kingdom
- Enter into or become concerned in an arrangement which an individual knows or suspects facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person
- Acquire, use or possess criminal property
- Fail to disclose one of the principal offences listed above, where there are reasonable grounds for knowing or suspecting the money was a proceed of crime
- Tell someone that you are going to make a report or tell someone that they are being investigated (tipping-off)
- Falsify, destroy, dispose of, conceal any document which is relevant to an investigation, or allow this to happen

Bribery is an inducement or reward offered, promised, received or provided to gain personal, commercial, regulatory or contractual advantage and such advantage leads to the improper performance of a relevant function or activity. It is a criminal offence to:

- Give, promise to give, or offer payment, gifts or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given
- Give, promise to give, or offer payment, gifts or hospitality to a government official, agent or representative to “facilitate” or expedite a routine procedure
- Accept payment from a third party that is offered with the expectation that it will obtain business advantage for them, whether known or suspected
- Accept a gift or hospitality from a third party if it is offered or provided with an expectation that a business advantage will be provided by the Council in return, whether known or suspected
- Retaliate against or threaten a person who has refused to commit a bribery offence

or who has raised concerns under this policy.

It is also an offence for the Council to fail to prevent bribery, or to fail to put in place adequate measures to prevent bribery.

Tax evasion is criminal conduct which involves individuals or businesses paying too little tax or wrongly claiming tax repayments by acting dishonestly. It is an offence to dishonestly “take steps with a view to” or “be knowingly concerned in” the evasion of the tax. For these offences to be committed it is not necessary that any tax actually be successfully evaded. It is now also an offence for the Council to fail to take appropriate steps to prevent an associated person (e.g. employees and contractors) criminally facilitating the evasion of a tax, and this will be the case whether the tax evaded is owed in the UK or in a foreign country. Examples include:

- Knowingly entering false or misleading information in relation to the employment of an individual to facilitate the underpayment of income tax
- Knowingly processing invoice payments or raise debt to facilitate the underpayment of tax
- Knowingly processing documents for services supplied to the Council as being outside the scope of VAT, when they should be in scope
- Knowingly helping an overseas contractor to avoid overseas tax on payments they make to the Council
- Knowingly processing a payment to an employee / contractor as an expense rather than another type of payment which would be subject to tax.

2. Reporting

The Council will promote an environment where everyone feels able to report any concerns that they have, including anything related to this policy.

With the exception of Money Laundering (see below), any suspicions that you have can be reported to:

- Your immediate Manager or Supervisor
- Your Service Director
- The Monitoring Officer (see the Whistleblowing policy)

Suspicious of fraud against the Council can also be reported to the Shared Anti-Fraud Service (<https://www.hertfordshire.gov.uk/services/Business/Consumer-advice/safs.aspx>).

Suspicious of benefit fraud (including housing benefit fraud) should be reported to the Department for Work and Pensions (online at <https://www.gov.uk/report-benefit-fraud>, by phone 0800 854 440 or text phone 0800 328 0512).

Suspicious of Money Laundering must be reported directly to the Money Laundering Reporting Officer (MLRO) (Head of Shared Anti-Fraud Service) or the Deputy MLRO (Asst Manager- Shared Anti-Fraud Service) using the form at Appendix A. The form guides you through the information that you need to provide, and you should provide as much information as possible, including any supporting information. You should avoid talking to anyone else about any suspicions, due to the criminal offence of tipping-off.

The referral should take place before any payment is taken (where applicable) and must not then be taken until clearance is received from the MLRO. The MLRO will consider all reports in a timely manner and follow the process described in Appendix B.

The Council will investigate all suspicions, and where deemed appropriate the matter raised may be:

- Referred to the Shared Internal Audit Service (SIAS)
- Referred to the Shared Anti-Fraud Service (SAFS)
- Referred to the Police
- Subject to an HR investigation undertaken by management
- Referred to the Council's External Auditor
- Subject to an Independent Inquiry
- Reported to National Crime Agency (Money Laundering only)

Individuals may be worried about repercussions from failing to engage in what they believe is a criminal activity or reporting that activity. The Council encourages openness and will support anyone who raises genuine concerns under this Policy and/ or our Whistleblowing Policy, even if they turn out to be mistaken. This is because reporting such concerns has been identified as one of the most effective tools to counter fraud and related offences.

The Council is committed to ensuring no one suffers any detrimental treatment as a result of acting in good faith. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the Monitoring Officer immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Complaints Resolution Policy.

You should also note that failing to report suspicions of money laundering is, in itself, a criminal offence.

3. Practical considerations

The Council, through the Senior Management Team, is committed to developing a policy that is proportionate to the risks it faces. This section highlights some of the more detailed requirements.

The role of the Finance, Audit and Risk Committee includes reviewing and developing antifraud and anti-corruption strategies, as well as reviewing the effectiveness of SAFS.

Risk Assessment and Proportionate Action

Management are responsible for putting in place processes and controls that help to prevent fraud, corruption and bribery. For higher risk areas (e.g. payments and income) this should limit the responsibility that is placed on one person, involve effective separation of duties and be fully compliant with the Financial Regulations and Contract and Procurement Rules. This should include that full records are maintained. These controls should be kept under review to ensure they are operating effectively and that staff have received appropriate training. SIAS can support in this through operational audits.

If a SIAS audit or a fraud incident highlights an opportunity for controls to be improved, then the Council is committed to taking proportionate action to address this. The responsible manager is expected to determine and implement any improvements.

The Council has an overarching "Fraud, Corruption and Bribery" risk on its risk register. This incorporates a number of sub-risks that are kept under regular review. This includes the risks

from both within the Council, and from outside. It also covers financial and other (e.g. reputational) risks.

In relation to Money Laundering, the Council has determined those activities that are most susceptible to money laundering. From this it has developed some specific requirements that are detailed in Toolkit B. If you are involved in financial transactions, treasury management, Council Tax, NNDR or sale of land and property then you must be fully aware of the requirements in this toolkit.

Linked Policies and Procedures

Everyone is required to adhere to all Council policies, procedures and processes. There are a number of policies/ Codes that specifically relate to this area, i.e.:

- Employee Code of Conduct (Officers)
- Councillor's' Code of Conduct (Members)
- Employee Handbook (Officers)
- Financial Regulations (Officers and Members)
- Contract and Procurement Rules (Officers and Members)
- Conflicts of Interest Policy (Officers) Management of Organisational Conflicts in Council roles and duties Guidance (Officers and Members)
- Whistleblowing Policy (Officers and Members)
- Employee Gifts and Hospitality Policy (Officers)
- Members Protocol for Gifts and Hospitality (Members)
- Protocol for Member/ Officer Working Arrangements
- Information Security Policy (Officers and Members)

General management controls

Effective management also helps to ensure that controls are operating effectively. Toolkit A at the end of this policy provides some areas to look out for.

Managers are required to comply with HR checks during the recruitment process. This requires that written references are obtained for all employees (including temporary and agency staff). Also, where appointment is dependent on the holding of specific qualifications, HR manages the process for ensuring that stated qualifications are verified and copies of certificates retained on the individual's personal file. This helps to ensure the integrity of all staff working for the Council.

The Council's Scheme of Delegation, Financial Regulations and Contract Procurement Rules contain checks and balances on decision-making and ensure that decisions are taken at the right level with appropriate transparency.

Working with third parties and contractual terms

It is appreciated that the Council has less control when it contracts with others to undertake services or works on its behalf. However it takes a risk based approach, based on the need to acquire specialist skills, seek economies of scale or obtain additional capacity. There are additional requirements when working with contactors and third parties.

The terms of the Council's contracts require that contractors take all reasonable steps, in accordance with good industry practice, to prevent any bribery and fraudulent activity by the Staff, the Contractor (including its shareholders, members, directors) and/or any of the Contractor's suppliers, in connection with the receipt of monies from the Council. The Contractor must notify the Council immediately if it has reason to suspect that any fraud has occurred, is occurring or is likely to occur. In response to this information, the Council will decide how to respond.

The Council's zero tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and partners at the outset of our business relationship with them and as appropriate thereafter.

The contact manager, or partnership lead, will be responsible for communicating and ensuring adherence to these requirements. Where a Selection Questionnaire is used, the standard version ensures understanding and acceptance of these requirements at an early stage, and therefore this must be used as a template.

A company is automatically and perpetually barred from competing for public contracts where it is convicted of a corruption offence. Although this can be lifted where the company has demonstrated that they have taken sufficient action to change their behaviour (known as self-cleaning). Organisations that are convicted of failing to prevent bribery are not automatically barred. The Council has the discretion to exclude organisations convicted of this offence, and (unless exceptional circumstances apply) will exercise this discretion. The Council will also reserve the right to continue to exclude organisations where it is felt that evidence of 'self-cleaning' is insufficient.

Toolkit A at the end of this policy provides some further areas to look out for.

Communication and Training

The Council is committed to making training available to everyone. This will range from general training (e.g. e-learning) through to specific training for certain roles. Some of this training will be deemed to be mandatory. Managers should identify and arrange any training that their staff require. All officers should also request training on any areas that they are uncertain about.

4. Implications of non-compliance

In all cases the Council will seek to make use of the strongest available sanctions for engagement in these illegal activities and/ or non-compliance with this policy. Whilst this is primarily focused on behaviour against the Council or where purporting to be acting on behalf of the Council, it is likely that it will also be applied to more general engagement in these activities. As a deterrent and to make public its position with regard to these acts, the Council seeks to publicise its successful sanctions in the local press

For Members, this will include prosecution and civil proceedings. The Council will also utilise its own Standards Committee to the fullest extent to promote high standards and regulate the conduct of Members.

For employees (including agency and temporary staff), this will include disciplinary action, prosecution and civil proceedings. Employees found to have committed guilty of gross misconduct for offences of fraud, theft, serious financial malpractice, using their position for

personal gain or for the gain of others, will be subject to immediate dismissal. As with all disciplinary matters, the level of proof required is that of the balance of probability. Disciplinary cases involving allegations of fraud, corruption and financial malpractice will be handled on this basis. The decision to refer the matter on for further action, such as Police prosecution, will be taken by the Service Director- Resources and the investigating officer, in conjunction with the Council's Monitoring Officer.

It should also be noted that failure to undertake any mandatory training will also result in disciplinary action being taken against employees and Members.

Where others commit, or attempt to commit, fraud (or related acts) against the Council, then the Council will seek to apply sanctions whenever possible. This will range from official warnings to criminal prosecution. In all cases, the Council will seek to recover any fraudulently obtained amounts, and where necessary and appropriate its costs incurred in doing so, and will utilise all means available to recover these amounts. This will include freezing assets, confiscation orders, civil litigation and general debt recovery.

5. TOOLKIT A- Potential signs of control weaknesses

The following are potential signs of concern in relation to staff and processes.

- Staff not taking annual leave
- Staff only ever taking very short periods of leave
- Due to sickness or vacancies, processes are not being followed in full (e.g. where checks are required, they are not taking place)
- Complaints (or an increase in complaints) from customers or other stakeholders
- Decision making records are missing, or rationale is missing or not sufficiently justified
- Authorisation processes are not followed correctly, and those responsible for monitoring those processes are hindered from doing so
- Staff are secretive about certain matters or relationships
- Staff make trips out at short notice without explanation
- Staff have a more lavish lifestyle than you would expect
- Staff or a contractor/ consultant is accused of engaging in improper business practices

The following are risk factors in relation to suppliers.

- Requests for stage payments that are not in accordance with the contract or seem unusual
- Requests for payment in a different way to usual (e.g. a new bank account)
- Requests for payment in a different currency or via a different country, especially where there is no known connection to the business
- A supplier or potential supplier has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials
- A potential supplier/ supplier requests payment in cash and/or refuses to sign a formal agreement, or to provide an invoice or receipt for a payment made

- A supplier or potential supplier requests an unexpected additional fee or commission to "facilitate" a service
- A supplier or potential supplier demands entertainment or gifts before commencing or continuing contractual negotiations or provision of services
- A supplier or potential supplier requests that you provide employment or some other advantage to a friend or relative
- The Council receives an invoice from a supplier or potential supplier that appears to be non-standard or customised
- A supplier or potential supplier insists on the use of side letters or refuses to put terms agreed in writing
- A supplier or potential supplier requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to the Council
- Those who work for the Council or on its behalf are offered an unusually generous gift or lavish hospitality by a supplier or potential supplier
- Requests for charitable support or donations in lieu of, or in addition to, contractual payments

6. TOOLKIT B- Specific requirements in relation to Money Laundering risks

General

The Council will not accept cash payments that are greater than £3,000. Anyone who wishes to make a cash payment in excess of this limit will need to make advance arrangements for acceptance with the Service Director- Resources.

The Council will also not accept £50 notes due to the increased risk of fraudulent notes.

For all transactions it is important to think about if anything feels wrong, e.g.:

- Is it plausible that the person can pay the amount they are paying by the means that they are paying it?
- Does the name of the person involved match the source of the funds (e.g. name on cheque book, credit card)?
- Is the payment being broken down in to a number of small transactions?
- Refunds where the money is going to a different place than the original source
- Does the transaction make sense?

Treasury Management

The Service Director- Resources is responsible for detailing the procedures it has in place for establishing the identity / authenticity of lenders, and ensuring that these are followed. The Council does not accept loans from individuals, and loans will only be obtained from the Public Works Loan Board (PWLb), authorised institutions under the Banking Act and other Local Authorities.

Council Tax and NNDR

Refunds that exceed £500 for Council Tax or £5,000 for NNDR Tax will be subject to a Money Laundering check. This involves the Senior Officer/Manager checking the validity of the refund and confirming that the refund is being paid to the correct party (i.e. the party responsible for the payment).

Sale of Land and Property

Where the Council is proposing to sell either land or property with a value in excess of £10,000, client identification must be sought before business is conducted. If the client has legal representation, then the responsibility for confirmation of identity rests with their legal representative, otherwise it rests with the Council's Legal Services Team.

Evidence of the identity of the prospective client should be obtained as soon as practicable after instructions are received unless evidence of the client has already been obtained. This requirement applies to both new and existing clients.

Evidence obtained from an individual should confirm proof of identity and proof of their current address. Evidence obtained with regard to an organisation should allow the company to be fully identified in terms of registered office, registration number etc. If satisfactory evidence of identity is not obtained then the transaction must not be progressed.

Evidence should be annotated 'Evidence re Money Laundering', placed on the Council's client file and retained for at least five years from the end of the business relationship or one-off transaction(s). This is to ensure that it could be used in a future investigation into money laundering. Care must be taken to ensure compliance with the General Data Protection Regulations when storing individuals' personal data.

Records should be maintained in such a way as to provide an audit trail during any subsequent investigation. In practice, records of work carried out for clients in the normal course of Council business should suffice in this regard.

Where evidence of identity is required, the Council officer dealing with the transaction, must require individuals to provide evidence of identity in the form of at least one of the following documents:

- Current passport
- Current full UK photocard driving licence (both sections)
- Current UK provisional photocard driving licence (both sections)
- Birth or Marriage certificate

Additionally, an individual must prove their current address by providing at least one item from the following list:

- Current full UK photocard driving licence (if not already used as evidence of identity)
- Current UK provisional photocard driving licence (if not already used as evidence of identity)
- Bank, building society or credit union statement or passbook (with printed address) (less than 3 months old)
- Recent utility bill (i.e. dated within the last twelve months), i.e. gas, electric, water (not a mobile phone bill)
- Mortgage statement (less than 12 months old)
- Insurance document (less than 12 months old)
- Credit card statement (less than 3 months old)

Original documents should be photocopied and the client requested to sign them thus confirming that the photocopies are an authentic copy of the original documents presented.

If a client is unable to visit in person, the client should be asked to provide documents 'certified as a true copy' by a notary public. Checks should then be made to ensure that the notary is registered with the Law Society. Once this has been confirmed, the notary should be contacted to confirm that they did indeed certify the documents.

Where the client is a company, identity should be established by means of:

- The company's full name and registration number;
- Details of the registered office address; and
- Any separate trading address relevant to the contract concerned

A company search should then be carried out to verify the details given and check the location of any relevant trading address.

In the event that one or a few individuals effectively own the company, the personal identity of the key contact should also be checked. This should include obtaining the evidence described above in relation to individuals, as well as evidence of their position within the

| organisation.

APPENDIX A- Disclosure Report to the Money Laundering Reporting Officer

CONFIDENTIAL

FOR COMPLETION BY THE OFFICER REPORTING THE SUSPECTED OFFENCE

To: Nick Jennings, Head of Shared Anti-Fraud Service

Email: Nick.jennings@hertfordshire.gov.uk

Tel: 01438 844705

Address; Shared Anti-Fraud Service. Hertfordshire County Council. Robertson House, SROB 112, Six Hills Way, Stevenage, SG1 2FQ

From:

Service Directorate:Tel:

DETAILS OF SUSPECTED OFFENCE:

Name(s) and address(es) of person(s) involved:

(Please also include date of birth, nationality, national insurance numbers- if possible)

(If a company please include details of nature of business, type of organisation, registered office address, company registration number, VAT registration number)

Nature, value and timing of activity involved:

(Please include full details e.g. what, when, where, how. Continue on a separate sheet if necessary)

Nature of suspicions regarding such activity:

(Please continue on a separate sheet if necessary)**Has any investigation been undertaken (as far as you are aware)?**

Yes

No

If yes, please include details below:

Have you discussed your suspicions with anyone else?

Yes No

If yes, please specify below, explaining why such discussion was necessary:

Have you consulted any supervisory body guidance re money laundering? (e.g. the Law Society)

Yes No

If yes, please specify below:

Do you feel you have reasonable grounds for not disclosing the matter to the FCA? (e.g. are you a lawyer and wish to claim legal professional privilege?)

Yes No

If yes, please set out full details below:

Are you involved in a transaction which might be a prohibited act under the Proceeds of Crime Act and which requires appropriate consent from NCA?

Yes

No

If yes, please enclose details below:

Please detail below any other information you feel is relevant:

S i g n e d .__

D a t e d .__

Do not discuss the content of this report with anyone, especially the person you believe to be involved in the suspected money laundering activity described. To do so may constitute a tipping off offence.

FOR COMPLETION BY THE MONEY LAUNDERING REPORTING OFFICER

Date report received:

Date receipt of report acknowledged:

Consideration of Disclosure

Action plan:

Outcome of Consideration of Disclosure

Are there reasonable grounds for suspecting money-laundering activity?

If there are reasonable grounds for suspicion, will a report be made to NCA?

Yes No

If yes, please confirm date of report to NCA:

Details of liaison with NCA regarding the report:

Is consent required from the SOCA for any ongoing or imminent transactions that would otherwise be prohibited acts?

Yes No

If yes, please confirm full details:

Date consent received from SOCA:

Date consent given by you to employee:

If there are reasonable grounds to suspect money laundering, but you do not intend to report the matter to the SOCA, please set out below the reason(s) for non-disclosure:

Date consent given by you to employee for any prohibited act transactions to proceed:

.....

Other relevant information:

S i g n e d .____

D a t e d .__

THIS REPORT MUST BE RETAINED FOR FIVE YEARS

APPENDIX B- Role of the Money Laundering Reporting Officer (MLRO)

Upon receiving a disclosure report, the MLRO will date it and formally acknowledge its receipt. The acknowledgement will also advise of the timescale within which response should be expected.

The MLRO will consider the disclosure report and any other relevant internal information available to them. This might include:

- Reviewing other transaction patterns and volumes
- The length of any business relationship involved
- The number of any one-off transactions and linked one-off transactions
- Any identification evidence held.

The MLRO may undertake other reasonable inquiries to ensure that all available information is taken into account when deciding whether a report to NCA is required. The MLRO may need to discuss his report with the reporting individual.

Once the MLRO has evaluated the disclosure report and any other relevant information, they must determine in a timely manner whether:

- there is actual or suspected money laundering taking place; or
- there are reasonable grounds to know or suspect that this is the case; and
- there is a need to seek consent from NCA for a particular transaction to proceed.

Where the MLRO concludes that there are no reasonable grounds to suspect or confirm money laundering, the disclosure report is annotated accordingly. All information known to the Council at the time is recorded and the reasons why the information obtained did not give rise to knowledge or suspicion of money laundering detailed. Consent can then be given for any ongoing or imminent transactions to proceed.

In cases where legal professional privilege may apply, the MLRO will liaise with the Service Director- Legal and Community to decide whether there are reasonable grounds for not reporting the matter to the NCA.

Where the MLRO concludes that actual or suspected money laundering is taking place this will be disclosed as soon as practicable to NCA via the SAR Online system,.

Where consent is required from NCA for a transaction to proceed, then the transaction(s) in question must not be undertaken or completed until this consent has been received.

The MLRO will act as the link between NCA and the relevant Council officers to ensure that the appropriate action is taken in these circumstances.

CABINET
25 January 2022

***PART 1 – PUBLIC DOCUMENT**

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

REPORT OF: SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: FINANCE AND I.T.

COUNCIL PRIORITY: ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY

1. EXECUTIVE SUMMARY

The Investment Strategy provides the following key information:

- A capital programme of £7.546m in 2022/23 and £20.219m for the period 2023/24 to 2026/27.
- Recommendations on the Prudential and other Treasury indicators that will be monitored and reported on during the year (2022/23)
- As the Council has identified a need to borrow for capital purposes, a borrowing and Minimum Revenue Provision (MRP) policy
- The scope of treasury investments where the Council will invest any surplus cash.

2. RECOMMENDATIONS

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

3. REASONS FOR RECOMMENDATIONS

- 3.1 To ensure that the capital programme meets the Council's objectives and officers can plan the implementation of the approved schemes
- 3.2 To ensure the Council's compliance with CIPFA's code of practice on Treasury Management, the Local Government Act 2003, statutory guidance from the Department of Levelling Up, Housing and Communities (DLUHC) and the CIPFA Prudential Code.

As well as determining and managing the Councils risk appetite in respect of investments.

4. ALTERNATIVE OPTIONS CONSIDERED

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

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 All Members were given opportunity to comment on all new Capital investment proposals, as well as existing projects earmarked in future years, at the Member Budget Workshops held in November 2021. Notes of the comments raised at the workshops were provided to Cabinet in December. There have been two changes to the capital programme since the budget workshop, which are:
- Investment of £250k in a new mausoleum. This will mainly be funded from a specific reserve. The sale of niches will generate income for the Council.
 - Change to show the majority of bin purchases as capital (rather than revenue) expenditure. This is consistent with the Council's capitalisation policy.
 - The capitalisation of leased vehicles (including those that are part of contracted services) which is required by new Accounting Standards.
- 5.2 Members will be aware that consultation is incorporated into project plans of individual capital schemes as they are progressed.
- 5.3 There is ongoing dialogue with the Authority's Treasury advisors (Link).

6. FORWARD PLAN

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

7. BACKGROUND

- 7.1 The Corporate Business Planning Process begins each year with consideration of policy priorities and the Council's Priorities for the District and a review of the Medium Term Financial Strategy. Finance and other resources are aligned to the strategic priorities as set out in the Council Plan.

- 7.2 Cabinet receives quarterly updates on the delivery and funding of the Council's capital programme, with the report presented at the December meeting of Cabinet providing estimates as at the end of the second quarter of 2021/22. The report advised that total expenditure of £22.266m would be required to deliver the current capital programme for 2021-2031, with £3.045m forecast to be spent in 2021/22. Table 1 below details the changes to the existing capital programme reported to Cabinet since the Capital Programme was approved by Full Council in February 2021.

Table 1

	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
Executive Member – Finance and I.T. approved additional Expenditure – Installation of high-definition cameras in the Council Chamber	0.018	0	0
Changes at Q1 2021/22	-0.224	0.312	0
Executive Member – Finance and I.T. approved additional Expenditure on Careline Servers	0.015	0	0
Changes at Q2 2021/22	-13.139	-2.661	-8.000
Current Capital Estimates	3.045	6.107	13.114

- 7.3 The Treasury Strategy Statement for 2021/22 was approved by Council in February 2021. A mid year review of the Treasury Strategy will be provided to Council in January 2022. There have been no changes made to the Strategy during the course of 2021/22.

8. RELEVANT CONSIDERATIONS

- 8.1 The proposed Investment Strategy is attached at Appendix A. Council are asked to approve this strategy, which includes the following:
- New capital investment proposals totalling £6.769

- A total capital programme for the period of 2022/23 to 2026/27 of £27.765m.
 - Adoption of a treasury strategy that covers borrowing and investment forecasts and limits, including prudential indicators
- 8.2 The following are provided as appendices to Investment Strategy, and are also appendices to this report:
- Appendix A1- A full list of planned future capital expenditure (2022/23 onwards)
 - Appendix A2- A list of new capital schemes and schemes planned to commence from 2022/23.
- 8.3 The format of the Investment Strategy is described in the introduction section (pages 2 and 3). The following sections highlight the significant considerations in relation to this version of the Strategy.
- 8.4 In general the capital programme detailed in tables 6 and 7 on pages 13 and 14 is what was presented to the budget workshops (as referenced in paragraph 5.1).
- 8.5 Table 8 (on page 16) provide an assessment of the Security, Liquidity and Yield of the projected spend on these assets. Table 9 (on page 17) details that the assessment of the expected risk of loss will be carried out as part of individual business cases.
- 8.6 Table 10 (on page 17) provides a forecast of the capital receipts that the Council will generate over the next few years. The preceding paragraph provides a description of the factors that will affect the timing and amount of expected capital receipts. Any significant changes would require a change to the Investment Strategy and could also affect the revenue budget in the medium-term.
- 8.7 As detailed in table 11 (on page 18) based on forecasts of capital receipts and spend, the Council will have a need to borrow to fund the capital programme. This will require £2.1m of borrowing in 2025/26, an additional £1.4m in 2026/27, and a further £2.9m between 2027-2032. As detailed on page 19, the Council can consider whether to borrow internally or externally. However as detailed on page 20, forthcoming changes to the Prudential Code will require Councils to initially consider internal borrowing as it is considered to be cheaper and lower risk. Therefore it is assumed that the Council will borrow internally.
- 8.8 Where the Council has a need to borrow then it incurs a revenue charge known as a Minimum Revenue Provision (MRP). On page 26 it is detailed that the Council will charge MRP on an equal instalment basis. This reflects that the majority of capital spend is related to service provision and therefore the assets are expected to provide consistent benefits over their life.

- 8.9 Table 17 on page 30 details where the Council can invest its surplus cash. This sets limits to ensure appropriate diversification. The following changes are proposed compared to last year:
- Change the institution minimum credit rating for non-UK investments (from AA- to A+). This would open up more non-UK investment options and therefore allow for greater diversification of risk. The A+ rating would still exceed the rating of UK institutions (retained at BBB). The Country credit rating would be retained at AAA, which is higher than the UK rating of AA-.
 - Various changes to investment limits measured in £m (by type of investment, institution and groups of investments) to reflect the forecast year end balances. The percentages that these are based on are unchanged.
- 8.10 The Strategy still allows the Council to invest in a Property Fund(s) and a Multi-asset Fund(s), with up to £2m in each type of investment. As detailed on page 31 these investments have been delayed by expected changes to the Prudential Code. These investments will be placed on hold until there is greater certainty over some capital investment opportunities that are not currently part of the proposed capital programme. If / when they are progressed, there is a contract in place with our treasury advisers to provide professional advice on which funds to invest in (e.g. considering types of investments, level of risk, balance between income and capital growth, approach to ethical and green investments). The treasury budget will be used to procure professional advice in respect of this. It should also be noted that the fees involved will be very small in comparison to the potential differentials in yields between the various funds.
- 8.11 The Code of Practice on Treasury Management requires that a report be submitted to Full Council setting out four clauses which should be formally passed in order to approve adoption of the code. The four clauses are detailed below, including how they are met by the Council. As recommended by CIPFA, where appropriate these are included within the Council's Constitution and Financial Regulations.
- 8.12 Clause 1 relates to creating and maintaining a Policy and practices as a cornerstone for effective treasury management.
- 8.13 Full Council are asked to approve the adoption of the following Treasury Management Policy Statement, which is the same as in previous years:
- This organisation defines its treasury management activities as: "The management of the authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".
 - This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
 - This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value

for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

- 8.14 The Council has adopted treasury management practices (TMPs) which set out how the Council will carry out, manage and control the achievement of the policy above in practice. These TMPs are unchanged from last year and follow the recommendations contained within the Code, subject only to amendment where necessary to reflect the particular circumstances of the Council. Such amendments are minor and do not result in any material deviation from the Code's key principles. The TMPs are operationally focused and therefore the themes covered are detailed below, rather than providing the full document. Where relevant the detail is already covered in the Investment Strategy (e.g. approved instruments):
- TMP1- Risk Management
 - TMP2- Performance Measurement
 - TMP3- Decision making and analysis
 - TMP4- Approved instruments, methods and techniques
 - TMP5- Organisation, clarity and segregation of responsibilities, and dealing arrangements
 - TMP6- Reporting requirements and management information arrangements
 - TMP7- Budgeting accounting and audit arrangements
 - TMP8- Cash and cash-flow management
 - TMP9- Money laundering
 - TMP10- Staff training and qualifications
 - TMP11- Use of external service providers
 - TMP12- Corporate Governance
- 8.15 Clause 2 relates to the reporting on treasury activities. These are set out in the Investment Strategy on page 3.
- 8.16 Clause 3 relates to the delegation of responsibility for the implementation and regular monitoring of its treasury management policies. The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Cabinet (Constitution 5.6.9) and for the execution and administration of treasury management decisions to the Service Director: Resources (Constitution 14.6.12 (a) (iii) and Financial Regulations section 13) who will act in accordance with the Council's policy statement and treasury management practices and the CIPFA Standard of Professional Practice on Treasury Management.
- 8.17 Clause 4 relates to the scrutiny of treasury management strategy and policies. The Council nominates the Finance, Audit and Risk Committee to be responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies (Constitution 10.1.5 (c)).

9. LEGAL IMPLICATIONS

- 9.1 TOR 4.4.1 (b) of the Constitution provides that Full Council will exercise the function of approving or adopting the capital budget (Constitution 4.3) and approve the treasury management strategy statement (Constitution 4.4.1 (cc)).
- 9.2 Cabinet will recommend to Full Council the annual capital budget (Constitution 5.6.39) and treasury management strategy statement (Constitution 5.6.40).
- 9.3 The Finance, Audit and Risk Committee will consider the Council's policy in relation to Treasury Management and make recommendations on the Annual Treasury Management and Investment Strategy, and Treasury Management Code of Practice (Constitution 10.1.5 (c)).
- 9.4 Section 151 of the Local Government Act 1972 states that: "every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs." That officer is the Service Director- Resources.
- 9.5 The proposed Prudential Indicators contained within the Investment Strategy comply with the Local Government Act 2003. The Investment Strategy has been developed to comply with the statutory guidance from the Ministry of Housing, Communities and Local Government and the CIPFA Prudential Code.

10. FINANCIAL IMPLICATIONS

- 10.1 These are covered in section 8.

11. RISK IMPLICATIONS

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

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 There are no direct equalities implications directly arising from the adoption of the Capital Programme for 2021/22 onwards. For any individual new capital investment proposal of

£50k or more, or affecting more than two wards, an equality analysis is required to be carried out. This will take place following agreement of the investment proposal.

13. SOCIAL VALUE IMPLICATIONS

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

14. ENVIRONMENTAL IMPLICATIONS

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

15. HUMAN RESOURCE IMPLICATIONS

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

16. APPENDICES

- 16.1 Appendix A- Investment Strategy
16.2 Appendix A1- A full list of planned capital expenditure (2022/23 onwards)
16.3 Appendix A2- A list of new capital schemes and schemes planned to commence from 2022/23

17. CONTACT OFFICERS

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

18. BACKGROUND PAPERS

- 18.1 None

Appendix A

Investment Strategy (Integrated Capital and Treasury Strategy)

Part 1- Overview

Introduction

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

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

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

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

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

The format of this strategy is as follows:

Part 2- Capital Spend

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

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

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

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

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

Part 5- Investment Strategy

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

Part 6- Overall Risk considerations

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

Part 7- Glossary of terms

- To explain the various terms used in this strategy.

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

Reporting requirements

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

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

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

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

Basis of Estimates

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

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

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

Treasury Management Policy and Treasury Management Practices

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

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

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

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

Treasury Consultant

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

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

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

Skills and culture

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

Table 1

Group	Reason for training	Training that has been made available
Full Council (All Councillors)	Required to formally adopt this Strategy. Required to approve any capital purchase over £2.5m.	Annual training that provides an introduction to Local Authority funding and accounting did not take place again due to Covid-19 To look at how it can be effectively reinstated during 2022/23.
Finance, Audit and Risk Committee	To review the Council's policies on Treasury, Capital and the Medium-Term Financial Strategy. To monitor the effective development and operation of risk management.	Members of the Committee (and substitutes) are encouraged to complete a skills self-assessment. This allows the targeting of specific training. Regular reporting to the Committee on Capital, Risk and Treasury provides the opportunity to ask questions.
Chief Finance Officer and Finance Team	Responsibility for the financial management of the Council (under s151 of Local Government Act, 1972), including capital and treasury management. Provide advice to Budget Holders in respect of financial management. Responsible for reviewing and amending the financial implications sections of reports.	Ongoing Continuing Professional Development for all qualified members of the finance team, including focused training for specific areas of responsibility.
Leadership Team (LT)	Individual Service Directors will be responsible for putting forward proposals. Proposals will be reviewed by the Senior Management Team prior to taking through the Committee process. Members of SMT are likely to be involved in negotiating commercial deals.	Previous training session on risk, risk appetite and assessing risk. Regular updates on the Council's funding and finances, including significant changes in regulations. Updates on the core principles of the prudential framework. Planning introductory financial training during early 2022 for newer members of Leadership Team (also to be extended to Senior Management Group).
Political Liaison Board (Joint Member and Officer Leadership Team)	Cabinet makes recommendations to Council on the policy direction and budget for the Council. Approves capital spend up to £2.5m.	Presentations on the implications of the CIPFA Financial Management Code to help ensure effective financial governance and sustainability.

Part 2- Capital Spend

Current Capital Assets

As at 31st March 2021, a summary of the capital assets owned by the Council is shown in table 2 below.

Table 2

Asset Type	Asset	Reason for ownership	Value (£000)
Investment Properties	Various	Retained to generate income	23,843
Surplus Land and buildings	Various	Held for future sale or development	16,435
Offices and Storage	DCO	Staff offices, customer service centre and democratic facilities	4,451
Offices and Storage	Unit 3	Off-site storage, back-up IT and emergency planning	398
Leisure Facilities	Hitchin Swim Centre / Archers	Service use	9,002
Leisure Facilities	Letchworth Outdoor Pool	Service use	3,150
Leisure Facilities	North Herts Leisure Centre	Service use	13,158
Leisure Facilities	Royston Leisure Centre	Service use	8,651
Leisure Facilities	Pavilions / Bandstands	Service use	2,269
Leisure Facilities	Recreation Grounds / Play Areas / Gardens/Allotments	Service use	5,546
Community Centres and Halls	Various	Community facilities, generally operated by third parties	12,268
Markets	Hitchin Market	To provide a market	158
Museums and Arts	Hitchin Town Hall and District Museum	District-wide museum and community facility	12,890
Museums and Arts	Letchworth and Hitchin museums, Burymead store	Museum storage	1,710
Cemeteries	Various	Service use	1,473
Community Safety	Various CCTV cameras	Service use	4
IT	Various computer equipment and software	To enable the delivery of other services	505
Parking	Various car parks	Service use	9,365
Waste Collection	Bins	Service use	351
Waste Collection	Vehicles	Service use	1,816
Public Conveniences	Various	Subject to leases/ management arrangements	621
Other	Various	Various	718
Total			128,782

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

Table 3

Asset Type	Asset	Reason for purchase/ expenditure	Value (£000)
Cemeteries	Various	Icknield Way and Wilbury Hills Path Enhancement	64
Community Centres and Halls	Various	Grants for refurbishment of community facilities. Relates to properties that are not owned by the Council (REFCUS)	396
Grants	Various	Private Sector Housing Grants / S106 Grants (REFCUS)	166
Investment Properties	Residential Housing	To enable the conversion of Harkness Court to increase housing provision in the District	103
IT	Various computer equipment and software	To maintain IT service and provision of equipment	492
Leisure Facilities	Hitchin Swim Centre / Archers	Replace Outdoor Boiler and Hot Water Calorifer	65
Leisure Facilities	Leisure Condition Survey	Improvements to various Leisure sites	82
Leisure Facilities	Letchworth Outdoor Pool	Replace Outdoor Boiler	40
Leisure Facilities	North Herts Leisure Centre	Replace Sports Hall Heating and Refurbish Gym Floor	34
Leisure Facilities	Recreation Grounds / Play Areas / Gardens	Refurbishment of play areas.	320
Leisure Facilities	Royston Leisure Centre	Thermal Installation	50
Museums and Arts	Hitchin Town Hall and District Museum	Mainly works to the Town Hall	173
Parking	Multi-storey car parks	Lift refurbishment at Lairage, Lighting at Letchworth Multi-storey, wall works at Lairage Car Park	365
Parking	Off Street	Match Funding for Electric Vehicle charging	100
Parking	Off Street	Upgrade pay and display machines and resurfacing and Replacement of Floodlights	381
Parking	On Street	Instal On Street Charging	50
Various	Various	Capital maintenance of Council buildings/land	164
Total			3,045

Capitalisation Policy:

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

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

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

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

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

Definitions:

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

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

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

Table 4

Asset (or type of asset)	Security	Liquidity	Yield
Ground leases- mainly of commercial premises in Royston, Letchworth and Hitchin (£19.5m by value)	Generally subject to long leases where the land has been built on. The building would become owned by the Council if there was a default on the lease agreement. Therefore, high security.	It is possible that the Council could try and sell to the leaseholder. Otherwise low liquidity in common with commercial premises.	The assets have been owned for a number of years. Valuations are based on the yield generated.
Churchgate Shopping Centre, Hitchin-ground lease (value £1.7m)	A long lease with upward only rent reviews. However, this is dependent on amounts due being paid. Covid-19 legislation in relation to rent arrears mean that amounts are currently overdue.	On the basis that it generates a reasonable rental stream, likely to be some interest as an investment. Current rental stream is affected by Covid-19. Therefore, low liquidity, which may improve when Covid-19 recovery improves.	Valuations are based on the yield generated.
Letchworth Town Hall (value £0.9m)	25 year lease (from 2012) where the tenant has provided significant investment.	Very low liquidity as would require someone to be interested in this type of building. Listed so would limit redevelopment.	Valuations are based on the yield generated.
Beverley Close Store, Royston (value £0.1m)	15 year lease from 2017	Low liquidity in common with commercial premises.	Valuations are based on the yield generated. Previously used as a Council store and a decision was made to retain for rental income.
Residential housing (Harkness Court)	The demand for housing is considered to be greater than an office building. Therefore, it is expected that the expenditure on a conversion scheme has increased the security of the asset.	The liquidity of the asset increased with the granting of planning permission, building regulation approval and then completion of conversion work. Now expected to have quite high liquidity.	Not currently generating any income. The final completion of the conversion will increase the capital value / enable generation of rental income.
Other assets valued at less than £0.1m (£0.3m in total)	Not fully assessed	Not fully assessed	Not fully assessed

Definitions:

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

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

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

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

Table 5

Asset (or type of asset)	Fair value assessment	Assessment of the risk of loss
Ground leases- mainly of commercial premises in Royston, Letchworth and Hitchin (£19.5m by value)	Valued on a fair value basis. The valuation is based on rental yields.	Subject to competition from other sites within the same industrial areas and other locations. Difficult (uneconomic) for current lessees to exit due to lease terms and investment in the site. Any maintenance is the responsibility of the leaseholder.
Churchgate Shopping Centre, Hitchin-ground lease (value £1.7m)	Valued on a fair value basis. The valuation is based on rental yields.	External valuations have been commissioned in recent years. These have highlighted the difficulties that face retail and shopping centres in particular. These difficulties have been heightened by the impact of Covid-19. It is unclear whether this additional impact will be ongoing. Whilst, the freehold that the Council has is on beneficial terms which would usually provide investment returns, these returns are uncertain when the leaseholder is unable to generate income to afford to pay them. Whilst maintenance is the responsibility of the leaseholder, this will be impacted by availability of funds. Valuation reports have been checked and challenged by the Council's chartered surveyors.
Letchworth Town Hall (value £0.9m)	Valued on a fair value basis. The valuation is based on rental yields.	The building has some unique features in relation to its prominence and location. However, overall, there currently is an over-supply of office accommodation in Letchworth. Difficult (uneconomic) for current lessees to exit due to lease terms and investment in the building. Any maintenance during the lease term is the responsibility of the leaseholder.

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

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

Use of Capital Receipts Direction:

The Capital Receipts direction has been used to fund the decommissioning of pavilions and play areas in 2018/19. There are no plans to make further use of the Direction in the period 2022/23– 2026/27.

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

Table 6

Asset	Description of future capital expenditure	Forecast Capital Expenditure (£000)					
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28 to 2031/32
Existing Capital Programme-schemes 2022/23 onwards							
Various	Capital maintenance based on condition surveys	555	0	0	0	0	0
Cemeteries	St Johns and Wilbury Hills -Enhance Footpaths	0	10	50	0	30	0
Computer Software & Equipment	To maintain IT services	722	94	371	1,099	87	1,084
Hitchin Swim Centre	Refurbishments / Boiler Replacement	0	70	200	300	605	0
Newark Close	Road Replacement	65	0	0	0	0	0
Letchworth Outdoor Pool	Boiler Replacement	0	40	0	0	0	0
North Herts Leisure Centre	Refurbishments / Boiler Replacement	0	550	0	0	0	270
Royston Leisure Centre	Refurbishments / Boiler Replacement	0	225	150	30	200	100
Thomas Bellamy House	Structural and roof enhancements	65	0	0	0	0	0
Various	Growth Fund Projects	713	0	0	0	0	0
Various	Private sector housing grants (REFCUS)	60	60	60	60	60	240
Various Leisure Facilities	Condition Survey enhancements	0	80	0	0	0	0
Various Off-Street Car Parks	Resurfacing / Enhancements	846	8	0	0	0	0
Various Parks and Playgrounds	Enhancements	255	435	215	180	180	720
New Capital Programme							
Environmental Improvements	Various works required to deliver the environmental enhancements highlighted within the North Herts Greenhouse Gas Reduction Report	115	0	0	0	0	0
Former Public Convenience on Portmill Lane, Hitchin	To return the property to a lettable standard	25	0	0	0	0	0
Hitchin Swim Centre / NH Leisure Centre / Royston Leisure Centre	Solar PV installation	0	560	0	0	0	0
Various Parks and Playgrounds	Enhancements	183	250	0	0	0	0
Waste and Recycling	Bin replacements	90	90	90	90	90	450

Asset	Description of future capital expenditure	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28 – 2031/32
Bury Mead Road Transfer Facility	Wall reinforcement	30	0	0	0	0	0
New Mausoleum	Build new Mausoleum at Wilbury Hills Cemetery	250	0	0	0	0	0
Council Car Fleet	New accounting Standard requires the Council's leased Vehicles to be recorded on the Council's Asset Register	141	0				
Grounds Maintenance Vehicles	New accounting Standard requires the Council's leased Vehicles to be recorded on the Council's Asset Register	315	0				
Total		4,430	2,472	1,136	1,759	1,252	2,864

The totals for 2027/28 to 2031/32 are estimates only and could be subject change. These should be treated as early indications only, and formal approval of these amounts is not required.

The revenue maintenance of these assets has also been considered. The Council has chosen to allocate a central budget of £244k per year for this purpose.

New Capital Assets

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

Table 7

Asset	Reason for capital expenditure	Forecast Capital Expenditure (£000)					
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28 to 2031/32
Existing Capital Programme-schemes 2021/22 onwards							
Off-Street Parking	Parking Machines Upgrade - Contactless Payment Facility Installation	20	0	0	0	0	0
Off-Street Parking	Parking Machines Replacement	0	0	0	150	150	0
Walsworth Common Pavilion	New pavilion	0	300	0	0	0	0

Royston Leisure Centre	Extension to provide a new multi-functional room and increase size of fitness room	0	1,000	0	0	0	0
John Barker Place	Contribution to redevelopment	1,096	0	0	0	0	0
Waste and Recycling	Vehicles	0	0	0	4,000	0	0
Waste and Recycling	Recyclable material transfer facility, vehicle depot and offer facility co-located with a residual waste transfer facility	0	0	3,000	3,000	0	0
New Capital Programme							
NH Museum and Community Facility	Museum Storage Solution	2,000	2,000	0	0	0	0
Charnwood House, Paynes Park, Hitchin	For the modifications and fit out to bring the building up to modern lettable condition.	TBC					
Total		3,116	3,300	3,000	7,150	150	0

Below is an estimate of the total capital expenditure to be incurred in the years 2022/23 to 2026/27. This is based on tables 6 and 7. This is a Prudential Indicator and the Council is required to set a target for it and monitor against it during the year.

Prudential Indicator 1: Estimate of total capital expenditure to be incurred in years 2022/23 to 2026/27

Year	£m
2022/23	7.546
2023/24	5.772
2024/25	4.136
2025/26	8.909
2026/27	1.402

A full list of planned future capital expenditure (2022/23 onwards) is provided as Appendix A1. A list of new capital schemes and schemes planned to commence from 2022/23 is provided in Appendix A2.

Where this proposed expenditure does not relate to service delivery, the security, liquidity and yield in relation to this spend has to be considered. The capital allocations do not include any spend that is not linked to service delivery, but the Council will continue to consider opportunities in relation to

residential property and investments in line with the Property Acquisition and Development Strategy. If these opportunities arise then they will be brought to Council for consideration, alongside an updated Investment Strategy. The table below (table 8) provides an analysis of security, liquidity and yield in relation to these types of investment.

Table 8

Asset (or type of asset)	Security	Liquidity	Yield
Residential Property	<p>The underlying value of residential property generally appreciates over the medium term due to the overall shortage of supply. The focus on developing new properties or converting existing properties to residential will also help to ensure security due to the expected uplift in value. Individual market factors will be considered prior to acquisition.</p> <p>Where retained it is likely that the property will be held through a company, although various funding structures can be considered (e.g. loan funding, equity funding or leasing the assets to the company for onward rental). Maximum security would be achieved through loan funding (with the loan secured against the property) or an onward leasing arrangement. But there may be instances where higher levels of equity funding are considered appropriate.</p>	<p>Property is a medium to long-term asset due to the costs of buying and selling. However, it is generally possible to sell residential property within a reasonable time-frame if priced accordingly.</p>	<p>The expected rental yield will be compared to the costs of acquisition or construction as part of the business case.</p>
Investments in line with the Property Acquisition and Development Strategy	<p>As detailed in the Property Acquisition and Development Strategy, the security of investments will be given a high weighting in determining which ones to take forward. However there will always be some risk relating to both general market conditions and specific factors relevant to individual properties. Spreading the total investment over a number of properties will help mitigate the second of these.</p>	<p>Property is a medium to long-term asset due to the costs of buying and selling, and that property markets can be cyclical in nature. The Property Acquisition and Development Strategy targets those properties that are considered to be more liquid e.g. they have a wider range of tenants and/ or uses.</p>	<p>To reflect the risk of property investment a net surplus of 1-1.5% (above borrowing, administration and acquisition costs) will be targeted as a minimum. Any target surplus will be commensurate with the level of risk.</p>

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

Table 9

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

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

Capital Funding

The Council forecasts the following additions to its capital receipts (table 10). All the planned disposals are surplus land that is being sold to generate capital receipts. The disposals will also reduce the risks and costs of holding the land. Due to the potential impact on negotiations over disposal values, individual values are not detailed. Table 8 above mentions potential opportunities for the Council to develop residential properties on existing land. If these were to be progressed, then that would require a refresh of the Investment Strategy. If the properties were then sold at the end, then that would result in a delayed (but expected to be greater) capital receipt. If some (or all of) the properties were retained, then that would swap a capital receipt for an expected revenue income stream. The valuations used are prudent for selling with limited restrictions and assuming that planning permission can be obtained. If the Council requires enhanced conditions in relation to affordable housing provision or high environmental standards, then that could result in a reduced capital receipt. If that were the case then it may be necessary to revise the Investment Strategy. That would increase the borrowing requirement, increase borrowing costs and therefore have a greater revenue impact (due to revenue costs of capital).

Table 10

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Balance B/Fwd	1,133	4,441	10,017	4,902	2,644	0
Used in Year	1,664	5,624	5,115	2,258	2,644	0
Forecast Receipts (£000)	4,972	11,200	0	Tbc	Tbc	Tbc
Balance C/Fwd	4,441	10,017	4,902	2,644	0	0

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

As a result of planned expenditure in 2021/22 and future years, the Council forecasts the following use of funding for capital (table 11).

Table 11

Funding Source	Brought forward (at 31/3/21)	Forecast expenditure and funding sources (£000)						
		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28 to 2031/32
Capital Expenditure		3,045	7,546	5,772	4,136	8,909	1,402	2,864
Less: Set-aside receipts used	5,097	1,087	762	370	1,878	999	0	0
Less: Capital receipts used	1,133	1,664	5,624	5,115	2,258	2,644	0	0
Less: Grant funding used		136	720	0	0	0	0	0
Less: IT Reserve used		35	0	0	0	0	0	0
Less: S106 receipts used		75	270	37	0	0	0	0
Less: Funding from revenue		0	170	0	0	3,200	0	0
Less: Other Capital Contributions		48	0	250	0	0	0	0
Borrowing requirement		0	0	0	0	2,066	1,402	2,864
Cumulative borrowing requirement		0	0	0	0	2,066	3,468	6,332

Definitions:

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

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

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

Prudential Indicator 2: Capital Financing Requirement

Year	£m
As at 31 st March 2021 (actual)	-5.2
As at 31 st March 2022 (forecast)	-4.1
As at 31 st March 2023 (forecast)	-3.3
As at 31 st March 2024 (forecast)	-3.0
As at 31 st March 2025 (forecast)	-1.1
As at 31 st March 2026 (forecast)	2.0

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

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

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

Borrowing strategy

Definitions:

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

External Borrowing- Borrowing from a third party (e.g. Public Works Loans Board, a Local Authority or a financial institution). Interest costs would be incurred, as well as having to make a Minimum Revenue Provision.

Based on Prudential Indicator 2 (page 18) the Council has a Capital Financing Requirement from 2025/26 onwards and therefore does have a need to borrow.

If the Council had a borrowing requirement, then in order to determine whether to borrow internally or externally, it must consider the level of revenue reserves and provisions that it has, and when it expects that these will be spent. Forecasts of the revenue budget give the following estimates (table 12). These totals are also used in determining the cash that it has available for investment.

Table 12

Revenue balance	Brought forward (at 31/3/21)	Forecast balance at year end						
		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28 to 2031/32
General Fund ¹	8,865	9,559	8,518	6,951	5,990	5,631	5,732	5,732
Add back MRP	0	0	0	0	0	0	52	629
Revenue Reserves ²	20,758	16,573	17,145	17,645	18,145	14,145	14,645	14,645
S106 balances	4,242	4,188	3,918	3,881	3,881	3,881	3,881	3,881
Provisions	2,783	2,783	2,783	2,783	2,783	2,783	2,783	2,783
Outstanding Debt	405	387	367	347	325	305	290	275
Total	37,053	33,490	32,731	31,607	31,124	26,745	27,383	27,945

1 Based on General Fund forecasts as per 'Revenue Budget 2022/23' report.

2 Revenue Reserve balance as at 31/3/22. Then increases in line with contributions to waste vehicle reserve at £500k per year for 7 years. At end of 7 years assumed that this funding will be used to fund new waste vehicles. For simplicity this ignores some of the fluctuations in reserve balances that are detailed in the 'Revenue Budget 2022/23' report.

MRP is added back as it is not an outflow of cash and can be used for internal borrowing. The cash outflow happens when the borrowing is repaid. As explained in the Revenue Budget report, MRP has not been reflected in the revenue budgets so there is not a need to add it back.

During 2021/22 CIPFA have consulted on an update to the Prudential Code. At the time of writing this report the new edition has not been published. One of the main changes that has been incorporated is an expectation that Authorities will use cash reserves (i.e. borrow internally) before they borrow externally. The reason for this is that it reduces costs as not paying external interest.

However, in the longer term it will introduce financing risk, as there will come a time when the Council will have diminished its cash reserves (except amounts held for cashflow purposes) and will need to borrow externally. This will need to be planned so that borrowing can be achieved at a reasonable rate.

Current forecasts (see tables 11 and 12) are that the Council will have revenue reserves significantly in excess of its borrowing requirement. Therefore all borrowing (except any cashflow borrowing) will be internal over the period of the Investment Strategy.

Table 13

	Brought forward (at 31/3/21)	Forecast amount of borrowing in year (£000)							Carried forward (at 31/3/32)
		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28 to 2031/32	
Total borrowing requirement	405	0	0	0	0	2,066	3,468	6,332	
Made up of:									
Internal borrowing	0	0	0	0	0	2,066	3,468	6,332	6,332
External borrowing	405	(18)	(20)	(20)	(22)	(20)	(15)	(40)	250

The brought forward borrowing total is made up of historic borrowing that it is not cost effective to pay off. This is because the interest that would be payable over the course of the remaining loan has to be paid upfront instead. The reduction is due to these being loans that are repaid in instalments.

Definitions:

Operational Boundary: This is the limit beyond which external debt is not normally expected to exceed. Set as £1m (rounded to the nearest £0.1m) above the forecast external debt.

Authorised Limit: This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable or required in the longer term. This is set at £5m above the operational boundary.

Prudential Indicator 3: External Debt

Year	Forecast Borrowing £m	Forecast other long-term liabilities ¹ £m	Less: Internal Borrowing £m	Forecast Total External Debt £m	Operational Boundary £m	Authorised Limit £m
As at 31 st March 2021 (Actual)	0.405	1.742	0	2.147	3.1	8.1
As at 31 st March 2022 (forecast)	0.387	1.234	0	1.621	2.7	7.7
As at 31 st March 2023 (forecast)	0.367	1.183	0	1.094	2.1	7.1
As at 31 st March 2024 (forecast)	0.347	0.603	0	0.566	1.6	6.6
As at 31 st March 2025 (forecast)	0.325	0.412	0	0.425	1.5	6.5
As at 31 st March 2026 (forecast)	2.371	0.337	(2.066)	0.642	1.5	6.5
As at 31 st March 2027 (forecast)	3.578	0.259	(3.468)	0.369	1.4	6.4

1 Comprises the finance lease relating to Letchworth Multi-storey car park, Grounds Maintenance Vehicles / Machinery, Leased Vehicles and the impact of the finance lease for waste vehicles.

The external borrowing forecast can be used to give an indication of the borrowing that may be required, which is combined with outstanding existing borrowing (table 14). The Council will also borrow for short-term cash-flow needs if required. The actual borrowing that is taken out will depend on the latest forecasts and the offers that are available at the time that it is required. There will also be a consideration of when any other borrowing becomes due, with the aim of achieving a spread of these dates. This is to try and avoid refinancing risk. The Council is required to set indicators for the maturity structure of its borrowing. Given the low level of borrowing that the Council currently has and is forecast to have, it is considered appropriate to maintain full flexibility as to the exact duration of any borrowing undertaken. This is reflected in the indicators set out as Treasury Indicator 4 below.

Table 14

Loan Type	Start date	Duration (years)	Maturity date	Amount Borrowed (£)	Balance Outstanding 31/03/22 (£)	Interest Rate (actual or forecast) (%)	Current Annual interest cost (£)
PWLB	08/01/49	80	Oct 2025	5,346	680	3.125	25
	16/09/49	80	Jul 2029	380	36	3.0	1
	10/05/46	80	Jan 2026	10,150	1,235	3.125	45
	12/11/48	80	Jul 2028	13,885	2,692	3.0	89
	28/07/64	60	Jul 2024	15,801	2,236	6.0	171
	02/03/65	60	Jan 2025	19,558	3,272	6.0	240
	01/10/65	60	Jul 2025	33,976	6,538	6.0	466
	05/07/66	60	Jan 2026	35,000	7,589	6.0	529
	02/08/66	60	Jul 2026	50,000	12,025	6.0	824
	18/03/68	60	Jan 2028	40,000	14,282	7.375	1,155
	03/01/69	60	Jul 2028	53,027	21,609	8.125	1,905
	06/03/70	60	Jan 2030	20,100	10,025	8.75	933
	24/11/70	60	Jul 2030	18,714	10,250	9.5	1,028
	26/01/71	60	Jan 2031	25,000	14,430	9.75	1,478
	05/03/71	60	Jan 2031	12,500	6,987	9.25	680
	05/03/71	60	Jan 2031	25,0000	13,979	9.25	1,360
	31/05/46	80	Jan 2026	9,570	1,218	3.125	45
	28/02/47	80	Jan 2027	5,832	790	2.5	23
	18/10/46	80	Jul 2026	1,527	187	2.5	5
	20/02/48	80	Jan 2028	14,952	2,695	3.0	90
	22/09/50	80	Jul 2030	654	161	3.0	5
	27/08/82	60	Jul 2042	250,000	250,000	11.5	28,750
	07/12/45	80	Sep 2025	1,500	190	3.125	7
	16/09/49	80	Sep 2029	640	142	3.0	5
	20/03/53	80	Mar 2033	1,020	386	4.125	17
	23/10/53	80	Sep 2033	750	280	4.0	12
	20/11/53	80	Sep 2033	420	160	4.0	7
	25/04/52	80	Mar 2032	480	170	4.25	8
	30/01/48	80	Sep 2027	1,560	260	3.0	9
	20/09/45	80	Sep 2025	16,690	2,113	3.125	81
Total					386,617		

Definitions:

Refinancing Risk (or Maturity Risk): The risk that if all borrowing becomes due for repayment at the same time that this will be at a time when the costs for taking out new borrowing (refinancing) are very high.

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

Treasury Indicator 4: Maturity Structure of Fixed Interest Rate Borrowing

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

The Council does not place any restrictions on where it can borrow from. This is because the Council will hold the money and therefore there is not a risk around the security of the funds. In practice any borrowing is likely to come from the Public Works Loan Board, UK banks, UK building societies and other Local Authorities. All borrowing will be denominated in GBP Sterling. The decision on any borrowing will be made by the Chief Finance Officer and reflect the advice of the Council's treasury advisers.

The Council can enter in to borrowing arrangements at both fixed and variable rates. Variable rate borrowing has a greater risk and so therefore Treasury Indicator 5 limits the amount of borrowing that can be at a variable rate. To aid administration and monitoring, the limits are shown as £ values but are based on percentages of the Operational Boundary. Borrowing at fixed rates can be up to 100% (inclusive) of the Boundary, and variable rate borrowing can be up to 30% of the Boundary.

Definitions:

Fixed Rate: The rate of interest is set at the point the borrowing is taken out and remains at the same percentage rate for the full term of the loan.

Variable Rate: The rate of interest varies during the term of the loan and usually tracks prescribed indicator rate (e.g. Bank of England base rate)

Treasury Indicator 5: Fixed and Variable Borrowing Rate Exposure

Year	Operational Boundary relating to borrowing excluding long term liabilities £m	Limit on Fixed Rate borrowing £m	Limit on Variable Rate borrowing £m
2021/22	1.5	1.5	0.4
2022/23	1.4	1.4	0.4
2023/24	1.4	1.4	0.4
2024/25	1.4	1.4	0.4
2025/26	1.4	1.4	0.4
2026/27	1.3	1.3	0.4

There is a requirement for the Council to consider the proportionality of the income that it generates from its non-service (investment) assets and how this compares to any borrowing that is linked to those assets. Current and planned investment assets were detailed in table 3 and table 8. Treasury indicator 6 shows the capital value and expected income from these assets, alongside any borrowing that is attached to those assets and the expected cost of that borrowing.

The totals below are based on existing investment assets, plus £2m estimate spend in relation to commercial storage and £50k income generated. It also assumes income in relation to the leasing of Harkness Court to a Local Authority Trading Company. The borrowing is in accordance with the identified need to borrow, even though the borrowing will actually be for service related capital investment. The cost of borrowing is assumed at 2.5%, which reflects Minimum Revenue Provision only, as borrowing will be internal.

Treasury Indicator 6: Income from investment assets and the costs of associated borrowing

Year	Capital value of investment assets £m	Expected annual income from investment assets £m	Total borrowing £m	Expected annual borrowing costs for loans linked to investment assets £m
2022/23	23.879	1.191	0	0
2023/24	25.879	1.199	0	0
2024/25	23.879	1.249	0	0
2025/26	23.879	1.249	1.915	0.050
2026/27	23.879	1.249	3.302	0.083

The Council would not borrow money in advance of need or at a low rate to try and reinvest that money to earn a higher interest rate, and profit from the margin between the two rates. However, the waste contract requires the use of vehicles that are provided by the contractor. The Council has taken the view that it receives the risks and rewards of those vehicle assets. Under accounting regulations, it is therefore required to treat this as a finance lease embedded within the contract. This requires the Council to recognise the vehicle assets as belonging to it, alongside a liability. The liability is effectively repaid through the contract sums over the seven years of the contract.

The extended definition of borrowing in advance of need now covers borrowing for capital investments where they are acquired purely to generate profit. The change to the PWLB rules also means that this borrowing cannot be accessed if there is any capital spend that is primarily to generate income, even if that spend was intended to be financed from reserves. The capital programme has been reviewed and there are no investments which have a primary purpose of generating income.

Minimum Revenue Provision

When the Council has a Capital Financing Requirement (CFR) it is required to make a charge to the General Fund (revenue budget) called a Minimum Revenue Provision (MRP). Subject to guidelines, the Council sets its MRP policy, which is detailed below:

Minimum Revenue Provision:

The Council is required to have a Minimum Revenue Provision (MRP) policy, and when required make charges to revenue in accordance with that policy.

The Council will use the asset life method. The MRP amount will be spread over the estimated life of the assets, in accordance with the regulations. The Council will apply one of the two approaches below based on the project(s) that the borrowing is used for and the benefits derived from the project(s).

- Equal instalments – The principal repayment made is the same each year.
- Or
- Annuity – the principal repayments increase over the life of the asset. This has the advantage of linking MRP to the benefits arising from capital expenditure, where these benefits are expected to increase over the life of the asset.

The Council will have a need to borrow in 2025/26 if the Capital programme is fully spent and will therefore need to apply a Minimum Revenue Provision (MRP). The current capital programme is mainly spend on service provision. Therefore, it is considered appropriate to adopt an equal instalment MRP policy.

There is a prudential indicator that compares the net cost of financing (i.e. borrowing costs less income generated from investments) with the net revenue budget of the Council. This will be looked at later in this document after considering investments and their forecast returns. However, the indicator below considers the cost of borrowing as a % of the net revenue budget of the Council.

Treasury Indicator 7: Cost of borrowing (interest and MRP) as a % of the net revenue budget 2021/22 to 2025/26

Year	Estimated cost of borrowing (£m)	Forecast net revenue budget (£m)	Estimated cost of borrowing as a % of net revenue budget (%)
2022/23	0.039	17.992	0.216
2023/24	0.037	16.650	0.222
2024/25	0.036	15.860	0.227
2025/26	0.034	15.619	0.218
2026/27	0.073	15.529	0.472

Based on the assumptions above the following available investment balances are assumed. This includes a forecast of revenue reserves, capital reserves, capital financing requirement and external borrowing (table 15).

Table 15

Balances	Brought forward (at 31/3/21)	Forecast balance at year end (£000)					
		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Revenue balances (including MRP added back)	37,053	33,489	32,731	31,607	31,124	26,745	27,382
Capital Receipts	1,133	4,441	10,017	4,902	2,644	0	0
Capital Grants Unapplied	938	899	186	186	186	186	186
Add: Long-term liabilities ¹	1,742	1,234	1,183	603	412	337	259
Less: Capital Financing Requirement	-5,182	-4,095	-3,333	-2,963	-1,085	1,980	3,382
Less: Borrowing repayments	18	18	20	20	22	20	15
Total forecast of available for investment	46,030	44,140	47,430	40,241	35,431	25,268	24,430

1 The net position of money owed by the Council or to the Council can lead to increased or decreased cash available for investment. The short-term position is assumed to be net zero. Long-term liabilities are included as the expenditure has been assumed to have been incurred, but the cash has not yet been paid. This primarily relates to the waste vehicles.

The Council needs to consider the following in determining how long it will invest any surplus cash for:

- The period that any particular cash balance is available for. If a balance is expected to be available over a long period then it is possible to invest it over a long period.
- How much might be required to cover short term variations in cash. For example, it could be forecast that the cash at the start and end of the month will be the same. But if there is a need to pay out half that cash at the start of the month before getting an equivalent amount just before the end, then there is a need to plan.
- The risk of investing for longer periods as it increases the chance that the counterparty could have financial problems and therefore not pay back the principal invested and/or the interest due.
- The risk of investing for longer periods as it could lead to a lost opportunity. If the investment is at a fixed rate and then there is a general rise in rates available (e.g. due to an unexpected Bank of England base rate rise) then it would not be possible to take advantage of the new improved rates until the investment matures.

Before considering where the Council will invest any surplus cash in treasury investments, it firstly needs to consider any loans that it may want to make for other purposes. A local authority can choose to make loans to local enterprises, local charities, wholly owned companies and joint ventures. These loans can relate to service provision or to promote local economic growth. These loans may not seem prudent when considered purely in relation to security and liquidity. Table 16

details current and planned loans and shows the reasons for these loans, how their value is proportionate, the risk of loss and credit control arrangements that are in place.

Table 16

Loan	Amount	Reason for Loan	Proportionality of value	Expected Credit Loss model and credit control
Building Control	Currently £107k, provision for it to increase up to £172k	To support the formation of the company. The Council is also a shareholder in the company, owning 1/8 th of the shares.	Insignificant in the context of overall cash balances. Around 0.2% of total investments.	Regular monitoring of financial forecasts and business plans. The continuation of the company to provide Building Control services is more significant than the value of the loan.
Wholly owned Property Company	Tbc, up to £100k	Current intention is that any loan would be for cashflow purposes to enable the company to become established. Therefore, assumed at a maximum of £100k, although expected to be significantly less. This may need to be reviewed and the Strategy updated if the company funding model changes (e.g. providing a loan to the company to purchase property itself).	As above, around 0.2% (maximum) of total investments.	Any loan could be secured against the property assets of the company. An equity investment would provide less security and increase expected credit loss. However, it may enable the company to be more profitable, and therefore increase returns. Expected credit loss would be looked at in more detail in advance of any investment being granted and linked to the planned use of those funds.

When the Council invests its surplus cash, it seeks to find reliable counterparties to ensure that the amount invested (and the interest earned) is returned. The Council has decided that it is prepared to take on a higher level of risk than recommended by its treasury advisers in relation to unrated Building Societies and the duration of its investments. This risk is mitigated by reviewing published information in relation to unrated Building Societies (i.e. "Pillar 3" reports). Whilst the Council has in the past been fairly highly exposed to Building Societies, it has rebalanced this exposure during the last couple of years to make greater use of other investment types.

The following criteria are used to determine the list of counterparties:

- UK Local Authorities- as they are able to raise additional funds from taxation
- UK Government- Debt Management Office provides highly liquid investments at the lowest risk as backed by the UK Government
- UK Banks and Building Societies with a Fitch Credit rating of BBB (long-term)/ F3 (short-term) or greater- as they have been subject to UK 'stress tests' and also have a high credit rating
- Part-nationalised UK banks- as they have been subject to UK 'stress tests' and the UK government has an increased interest in not allowing them to fail.
- The Council's own banker (Lloyds) that it uses for transactional purposes. Although if its credit rating falls below BBB then any balances will be kept to a minimum (i.e. for cashflow purposes only)
- Non-UK banks with a UK subsidiary that have a Fitch Credit rating of BBB (long-term)/ F3 (short-term) or greater, and are subject to the same stress tests as UK banks
- Non-UK banks where the Country has a AAA rating and the institution has an A+-and above rating.
- Unrated UK Building Societies- as organisations have to pay to obtain a rating; most Building Societies do not get one. They do produce annual reports known as Pillar 3 reports, and these will be used to assess their credit worthiness. Furthermore, the Council will only invest in Building Societies that have assets of at least £300m, which limits the potential exposure.
- Money Market funds that are AAA rated.
- Property funds that hold property within the UK.
- Ultra Short Dated Bond Funds- These funds invest in fixed income instruments with very short maturity dates, usually up to one year. This generally provides better returns than money market funds. Whilst this does introduce some capital risk, this is minimised by the short-term nature of such investments. Where AAA rated.
- Multi-asset Funds- These funds invest in a variety of assets including equities, bonds and cash and are can be spread over a broad range of strategies, styles, sectors and regions. Risk is diversified by the spread of investments held.

All investments will be denominated in Sterling.

The Council will seek to appropriately diversify its investments across a range of types and counterparties. This means that if there were any security or liquidity issues with a particular type of investment or counterparty, the Council would still have access to the majority of its funds. The limits are initially based on a percentage of total funds but are converted to actual values to make the administration of investments more efficient. The values are calculated by applying the percentages to the expected balance at the end of the year (2022/23)* and then rounded up to the nearest £1m. If these limits are set too low then it limits the investment opportunities available and also increases the administration as there is then a need to find more places to invest available funds. The limits are shown in table 17 below.

* This is the balance taken from table 15 above of £47.430M

Table 17

Investment Type	Maximum amount in that type of investment (£m)	Maximum amount in group (£m)	Maximum amount with any individual counterparty (£m)	Rationale and details
Debt Management Office (UK Government)	No limit			Short-term investment with UK Government that is therefore the lowest possible risk
UK Local Authorities	No limit	n/a	7	15% with any one counterparty, no limit on total with Local Authorities due to tax raising powers
UK Banks and UK subsidiaries of foreign banks that are subject to the same stress tests as UK banks (excluding Lloyds current account)- includes Deposits and Certificates of Deposit	33	7	5	Rating F3 or above (short-term) or BBB or above (long-term) and part nationalised banks. 10% with any one counterparty, 15% with institutions in the same banking group, 75% with banks in total
Lloyds Current Account		n/a	5	Used for cashflow purposes
Non-UK banks- includes deposits and Certificates of deposit		11	5	AAA Country rating and A+ and above institution rating. Maximum of 10% with any one counterparty. Maximum of 25% in non-UK banks. 75% in banks in total.
UK Building Societies- assets of £300m to £1bn	n/a	26	2	Review of Pillar 3 reports and KPMG report on comparative profits. 10% with any one counterparty subject to maximum of £2m. Maximum of 60% with UK Building Societies and Property Funds combined.
UK Building Societies- assets of over £1bn			4	As above, but £4million
Rated UK Building Societies			5	Rating F3 or above (short-term) or BBB or above (long-term). 10% with any one counterparty.
UK Property Funds	2		2	Due to long-term nature of investment 10% of 2026/27 year end cash balance to be invested in any one fund or combination of funds. No durational limits.
Money Market Funds	11	n/a	5	AAA rated. Maximum of 25% in MMFs and 10% with any one fund.
Ultra-Short Dated Bond Funds	5		1	AAA rated. Maximum of 10% in USDBFs and £1M with any one fund.
UK Multi-Asset Funds	2		2	Due to long-term nature of investment 10% of 2026/27 year end cash balance to be invested in

				any one fund or combination of funds. No durational limits.
--	--	--	--	---

The Council will primarily limit its liquidity risk by only investing money until it thinks it will next need it. On top of this it will also have a general limit on investments that are greater than 1 year (365 days). This limit is based on 40% of total investments but is again reflected as an absolute value of **£18m**, which is based on 40% of the expected level of investments at the end of the year (rounded up to nearest £1m). Investments with a set term of greater than 2 years will be subject to approval by the Chief Finance Officer, which will include a consideration of how much the investment will be as a percentage of total funds at the date it matures. It will be ensured that this is less than 40% of the estimated balance. No fixed investment term will exceed 5 years.

Investment funds (money market funds, multi-asset funds and property funds) do not have a set term and funds can be requested to be withdrawn at any time. Investment balances will be kept under review to ensure that they do not exceed the maximum amount set by this or subsequent treasury strategies. However, there is no time limit on the period that funds can be held invested for. For property funds there are both up-front set up and exit costs. Furthermore, the capital value of these funds also fluctuates over time. So, whilst in general it is possible to exit these funds at any time, there are likely to be more optimum times to do so. Therefore, it is expected that the period of investment could exceed 5 years. For multi-asset funds, the capital value of these funds also fluctuates over time. So, whilst in general it is possible to exit these funds at any time, there are likely to be more optimum times to do so. Therefore, it is expected that the period of investment could exceed 5 years. The expected changes to the Prudential Code in relation to internal and external borrowing have meant that investments in the multi-asset and property funds have been delayed. Whilst there are no allocations in the capital programme for direct property investments, there are some opportunities that are being looked in to. If these were to be taken forward then they would require an update to this Strategy, which would be subject to re-approval by Council. Given the issues involved with exiting from multi-asset and property funds, these investments will not be progressed until there is greater certainty over any opportunities and therefore the availability of longer-term cash.

Within the investment market, the opportunity for 'green' investments is starting to emerge. These are offering returns that are similar to, or the same as, non-green alternatives for the same level of risk. Subject to these investments being compliant with other aspects of the treasury strategy, then these investments will be prioritised over non-green alternatives.

In general, the Council will access treasury deals directly, rather than using a cash manager. In the current market, the Council is able to get the same (or very similar) rates as a cash manager and this therefore avoids the fees charged by the cash manager. However, the Council will use a cash manager (Tradition) where it provides access to a better investment rate after accounting for the fees. As the actual investment will be with a counterparty, the Council will not set any limits on the number or value of deals that are accessed via Tradition.

Where the Council makes use of credit ratings these will be assessed immediately prior to placing an investment. The Council then receives alerts whenever ratings change and will monitor these alerts to see if an investment has fallen below the minimum criteria. For fixed term investments, it generally will not be possible to do anything in relation to a rating change. Although for a significant drop, enquiries will be made as to the exit costs involved. If these are not significant then the Council will end the investment early. For open term investments, the Council will seek to disinvest, although it will consider any exit costs.

There is a link between the interest rates that the Council can expect to achieve on its investments and the Bank of England base rate. Our treasury advisors (Link) have provided the following forecasts of base rates over the next 3 years. Using this and the investment limits above, we have estimated an average interest rate that the Council will achieve on its investments in each year.

Table 18

Year	Forecast of Bank of England Base Rate as at end of the year (%)	Forecast of average interest earned on investments (%)
2022/23	0.75	0.250
2023/24	1.00	0.325
2024/25	1.25	0.575

Combining these average interest rates with expected balances, gives a forecast of the interest that will be earned in each year. Although the Council is still planning on investing in longer term Property and Multi-asset funds, these have not been assumed in calculating the forecast interest returns. By taking on greater liquidity risk, a higher medium-term return could be expected. The table below makes an estimate of £4m invested in these funds and a return of 2%. This will be accompanied by a financial risk as returns are very uncertain, particularly on a short-term basis.

Table 19

	2022/23	2023/24	2024/25	2025/26	2026/27
Forecast of average balance available for investment (£m)- short to medium term	47.4	40.2	35.4	25.3	24.4
Forecast of average interest earned on investments (%)- short to medium term	0.25	0.325	0.575	0.825	0.825
Forecast of interest earned (£m)*	0.119	0.131	0.204	0.208	0.202
Current interest assumed in the revenue budget.	0.102	0.097	0.096	0.092	0.092

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

Prudential Indicator 8: Forecast of Financing Costs as a percentage of net revenue budget

Year	Cost of borrowing £m	Less: Forecast of interest earned £m	Net Financing costs £m	Net Revenue Budget £m	Financing Costs as a % of Net Revenue Budget £m
2021/22	0.040	0.050	-0.010	15.468	-0.065
2022/23	0.039	0.119	-0.080	17.992	-0.442
2023/24	0.037	0.131	-0.094	16.650	-0.565
2024/25	0.036	0.205	-0.169	15.860	-1.063
2025/26	0.034	0.210	-0.176	15.619	-1.128
2026/27	0.073	0.204	-0.131	15.529	-0.843

Part 6- Overall Risk Considerations

The risk exposures for each of the elements of this strategy are generally independent, and therefore can be considered in isolation.

The Council's investments assets generally comprise of ground leases on commercial properties that are all within North Hertfordshire. The main exception to this is the freehold of the Churchgate Shopping Centre in Hitchin. A property fund generally invests in building (and land) assets that provide higher yields, and also diversifies across the United Kingdom. They also currently tend to focus on industrial, warehouses and office buildings. This means that there is limited cross-over in risk exposure, and before investing in a property fund (current investments are zero) the Council would review the current investments of the selected fund. Furthermore, this strategy limits any investment in a property fund to a maximum of £2m.

Part 7- Glossary

A number of definitions are included in the strategy when they are first referenced. These are not duplicated here. This part provides list of other terms used in this report, as well as those used in the statutory guidance.

Borrowing- a written or oral agreement where the Council temporarily receives cash from a third party (e.g. a Bank, the Public Works Loan Board or another Local Authority) and promises to return it according to the terms of the agreement, normally with interest.

Investment: This covers all of the financial assets of the Council as well as other non-financial assets that the Council holds primarily or partially to generate a profit; for example, investment property portfolios. This will include investments that are not managed as part of normal treasury management processes or under treasury management delegations. Furthermore, it also covers loans made by the Council to one of its wholly-owned companies or associates, to a joint venture, or to a third party. The term does not include pension funds or trust fund investments, which are subject to separate regulatory regimes.

Within this strategy, the term investment is used in the following contexts:

- Capital investment- expenditure to acquire or improve a capital asset.
- Investment properties- assets that are held for the purpose of generating an income.
- Cash/ treasury investments- the cash that the Council has, which is made up of revenue reserves, capital reserves and the effects of cashflow timings. These amounts are invested to manage the risks of holding cash and to generate investment income.

Financial investments: These are made up of Cash/ Treasury investments and loans. This term is defined within the statutory guidance (as specified investments, loans and unspecified investments) but has not been directly used in this strategy. Part 5 of the Strategy is focused on these investments.

Specified Investment: These are essentially short-term Cash/ Treasury investments. To be a specified investment, it needs to meet the following criteria:

- The investment is denominated in sterling and any payments or repayments in the respect of the investment are payable only in sterling.
- The investment is not a long term investment. This means that the local authority has contractual right to repayment within 12 months, either because that is the expiry term of the investment or through a non-conditional option.
- It is not capital expenditure.
- The investment is considered to be high quality or is with the UK Government, another Local Authority or a Parish/ Community Council.

High Quality investment: These are investments (specified and non-specified) which are assessed on the priority basis of security, liquidity and yield. Where relevant they make use of relevant additional information, such as credit ratings. The investments set out in part 5 are considered by the Council to be 'high quality'.

- The investment is denominated in sterling and any payments or repayments in the respect of the investment are payable only in sterling.
- The investment is a long term investment. This means that the local authority has contractual right to repayment in greater than 12 months.
- It is not capital expenditure.

- The investment is considered to be high quality or is with the UK Government, another Local Authority or a Parish/ Community Council.

Unspecified investment: In the statutory guidance, these are financial assets that are not specified investments or loans. This creates a circular definition. The Council considers that they meet the following definition:

Loan: a written or oral agreement where the Council temporarily transfers cash to a third party, joint venture, subsidiary or associate who promises to return it according to the terms of the agreement, normally with interest. This definition does not include a loan to another local authority, which is classified as a specified investment. The Council will meet the following conditions when providing such loans:

- Total financial exposure to these type of loans is proportionate;
- An allowed “expected credit loss” model has been used as set out in Accounting Standards
- Appropriate credit control arrangements are in place to recover overdue repayments; and
- The total level of loans by type is in accordance with the limits set out in this Strategy.

Project	2021/22 Estimate £	2022/23 Estimate £	2023/24 Estimate £	2024/25 Estimate £	2025/26 Estimate £	2026/27 Estimate £	2027/28 - 31/32 Estimate £
Advances & Cash Incentives							
John Barker Place, Hitchin	0	1,096,000	0	0	0	0	0
Advances & Cash Incentives Total	0	1,096,000	0	0	0	0	0
Asset Management							
Access Bury Mead Road	5,300	0	0	0	0	0	0
Acquisition of Property Investments	0	0	0	0	0	0	0
Alteration & improvement to underground drainage at Coombes Community Centre	50,000	0	0	0	0	0	0
Council property improvements following condition surveys	122,000	554,700	0	0	0	0	0
Energy efficiency measures	5,400	0	0	0	0	0	0
Former Public Convenience on Portmill Lane, Hitchin	0	25,000	0	0	0	0	0
Provide housing at market rents	103,200	0	0	0	0	0	0
Riverside walkway, Biggin Lane Hitchin	0	53,000	0	0	0	0	0
Replacement of Newark Close, Royston.	0	65,000	0	0	0	0	0
Thomas Bellamy House, Hitchin	0	65,000	0	0	0	0	0
Asset Management Total	285,900	762,700	0	0	0	0	0
Community Services							
Baldock Town Hall project	17,600	0	0	0	0	0	0
Refurbishment and improvement of community facilities	265,300	0	0	0	0	0	0
S106 Projects	75,000	0	0	0	0	0	0
Community Services Total	357,900	0	0	0	0	0	0
Computer Software and Equipment							
40 KVA UPS Device or Battery Replacement	15,000	0	12,000	0	14,000	0	16,000
Additional PC's - Support Home Working/OAP	0	0	0	0	0	0	0
Alternative to safeword tokens for staff/members working remotely	1,900	5,000	0	3,000	0	3,000	19,000
Back-up Diesel 40 KVA Generator (DCO)	0	0	25,000	0	0	0	0
Cabinet Switches - 4 Floors	18,000	0	0	18,000	0	0	18,000
Cadcorp Local Knowledge & Notice Board Software	5,400	0	0	0	0	0	0
Careline Servers	15,000	0	0	0	0	0	0
CCTV at DCO & Hitchin Town Hall	15,000	5,000	0	0	0	0	0
Conference Calling Solutions in Large Meeting Rooms at District Council Offices	35,000	0	0	0	0	0	0
Cyber Attacks - Events Monitoring Software Solution	24,300	0	0	0	0	0	0
Data Switch upgrade	0	15,000	0	18,000	0	18,000	23,000
DR Hardware Refresh Inc UPS Battery Pk (unit 3)	0	0	0	0	55,000	0	0
Email / Web Gateway with SPAM Filtering Software Solution - Licence 3 Year Contract	22,700	0	0	0	0	0	0
Email Encryption Software Solution	40,400	0	0	0	0	0	0
Infrastructure Hardware	2,200	28,000	0	278,000	0	0	167,000
Integra Centros Upgrade	81,900	0	0	0	0	0	0
Laptop Purchases for Officers	90,000	0	0	0	0	0	0
Laptops - Refresh Programme	46,900	15,000	10,000	15,000	294,000	0	0
Member Laptops - Refresh Programme	0	0	30,000	0	0	30,000	30,000
Microsoft Enterprise Software Assurance	0	617,000	0	0	679,000	0	747,000
PC's - Refresh Programme	13,000	8,000	7,000	13,000	7,000	8,000	26,000
Security - Firewalls	10,800	14,000	0	16,000	0	18,000	18,000
Tablets - Android Devices	18,900	15,000	10,000	10,000	10,000	10,000	20,000
Voice Recorders Careline	6,600	0	0	0	0	0	0
WiFi Upgrade	0	0	0	0	40,000	0	0
WiFi Upgrades for DCO & Hitchin Town Hall	0	0	0	0	0	0	0
Computer Software and Equipment Total	463,000	722,000	94,000	371,000	1,099,000	87,000	1,084,000
Corporate Projects							
Council Chamber	18,300	0	0	0	0	0	0
Elections Equipment	31,100	0	0	0	0	0	0
Leased Cars	0	141,000	0	0	0	0	0
Telephony system	10,600	0	0	0	0	0	0
Corporate Projects Total	60,000	141,000	0	0	0	0	0
Growth Fund Projects							
Cycle Strategy implementation (GAF)	0	278,000	0	0	0	0	0
Green Infrastructure implementation (GAF)	0	185,000	0	0	0	0	0
Transport Plans implementation (GAF)	0	250,000	0	0	0	0	0
Growth Fund Projects Total	0	713,000	0	0	0	0	0
Leisure Facilities							
Avenue Park Floodlights	0	30,000	0	0	0	0	0
Avenue Park Splash Park	0	0	70,000	0	0	0	0
Bancroft & Priory Splash Pads	0	0	0	35,000	0	0	0
Bancroft Lighting	0	0	45,000	0	0	0	0
Bancroft Recreation Ground, Hitchin, Multi Use Games Area (MUGA)	0	0	0	0	0	0	0

Project	2021/22 Estimate £	2022/23 Estimate £	2023/24 Estimate £	2024/25 Estimate £	2025/26 Estimate £	2026/27 Estimate £	2027/28 - 31/32 Estimate £
Environmental Improvements	0	115,000	0	0	0	0	0
Football Goal Replacement Programme	0	0	0	0	0	0	0
Great Ashby District Park safety and security	20,000	0	0	0	0	0	0
Grounds Maintenance Vehicles and Machinery	0	315,000	0	0	0	0	0
Howard Gardens Splashpad	0	35,000	0	0	0	0	0
HSC Boiler Replacement	0	0	0	200,000	0	0	0
HSC Future Refurbishment	0	0	0	0	0	0	0
HSC Outdoor Pool Boiler Replacement	40,000	0	40,000	0	0	0	0
HSC Reception Toilet Refurbishment	0	0	30,000	0	0	0	0
HSC Archers Member Change and Relaxation Area Refurbishment	0	0	0	0	300,000	0	0
HSC Change Village Refurbishment	0	0	0	0	0	225,000	0
HSC Fitness Equipment Replacement	0	0	0	0	0	300,000	0
HSC Fitness Facility Refurbishment	0	0	0	0	0	50,000	0
HSC Outdoor Pool Cover Replacement	0	0	0	0	0	30,000	0
Ickneild Way Cemetery Footpaths	50,000	0	0	0	0	0	0
Ivel Springs Footpaths	0	10,000	0	0	0	0	0
Leisure Condition Survey Enhancements	82,000	0	80,000	0	0	0	0
Letchworth Outdoor Pool Boiler Replacement	40,000	0	40,000	0	0	0	0
Mausoleum	0	250,000	0	0	0	0	0
Mrs Howard Hall Replacement Boiler & Windows	63,000	0	0	0	0	0	0
Newmarket Road Royston Skatepark & Access	0	0	90,000	0	0	0	0
NHLC Boiler Replacement	0	0	200,000	0	0	0	0
NHLC Dryside Changing Area	0	0	100,000	0	0	0	0
NHLC Interactive Water Feature	0	0	0	0	0	0	120,000
NHLC Pool Flume Replacement	0	0	0	0	0	0	150,000
NHLC Reception Toilet Refurbishment	0	0	0	0	0	0	0
NHLC Refurbish Gym Floor	3,200	0	0	0	0	0	0
NHLC Refurbishment of Gym Members Changing Rooms	0	0	0	0	0	0	0
NHLC Replace Circulation Pipework	0	0	0	0	0	0	0
NHLC Replacement of Sport Hall heating system	31,100	0	0	0	0	0	0
NHLC Sauna Steam Refurbishment	0	0	250,000	0	0	0	0
Norton Common Footpaths	0	0	10,000	0	0	0	0
Norton Common Wheeled Sports improvements	0	0	0	0	0	0	0
Oughtonhead Common Footpaths	0	0	20,000	0	0	0	0
Oughtonhead Common Signage and Interpretation	0	10,000	0	0	0	0	0
Park Recycling Litter Bins	25,000	0	0	0	0	0	0
Playground Renovation District Wide	180,000	180,000	180,000	180,000	180,000	180,000	720,000
Ramsoms Rec Footpaths, Gates and Railing	0	10,000	20,000	0	0	0	0
Renovate play area Howard Park, Letchworth	75,000	0	0	0	0	0	0
Renovate skate park at KGV Hitchin	0	0	250,000	0	0	0	0
Renovate play area, District Park, Gt. Ashby	0	0	0	0	0	0	0
Replace items of play equipment Holroyd Cres, Baldock	10,000	0	0	0	0	0	0
Replace items of play equipment Wilbury Recreation Ground, Letchworth	10,000	0	0	0	0	0	0
Replacement of Domestic Hot Water Calorifer at HSC	25,000	0	0	0	0	0	0
Replacement of the timber access bridge at Norton Common	0	75,000	0	0	0	0	0
RLC Changing Village Refurbishment	0	0	225,000	0	0	0	0
RLC Dry Side Toilet Refurbishment	0	0	0	0	30,000	0	0
RLC Future Refurbishment	0	0	0	0	0	0	0
RLC Members Change Refurbishment	0	0	0	150,000	0	0	0
RLC Boiler Replacement	0	0	0	0	0	0	100,000
RLC Fitness Equipment Replacement	0	0	0	0	0	150,000	0
RLC Fitness Facility Refurbishment	0	0	0	0	0	50,000	0
Royston Leisure Centre extension	0	0	1,000,000	0	0	0	0
Solar PV installation at Hitchin Swim Centre	0	0	115,000	0	0	0	0
Solar PV installation at North Herts Leisure Centre	0	0	260,000	0	0	0	0
Solar PV installation at Royston Leisure Centre	0	0	185,000	0	0	0	0
Solar Thermal Installation at Royston Leisure Centre	50,000	0	0	0	0	0	0
St Johns Cemetery Footpath	0	0	0	40,000	0	0	0
Town Centre Parks Play Provision	0	15,000	0	0	0	0	0
Walsworth Common Pavilion - contribution to scheme	0	0	300,000	0	0	0	0
Walsworth Common Pitch Improvements	0	0	0	0	0	0	0
Weston Hills LNR Footpath Renovation	0	20,000	0	0	0	0	0
Wilbury Hills Cemetery Footpaths	14,400	0	10,000	10,000	0	30,000	0
Leisure Facilities Total	718,700	1,065,000	3,520,000	615,000	510,000	1,015,000	1,090,000
Museum & Arts							
Hitchin Town Hall Additional Bar & Glassware Infrastructure	9,300	0	0	0	0	0	0
Hitchin Town Hall Sprung Floor Replacement	75,000	0	0	0	0	0	0

Project	2021/22 Estimate £	2022/23 Estimate £	2023/24 Estimate £	2024/25 Estimate £	2025/26 Estimate £	2026/27 Estimate £	2027/28 - 31/32 Estimate £
Museum and Commercial Storage Facility at Burymead Hitchin	0	2,000,000	2,000,000	0	0	0	0
NH Museum & Community Facility	48,300	0	0	0	0	0	0
NH Museum Platform Lift Solutions	40,000	0	0	0	0	0	0
Museum & Arts Total	172,600	2,000,000	2,000,000	0	0	0	0
Parking							
Hitchin Lairage car park - cosmetic coating to four stairwells and replacement windows and doors.	0	75,000	0	0	0	0	0
Installation of trial on-street charging (GAF)	50,000	0	0	0	0	0	0
Lairage Multi-Storey Car Park - Structural wall repairs	10,000	107,200	0	0	0	0	0
Letchworth Multi-Storey Car Park - parapet walls, soffit & decoration	0	129,000	0	0	0	0	0
Letchworth Multi-Storey car park - lighting	1,800	0	0	0	0	0	0
Match funding for Electric Vehicle charging	100,000	0	0	0	0	0	0
Off Street Car Parks resurfacing and enhancement	50,000	185,500	8,000	0	0	0	0
Parking Charging, Payments & Management	235,000	0	0	0	0	0	0
Parking Machines Replacement	0	0	0	0	150,000	150,000	0
Parking Machines Upgrade - Contactless Payment Facility Installation	36,000	20,000	0	0	0	0	0
Refurbishment of lifts at Lairage Car Park	353,300	0	0	0	0	0	0
Replace and enhance lighting at St Mary's Car Park	60,000	0	0	0	0	0	0
Resurface Lairage Car Park	0	350,000	0	0	0	0	0
Parking Total	896,100	866,700	8,000	0	150,000	150,000	0
Renovation & Reinstatement Grant Expenditure							
Mandatory Disabled Facility Grants	0	0	0	0	0	0	0
Private Sector Grants	90,600	60,000	60,000	60,000	60,000	60,000	240,000
Renovation & Reinstatement Grant Expenditure Total	90,600	60,000	60,000	60,000	60,000	60,000	240,000
Waste collection							
Bury Mead Road Transfer Facility	0	30,000	0	0	0	0	0
Recyclable material transfer facility, vehicle depot and offer facility co-located with a residual waste transfer facility	0	0	0	3,000,000	3,000,000	0	0
Refuse and Recycling Bins	0	90,000	90,000	90,000	90,000	90,000	450,000
Waste and Street Cleansing Vehicles	0	0	0	0	4,000,000	0	0
Waste collection Total	0	120,000	90,000	3,090,000	7,090,000	90,000	450,000
Grand Total	3,044,800	7,546,400	5,772,000	4,136,000	8,909,000	1,402,000	2,864,000
	3,044,800	7,546,400	5,772,000	4,136,000	8,909,000	1,402,000	2,864,000

This page is intentionally left blank

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	
Asset Management and Investment											
NCP1	Service Director - Commercialisation	Former Public Convenience on Portmill Lane, Hitchin	25	-	25	0	0	0	0	0	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. 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.
NCP2	Service Director - Commercialisation	Riverside walkway, Biggin Lane Hitchin	53	30	53	0	0	0	0	0	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. 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 & 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.
NCP3	Service Director - Commercialisation	Charnwood House, Paynes Park, Hitchin	TBC	-	TBC	0	0	0	0	0	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.
ECP1	Service Director - Commercialisation	Acquisition of Property Investments	-	-	0	0	0	0	0	0	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. 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 tresaury investment strategy.

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	
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.
Sub-Total: Asset Management and Investment			615	30	615	-	-	-	-	-	
Corporate Items											
NCP4	Service Director - Resources	Council Car Fleet	141	-	141	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.
Sub-Total: Corporate Items			141	-	141	-	-	-	-	-	
Grants to Third Parties											
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.
Sub-Total: Grants to Third Parties			1,636	270	1,156	60	60	60	60	240	
Green Space Developments											

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	
NCP5	Service Director - Place	Grounds Maintenance Vehicles / Machinery	315	-	315	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.
Sub-Total: Green Space Developments			1,950	-	510	180	180	180	180	720	
Green Space Developments - Baldock											
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.
Sub-Total: Green Space Developments - Baldock			130	-	60	70	-	-	-	-	
Green Space Developments - Hitchin											
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.

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	
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.
Sub-Total: Green Space Developments - Hitchin			730	287	20	635	75	-	-	-	
Green Space Developments - Letchworth											
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.

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	
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.
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.

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	
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. CBP UPDATE 2022/23: Removal of earmarked allocations of £18k in 2026/27 and £23k in 2028/29.
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. CBP UPDATE 2022/23: Removal of earmarked allocations of £25k in 2025/26 and £20k in 2028/29.
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.
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. CBP UPDATE 2022/23: Existing capital allocations of £60k in 2023/24, 2026/27 and 2029/30 proposed to reduce to £30k in each year.

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	
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. CBP UPDATE 2022/23: Capital allocations of £55k in 2023/24 and £60k in 2026/27 replaced by single £55k allocation in 2025/26.
ECP32	Service Director - Customers	Back-up Diesel 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. UPDATE CBP 2022/23: Earmarked allocation of £120k in 2028/29 removed from proposed programme.
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.
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.

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	
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.
Sub-Total: IT			3,457	-	722	94	371	1,099	87	1,084	
Leisure Related Proposals											
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.
New	Service Director - Place	New Mausoleum	250	-	250	0	0	0	0	0	The current Mausoleum is almost full. The building of a new Mausoleum should generate £22K of net income annually form 23/24.
Sub-Total: Leisure			445	-	365	80	-	-	-	-	
Leisure - Hitchin Swim Centre											
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.
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.

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	
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.
Sub-Total: Leisure - Hitchin Swim Centre			1,290	-	-	185	200	300	605	-	
Leisure - Letchworth											
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.

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	
ECP51	Service Director - Place	NHLC Boiler Replacement	200	-	0	200	0	0	0	0	The two boilers are 15+ years old and are at the end of their economic lifespan. Repair works are carried out on a regular basis, however there is a high risk if they are not replaced they may fail which could result in a closure. 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. 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.
ECP52	Service Director - Place	NHLC Dryside Changing Area	100	-	0	100	0	0	0	0	To ensure customer satisfaction is maintained a project to fully refurbish the male, female and disabled dry side changing areas is proposed. 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.
ECP53	Service Director - Place	NHLC: Sauna Steam Refurbishment	250	-	0	250	0	0	0	0	The steam and sauna area was last refurbished in 2006. To ensure customer satisfaction is maintained a proposal to fully refurbish the area is proposed.
ECP55	Service Director - Place	Letchworth Outdoor Pool Boiler Replacement	40	-	0	40	0	0	0	0	Letchworth outdoor pool is currently operating with one boiler due to an irreparable fault with the second boiler. A replacement of the redundant boilers is proposed to ensure the facility remains operational.
ECP56	Service Director - Place	NHLC: Interactive Water Feature	120	-	0	0	0	0	0	120	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.
ECP57	Service Director - Place	NHLC: Pool Flume Replacement	150	-	0	0	0	0	0	150	Investment proposal earmarked for 2028/29. The pool flume was installed in 1992 and due to its age a proposal to replace the fume with a newer model is proposed. This will ensure continued customer satisfaction for users of the leisure pool.
Sub-Total: Leisure - Letchworth			1,120	-	-	850	-	-	-	270	

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	
Leisure - Royston Leisure Centre											
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	<p>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.</p> <p>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.</p>
ECP59	Service Director - Place	Royston Leisure Centre Changing Village Refurbishment	225	-	0	225	0	0	0	0	<p>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.</p> <p>The current condition of the Changing Village is considered acceptable. It is therefore proposed to defer the investment from 2022/23 to 2023/24.</p>
ECP60	Service Director - Place	Royston Leisure Centre Dry Side Toilet Refurbishment	30	-	0	0	0	30	0	0	<p>To ensure customer satisfaction is maintained a project to fully refurbish the male, female and disabled dry side toilet areas is proposed.</p> <p>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 .</p>
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.
Sub-Total: Leisure - Royston Leisure Centre			1,890	170	-	1,410	150	30	200	100	

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	
Museum and Arts Development											
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.
Sub-Total: Museum and Arts Development			4,000	-	2,000	2,000	-	-	-	-	
Parking Related Proposals											
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.

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	
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.
Sub-Total: Parking			696	7	388	8	-	150	150	-	
Waste Collection											
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.
NCP17 Page 245	Service Director - Place	Refuse and Recycling Bins	900	-	90	90	90	90	90	450	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.
	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.
	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.
Sub-Total: Waste Collection			10,930	3,200	120	90	3,090	7,090	90	450	
TOTAL			29,290	3,964	6,207	5,772	4,136	8,909	1,402	2,864	

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			6,769	30	3,149	2,900	90	90	90	450	
Slippage from 2021/22					1,339	0	0	0	0	0	
					7,546	5,772	4,136	8,909	1,402	2,864	

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

CABINET
25 January 2022

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: REVENUE BUDGET 2022/23

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. Cabinet is asked to recommend a budget for 2022/23 on to Council for their consideration and approval. The budget will need to consider the following:
- The funding that the Council would expect to receive in 2022/23 and in future years
 - The forecast net spend required to enable the continued delivery of the Council services in 2022/23 and beyond
 - The prioritisation of any investments in line with the priorities of the Council Plan
 - The exceptional spend in relation to Covid-19
 - The other risks in relation to the budget (e.g. higher spend or lower income) and providing reasonable financial protection against those risks
 - The implications of all the above on future years and ensuring that actions are in place to deliver a balanced budget in the medium term.

2. RECOMMENDATIONS

That Cabinet:

- 2.1. Approves the decrease in the 2021/22 working budget of £111k, as detailed in table 5.

That Cabinet recommends to Council:

- 2.2. Notes the position on the Collection Fund and how it will be funded.
- 2.3. Notes the position relating to the General Fund balance and that due to the risks identified a minimum balance of £3.05 million is recommended.
- 2.4. Approves the savings and investments as detailed in Appendix B.
- 2.5. Approves a net expenditure budget of £18.123m, as detailed in Appendix C.
- 2.6. Approves a Council Tax increase of £5 or a band D property (other bands with pro-rata increases). This is in line with the Medium Term Financial Strategy and is equivalent to 2.08%.

3. REASONS FOR RECOMMENDATIONS

- 3.1. To ensure that all relevant factors are considered in arriving at a proposed budget and Council Tax level for 2022/23, to be considered by Full Council on 10 February 2022. To ensure that the budget is aligned to Council priorities for 2022/23 as set out in the Council Plan.

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.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. All Councillors were given an opportunity to comment on the revenue efficiency, revenue investment and capital proposals at the budget workshops.
- 5.2. Business Ratepayers will be consulted on the proposals within this report (once it has been published) before the budget is discussed at Full Council on 10 February. Any feedback will be made available at that meeting. This is the only statutory consultation that is required. This consultation will be via the website/ e-mail, which is the method that has now been established.
- 5.3. If any saving proposal is anticipated to have a particular impact on a specific area (or areas) then it would be referred to the relevant Area Committee(s) during January. It is however considered that this does not apply to any of the savings proposals that have been included.

6. FORWARD PLAN

- 6.1. This report contains a recommendation on a key Executive decision (recommendation 2.1) that was first notified to the public in the Forward Plan on the 13 December 2021. The budget for 2022/23 (the remaining recommendations) will be presented to Council for approval in February.

7. BACKGROUND

- 7.1. The Medium Term Financial Strategy (MTFS), which provides the financial background for the Corporate Business Planning Process, was approved by Council in September following recommendation by Cabinet. The budget estimates within the MTFS included a number of assumptions. These have been updated as better information has become available. The final budget recommended to Council in February will still contain some assumptions, hence monitoring reports are provided to Cabinet on a quarterly basis.
- 7.2. Political groups were given the opportunity to comment on the initial budget proposals (put forward by Officers and Executive Members) in early November. The feedback from those discussions was presented to Cabinet in December, which has resulted in the proposals contained within this report.
- 7.3. The addendum report presented to Cabinet in December provided details of the provisional Local Government settlement for 2022/23. It is assumed (as in previous years) that there will not be any significant changes between that and the final settlement.

8. RELEVANT CONSIDERATIONS

Decisions made to balance the budget and deliver Council priorities

- 8.1 The Council's Medium Term Financial Strategy set a target of identifying £200k of net savings as part of this budget process. At its meeting in December, Cabinet considered the feedback from the Budget Workshops. This resulted in the removal of some proposals and some others being introduced. The resultant full list is detailed in Appendix B, and this section highlights some of the notable inclusions.
- 8.2 Cabinet rejected the proposal to increase garden waste charges up to £49 but did feel that it was necessary to start to increase the charge in line with inflation. An increase in line with Council Tax inflation was chosen. The charge will remain in line with (and in many cases below) what other Councils are charging.
- 8.3 The budget includes the savings from changes to the Grounds Maintenance contract (annual saving of £144k). These savings will support the Council's sustainability priority by also delivering environmental benefits, including increased biodiversity and reduced mileage.
- 8.4 The investments include a number of increases in staffing to ensure that the Council can continue to deliver its services. It includes investments in our Environmental Health teams to help ensure food standards (as well as other important protection services) continue to be delivered across the District. It also includes early investment in work towards the next Local Plan, which will help ensure that we deliver "a brighter future together". The recruitment of an additional Conservation and Listed Buildings Officer will also contribute towards this.
- 8.5 The continuing investment in Artificial Intelligence software will allow us to continue to automate our services. This will help to deliver online services and information that are available 24/7, and therefore help us to "put people first".
- 8.6 Overall the list of new savings and new investment proposals are projected to generate a net saving of £438k in 2026/27.

General Funding

- 8.7. The settlement for 2022/23 was positive in respect of the following:
 - £122k of Lower Tier Services Grant, which was not forecast
 - £188k of Services Grant. This will cover the increased employee costs that the Council faces from the National Insurance/ Social Care levy. It is also sufficient to provide a contribution towards additional contractor costs that the Council may be required to pay as a result of the levy. This will be set aside as a central contingency.
 - An allocation for New Homes Bonus for new properties during the year to September 2021. This was in addition to the expected legacy payment for 2019/20. This means funding of £295k versus a forecast of £113k.
- 8.8 The settlement also confirmed the referendum principles for Council Tax increases. As in previous years, these have been set at the higher of 2% or £5 (band D equivalent). The Government's calculation of an Authorities "Core Spending Power" assumes that Councils will increase their Council Tax by the maximum allowed. A £5 increase is also in line with the Medium Term Financial Strategy.

- 8.9 There was no additional Covid-19 funding announced for 2022/23. This was in line with expectations but does mean that the Council will need to fund Covid-19 costs in 2022/23 from other funding and using reserves.
- 8.10 The settlement stated that Government would be looking at a new funding formula over the next few months. With the time for consultation that would be required, this would seem to be in line with a new formula being implemented from 2023/24. It was also stated that there would be transitional protection built into it. Although when a new funding mechanism was previously discussed it was suggested that if there was any transitional protection it would be for as short a period as possible. The proposal that the Council would be faced with “negative RSG” was also based on a formula, so a prudent assumption is that this will still be the result of a new formula. For planning purposes it will be assumed that this will be implemented over 2 years (with half the cut in 2023/24 and the full amount in 2024/25). The Council will continue to petition that such a decrease would be unfair and will require a substantial reduction in the services that we deliver, on top of the efficiencies and service changes that we have already delivered.
- 8.11 The above results in the forecast funding levels detailed in table 1 below:

Table 1 – Estimated General Funding

£000 Funding	2022/23	2023/24	2024/25	2025/26	2026/27
Council Tax	12,248	12,560	12,875	13,197	13,527
Council Tax Collection Fund Deficit	(2)	(54)	0	0	0
Negative RSG (or equivalent)	0	(602)	(1,232)	(1,257)	(1,282)
Business Rates baseline	2,726	2,831	2,898	2,956	3,015
Compensation for not increasing the Business Rates multiplier	224	229	234	239	244
New Homes Bonus	295	150	150	150	150
Lower Tier Services Grant	122	0	0	0	0
2022/23 Services Grant / funding for Health and Social Care Levy	188	100	100	100	100
Council Tax support to Parishes	(39)	(32)	(26)	(26)	(26)
	15,762	15,182	14,999	15,359	15,728

Specific Funding

- 8.12 The Council also receives grants and contributions for specific purposes. Generally these are built in to service budgets and have therefore already been taken in to account when determining spend forecasts, so cannot be used towards funding the base budget. These amounts can be uncertain, and reductions in the amount can result in spending pressures that would need to be met from the General Fund. These have been reviewed and the main risks and opportunities are detailed in table 2 below, noting that this is not an exhaustive list:

Table 2 – Forecasts in relation to grants and other contributions

Grant/ Contribution	Amount in 2021/22 (£000)	Risk/ Opportunity
Healthy Hub funding	58	Discussions with Hertfordshire County Council (HCC) are ongoing in relation to them continuing this funding. It is expected that the costs in 2022/23 can be met from any money received from HCC, plus funding that can be carried forward. There could be a budget pressure from 2023/24 if the service is going to continue in its current form.
Cyber funding	0	The Spending Review announced this as additional funding. No allocations have been provided yet. This should allow the undertaking of additional work, so is considered to be an opportunity rather than a risk.

Grant/ Contribution	Amount in 2021/22 (£000)	Risk/ Opportunity
Alternative Financial Model (AFM)	34	This is accounted for in the year that we receive the payment. The payment we receive in 2022/23 will be based on the performance in 2021/22. The latest forecast is that we could receive nothing. The Covid-19 contingency budget has been adjusted to reflect this (see paragraph 8.21).
Audit funding	0	Government have previously announced additional ongoing funding to compensate Councils for increased External Audit fees. These additional fees relate to new audit requirements, including an increased focus on Value for Money. The allocations of this funding have not been announced. We are assuming that the additional costs will be covered by this grant, so have not added a budget pressure. This will be included as a financial risk, see section 8.19.
Housing Benefit Administration Grant	274	The Council has not yet been notified of the grant allocation for 2022/23. The grant amount has reduced in recent years as working age benefit claimants have migrated to Universal Credit. With the budget currently assuming the grant amount will be the same amount in next year, a further reduction in grant for 2022/23 will increase the net cost to the Council of providing the service.
Council Tax Administration Grant	137	The Council has not yet been notified of the grant allocation for 2022/23. While this grant has increased in recent years, the budget assumes the same amount in next year as received in the current year. Any increase in grant allocation for 2022/23 will therefore reduce the Council's net expenditure in next year.

Business Rates and Council Tax Collection Funds

- 8.13 North Herts Council is required to maintain a Collection Fund to account for the income received and costs of collection for Council Tax and Business Rates. Estimates of the net income are made at the start of the year and based on this money is transferred out of the Collection fund to the North Herts Council General Fund and other precepting bodies. The Fund is required to break even over time and any surplus or deficit is transferred to the North Herts Council General Fund and other precepting bodies. For Business Rates, most of the deficits relate to reliefs introduced by Government. The Council receives funding for these which it holds in a specific reserve. This reserve is then released back to the General Fund as required. The net impact is forecast to be relatively low, and is included in the budget summary in Appendix C.
- 8.14 A Business Rates Pool application for 2022/23 has been accepted for Hertfordshire County Council and five other Districts (including North Hertfordshire). The Pool has been formed with the expectation that this will reduce the business rates levy amount otherwise payable at the end of next year, as has been the case in prior years. The initial estimate was a reduction in levy of around £600k. The achievement of this pooling gain next year is however not guaranteed and will be dependent on the actual value of business rates collected in the year. As the levy payable will be funded from grant held in reserve, any pooling gain that does materialise next year will not increase the General Fund balance, but instead reduce the drawdown on the grant held in reserve. The Council (and other Local Authorities in the Pool) have until mid-January to determine if they want to continue with the planned pooling arrangement. The budget makes the prudent assumption that the pooling gain will be zero.

Review of balances and reserves

- 8.15 In setting its budget, the Council needs to consider the level of its reserves. This determines the extent to which the current budget can be supported by the use of reserves, or requires a budget to be set that includes an allowance for increasing reserves. In addition to the General Fund balance, North Herts Council has specific

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

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

Table 3 – Specific Reserves

Name of Reserve	Purpose of Reserve	Balance at 1 April 2021	Estimated Balance at 31 March 2022	Estimated Balance at 31 March 2023
Funding Equalisation Reserve	Where anticipated annual revenue funding has exceeded estimated net expenditure, the Council has opted to contribute the surplus amount to the Funding Equalisation Reserve, rather than raise Council Tax by less than the maximum amount allowed. The reserve balance will be used to mitigate the impact on the General Fund of pressures in the current year (2021/22).	397	0	0
Cemetery Mausoleum Reserve	Held to cover the Authority's obligation to supply Mausoleum niches at the Wilbury Hills Cemetery and is funded from the sale of currently available niches. Balance in the reserve will be used to help finance the proposed capital project in 2022/23 to construct further niches on the site for future sale.	175	175	0
Childrens Services Reserve	Used to help fund Active Communities projects in the district funded from grant income and/or external contributions. Drawdown is expected over the next few years to support the continued operation of the Healthy Hub service.	91	45	25
Climate Change Grant Reserve	Grant awarded to help combat the effect of climate change. Being used for the additional costs (above available establishment) of employing a Trainee Policy Officer working on Climate Strategy. Is now expected to be fully used by the end of 2025/26.	25	21	16
Growth Area Fund Reserve	Holds the revenue grant awarded. An amount has been used in this year to contribute to the cost of a feasibility study for a proposed cycle path, with the remainder to be used once the Local Plan is in place.	53	38	Unknown
Homelessness Grants Reserve	To help prevent homelessness in the district. The grant is earmarked for different homelessness projects or resources.	481	455	Unknown
Housing & Planning Delivery	Hold unspent Housing & Planning Delivery grant to fund Cabinet approved spending plans in subsequent years. The Authority has also made a commitment to the Local Development Framework and funds are held in this reserve for this purpose. Additional income from the 20% increase in statutory planning fees is also transferred here to fund the development of Planning Services. Future balances will depend on timing of spend and fees received in relation to the 20% increase.	1,022	912	Unknown
Information Technology Reserve	To ensure the Authority has adequate resources to purchase hardware and software items when they are required. Reserve balance now committed to fund a Uniform software upgrade with improved functionality.	58	23	0
Insurance Reserve	Used to finance potential claims for risks that are not covered by external policies together with higher excesses currently being borne by the Authority. It is good financial management practice to have an insurance reserve. The future balances will depend on the claims received and the level of relevant insurance.	34	Unknown	Unknown
Land Charges Reserve	Reserve originally established to help meet the potential cost should the financial risk of the repayment of personal search fees occur. Being used for additional administration costs and software upgrades over 3 years.	66	37	13
Leisure Management Maintenance Reserve	To cover the cost of any future significant repair liabilities on the leisure facilities. The Leisure Contract requires a contribution from the Council for maintenance items over £5k, so therefore if funds are not available in the reserve then this would impact on the general fund. Use of the reserve depends on what arises and is therefore unknown.	26	Unknown	Unknown

Name of Reserve	Purpose of Reserve	Balance at 1 April 2021	Estimated Balance at 31 March 2022	Estimated Balance at 31 March 2023
Leased Vehicles and Equipment Reserve	The incorporation of the accounting standard IFRS 16: Leases in the accounting code, effective from April 2022, will mean that both the vehicles and machinery used to deliver the Council's greenspace maintenance contract, as well as the Council's cars provided to staff on operations, will be considered for accounting purposes to have transferred to the Council and will be recorded on the Council's balance sheet at the end of 2022/23. The saving on the revenue account from these arrangements will be transferred to this reserve and ultimately used to finance the capital costs of replacement vehicles.	0	0	50
MHCLG Grants Reserve	Balance of unapplied Section 31 business rate relief grants and pooling gains. Used to fund NNDR Collection Fund deficit contributions and levy payments in future years. Based on the business rates pilot gain recorded in 2019/20, in setting the budget for 2021/22 it was considered that £2.5m could be released from the reserve and used to cushion the impact of pressures on the General Fund. Almost £2m will be released in the current year, with the remaining £500k planned to be transferred to the General Fund next year, as shown in Appendix C.	14,298	10,135	Unknown
Museum Exhibits Reserve	Funds the purchase of museum exhibits and is funded from donations. Use of reserve will depend on donations and opportunities for acquisitions.	13	Unknown	Unknown
Neighbourhood Plan Reserve	Funds received from MLUHC to support neighbourhood planning have been transferred to reserve. The funding will be needed in future years as neighbourhood plans are developed and public examinations and public referendums are required.	98	106	86
Paintings Conservation Reserve	Used to help restore paintings. This is funded through donations and publication income. To be used against a list of items that require conservation.	11	6	Unknown
Special Reserve	This reserve is maintained for any special financial pressures such as pump priming for initiatives for shared services, changes in working practice, major contract renewals, unexpected contract variation, support the response to and reduce the impact of major incidents and other financial pressures. As originally detailed in the Covid-19 Financial Impacts report (on the Council agenda in September 2020) the Special Reserve will be released in to General Fund balances. The remaining balance anticipated of £639k will be transferred in 2022/23.	743	639	0
Street Name Plates	To fund Street Name Plates as and when required. To maintain until Local Plan is adopted and then review.	16	Unknown	Unknown
Syrian Refugee Project	The Council agreed to house 50 Syrian Refugees over five years under the government's resettlement scheme. The scheme is fully funded by the government and the reserve enables the multiple year funding for each household to be maintained for future expenditure associated with their placement in the district, such as housing and support costs.	450	572	Unknown
Taxi Reserve	Any surplus from the taxi service will be transferred to the earmarked reserve where it can be used to offset any future deficit or to fund investment in the taxi service.	7	6	4
Town Centre Maintenance	For the implementation of the Town Wide Reviews and ad hoc town centre maintenance.	61	69	Unknown
Traffic Regulation Orders	An audit was done to identify TRO work to be carried out in the district. Amounts will be drawn down as and when the work is done.	386	381	376
Waste Reserve	AFM monies are transferred to help mitigate any potential risk to the waste service and support future service developments. To be spent on various projects, including developing options around a new waste depot.	749	749	600
Waste Vehicles Reserve	As repayment of the finance lease principal embedded within the waste contract is funded from the Council's cash reserves, the saving on the revenue account is transferred to this reserve to fund the purchase of vehicles when they next need to be replaced.	913	1,340	1,849

Name of Reserve	Purpose of Reserve	Balance at 1 April 2021	Estimated Balance at 31 March 2022	Estimated Balance at 31 March 2023
Welfare Reform Grants Reserve	Awarded to the Authority for different initiatives or changes relating to Housing & Council Tax benefit scheme, and more recently the Business Support and self-isolation grant schemes developed in response to the Covid-19 pandemic. The balance in reserve will be used to develop the service and drawn down when the initiatives or changes are carried out, and therefore the exact timing of usage is unknown.	584	627	Unknown

8.17 As at the 31 March 2021 there was a total of £2.783m held as provisions. These are comprised of:

- Business Rates appeals - £2.740m - the NHDC estimated share of outstanding business rates appeals
- Insurance - £43k - covers the uninsured aspect of outstanding insurance claims.

8.18 North Herts Council operates with a reserve balance for General Fund activities in order to provide a cushion against unexpected increases in costs, reductions in revenues and expenditure requirements. Guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) suggests that the revenue balances should be set at no less than 5% of net revenue expenditure, having taken account of the risks faced by the Authority in any particular year. As net expenditure is anticipated to be around £18million, this means a minimum balance of about £900k. As the Council has become more reliant on generating income to set a balanced budget, an additional 3% of budgeted income (excluding Housing Benefit, grants and other contributions) will also be included in determining the minimum level. Income from fees, charges, interest and rentals is forecast to be around £11.75m and therefore an additional allowance of £350k will be added.

8.19 An assessment of the risks has been compiled for the coming year based on risks identified by each Service Director and cross-referenced to the risk register. The identified areas are where the financial impact is not wholly known, but an estimate can be made. The amount allocated is based on the forecast likelihood of occurrence. Where there is a high likelihood, 50% of the estimated financial impact is allowed for. For medium likelihood, it is 25%. For low likelihood, it is 0%. Table 4 summarises the risks, the forecast impact and the risk allowance to be made. A full list of these risks is shown in Appendix A. This list excludes certain Covid-19 risks which are detailed in paragraph 8.21 below.

Table 4- Budget Risks in 2022/23

Category	Number of Risks	Forecast Value of Impact (£000)	Risk Allowance (£000)
Low	18	6,599	0
Medium	13	1,603	401
High	16	2,815	1,407
Total	47	11,017	1,808

8.20 Combining the risk allowance for specific risks and unknown risks means that a General Fund balance of at least £3.05million should be maintained. This is what is recommended by the s151 Officer (Chief Finance Officer).

Covid-19 financial risk

- 8.21 The Medium Term Financial Strategy (MTFS) highlighted that a central contingency budget would be created in 2022/23 and 2023/24 to cover the estimated costs (including lost income) of Covid-19. This is based on estimates for particular service areas but will be held centrally as the actual impacts could be very different. Table 5 below highlights the amounts that will be set aside. This is updated from the MTFS version.

Table 5- Covid-19 central contingency

Type of spend/ income	Normal budget (£m)	Basis of provision for 2022/23	Amount of provision in 2022/23 (£m)	Basis of provision for 2023/24	Amount of provision in 2023/24 (£m)
Leisure Centre management fee income	0.82	50% of management fee, increased from 25% due to potential impact of Omicron on speed of recovery	0.42	20% of management fee, increased from 10%	0.16
Pay as you use parking income	2.02	10% of annual income. Increased from 5% due to slow recovery of long-stay parking income.	0.20	5% of annual income, increased from 2.5%	0.10
Hitchin Town Hall	0.23	50% of annual income, increased from 20%	0.11	20% of annual income, increased from 10%	0.04
Trade Waste income	1.01	10% of annual income	0.10	5% of annual income	0.05
Homeless costs	0.08	100% increase	0.08	50% increase	0.04
Car park season tickets	0.32	40% of annual income, increased from 20% due to slow recovery	0.12	20% of annual income, increased from 10%	0.06
Recyclable materials	0.29	100% increase	0.29	50% increase	0.15
AFM income	0.42	100% of annual income, increased from 50% based on latest forecasts	0.42	50% of annual income	0.21
			1.74		0.81

Expenditure Forecasts

- 8.22 The starting point for forecasting net expenditure for future years is the previous year's budget, as set in February 2021. This is then adjusted (where necessary) through the Quarterly budget monitoring reports, which highlight both in-year and ongoing impacts. An additional budget review is carried out at the end of November (month 8). The results of this are detailed in table 6 below.

Table 6- Summary of forecast variances (amounts £000)

Budget Area	Current Working Budget	Forecast Outturn	Variance	Explanation for variance	Carry-Forward requested	2022/23 Budget impact
Commercial Rents Income	(1,368)	(1,326)	+42	Annual budget anticipates an additional £52k of rents income from rent reviews completed in the year. One review has been settled in the year, and several reviews currently under negotiation could be finalised by the end of the financial year but are more likely to reach a conclusion in the early part of the 22/23 financial year. Ongoing impact reflects rent changes agreed to date.	0	(10)
Area Committee Grants	58	39	(19)	The carry forward requested is at this stage an estimate of unspent and unallocated Area Committee budgets. This is largely due to the influx of additional funding that has been provided to the District Council from the County Council to support organisations that have been affected by Covid. Many of the applications that have been received have been for addressing the impacts of Covid on the organisations' ability to function and support those in the community. The application amounts have often exceeded the Area committee budgets and have been diverted to these larger funding pots so that the application requests can be fulfilled in their entirety.	19	0
Supplementary Planning Documents (SPDs)	67	0	(67)	It is anticipated that the evidence-based work associated with the SPDs, and approved by Cabinet in March 2021, will be procured in the final quarter of 2021/22. The majority of spend will therefore now be in 2022/23 and it is requested to carry forward the remaining £67k allocated to this project.	67	0
Town Centre Strategies	40	0	(40)	Council approved an investment bid of £40k for 2021/22 to finance progress with town centre strategy reviews, which form part of the documents supporting the Local Plan. Due to the delay in the issuing of the Inspectors final report post examination of the Local Plan, it is requested that this budget is carried forward to enable work to commence in the next financial year, following adoption of the Local Plan.	40	0
Transport User Forum	7	0	(7)	The forums have been held virtually due to the pandemic, which has reduced costs, and there are no plans to change this format for the remainder of this financial year. £40k was requested to be carried forward at Quarter One and it is requested that the remaining current year budget is carried forward to fund the costs of the User Forum in the next financial year.	7	0
Total of Explained Variances	(1,223)	(1,353)	(130)		133	(10)
Other Minor Variances	19,328	19,347	+19		0	1
Total General Fund	18,105	17,994	(111)		133	(9)

- 8.23 Budget proposals were put forward for discussion at Group workshops in November. Comments on the proposals made by the Groups were outlined in the draft budget report presented at the December meeting of Cabinet. This has been covered in more detail in paragraphs 8.1 to 8.6 above. The savings arising from the Council decision to move to four-yearly elections have also now been added. The complete final list of savings and investments is included at Appendix B. This now includes an additional saving in relation to forecast interest received from the Council's investment of surplus cash. This is explained in more detail in the Council's Investment Strategy.

Revenue effects of capital

- 8.24 The Council incurs some interest costs in relation to historic borrowing for capital purposes. The small cost of this is reflected in budget estimates. If the Council was to take out new borrowing for capital purposes, then it would incur revenue costs in relation to interest costs and Minimum Revenue Provision (MRP). MRP is explained in the Investment Strategy report. The proposed changes to the Prudential Code mean that Councils would be expected to borrow internally against their revenue balances first, and only when those balances are insufficient would they borrow externally. Borrowing internally is currently cheaper as the interest cost is the lost interest that would have been earned, rather than the external borrowing cost. MRP still needs to be applied. The initial cost of borrowing is therefore forecast at 3%, although in the longer-term (when external borrowing is required) this will increase to around 5%.
- 8.25 As identified in the Investment Strategy report, the Council will need to borrow in the medium-term. The revenue budget therefore includes an estimate of these costs. This total is now estimated to be £52k in 2026/27.

Reliability of estimates

- 8.26 As part of the budget setting process, the Chief Finance Officer is required to comment on the reliability of the estimates made. A prudent approach has been adopted, especially in relation to income where it is only included where there is a high degree of certainty over it being achieved.
- 8.27 In addition to those factors already highlighted in this report that may affect estimates, a further significant area of uncertainty is in relation to pay inflation, which has been assumed to be 2% across the period. This assumption is in line with the majority of Councils, and the allowances made are a factor in where the negotiations will end up. However the 2021/22 pay award has still not yet been agreed, which adds even more uncertainty to what pay levels will be for 2022/23 onwards.
- 8.28 The impact of Covid-19 remains a significant uncertainty, as detailed in paragraph 8.21 above. It is felt that setting aside a central contingency in both 2022/23 and 2023/24 is a prudent response to this uncertainty. The Council is not assuming any additional support from Government, even though the impacts faced could continue to be significant.
- 8.29 Each year, CIPFA publish a financial resilience index for all Local Authorities. At the time of writing this version of the report, the index had not been published. It is due to be published during January, and an update will be provided when it is published. The index provides an analysis of various measures (e.g. level of reserves, use of reserves) that are considered to be indicators of resilience. Each measure is shown as an index (i.e. a comparison against other similar Councils) so performance that is worse than average could be perceived as poor, even though all Councils might be considered to be performing adequately.

- 8.30 Overall it is considered by the Chief Finance Officer that the estimates made are as reliable as they reasonably can be. They will be subject to risk and this is the reason for setting a minimum General Fund balance and carrying out budget monitoring throughout the year.

Cumulative impact

- 8.31 The cumulative impact of all the estimates described in the previous sections is provided at Appendix C. This shows a forecast of funding and net expenditure for the next five years, including the impact on the General Fund balance.
- 8.32 Appendix C also includes a forecast of the remaining savings that the Council still needs to deliver by 2026/27. The recent increases in inflation (which are forecast by the Office of Budgetary Responsibility to increase in to 2023/24) mean that it has been necessary to increase the inflation forecasts included in the budget. This means that despite the savings that have been identified as part of the budget cycle, the forecast savings that need to be identified and delivered are £1.5m. Furthermore, with the proposed phasing of these savings, there would be a need to use more than £5.5m of reserves. These amounts are likely to be significantly affected by future changes to Local Government funding, with the introduction of a new funding formula and a proposed business rates reset.
- 8.33 This level of savings still required to be identified assumes that the Council will continue to increase Council Tax at the maximum level permitted without the need for a referendum. Any increase in Council Tax below this level would further increase the savings required to balance the budget over the period and require greater drawdown on reserves. The proposal is therefore that Council Tax should be increased by the maximum allowed.

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 prudent general fund and reserve balances
- 9.4 Local authorities are required by virtue of the Local Government Finance Act 1992 to calculate as part of their overall budget what amounts are appropriate for contingencies and reserves. The Council must ensure sufficient flexibility to avoid going into deficit at any point during the financial year.
- 9.5 The provisions of section 25 Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the Chief Finance Officer (s.151 officer) as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.

10 FINANCIAL IMPLICATIONS

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

11 RISK IMPLICATIONS

11.1 As outlined in the body of the report.

11.2 There are significant uncertainties and risks with regard to the funding of the Council over the medium term. This uncertainty is reflected in a corporate risk of 'managing the Council's finances'.

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 Some of the savings and investments identified in Appendix B could have an environmental impact. For some of these (e.g. Green Space maintenance contract savings) the description in the Appendix provides details of the specific implications. For others there may be indirect implications (e.g. recruiting additional staff could require increased travel), and for these the impacts will be managed as much as possible. Overall the Council still plans to deliver the commitments contained within its Climate Change Strategy. Some of the specific actions contained within the Climate Strategy will be dependent on opportunities and funding being available. They may not therefore be in this budget, but could be incorporated in future years.

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, consultation and support is provided in line with HR policy.

16 APPENDICES

16.1 Appendix A – Financial Risks 2022/23

16.2 Appendix B – Revenue Budget Savings and Investments

16.3 Appendix C – Budget Summary 2022 – 2027

17 CONTACT OFFICERS

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

17.2 Antonio Ciampa, Accountancy Manager
antonio.ciampa@north-herts.gov.uk; ext 4566

- 17.3 Rebecca Webb, Human Resources Services Manager
rebecca.webb@north-herts.gov.uk; ext 4481
- 17.4 Isabelle Alajooz, Legal Commercial Team Manager and Deputy Monitoring Officer
isabelle.alajooz@north-herts.gov.uk; ext 4346
- 17.5 Reuben Ayavoo, Policy and Community Engagement Manager
reuben.ayavoo@north-herts.gov.uk; ext 4212

18 **BACKGROUND PAPERS**

- 18.1 Medium Term Financial Strategy <https://democracy.north-herts.gov.uk/documents/s17416/APPENDIX%20B%20-%20MTFS%202022-27%20updated.pdf>

Financial Risks 2022/23

Service Directorate	Financial Risk Ref. No.	Risk	High/ Medium/ Low	Risk Value £	%	Total Risk Assessment £
Commercial	FR1	Adverse possession of land/buildings (litigation costs). Protection of "Village Greens". Signs/fences need to be constructed to avoid residents claiming ownership rights.	M	35,000	25%	8,750
	FR2	Contamination clear-up costs for disposal/vacant sites	M	500,000	25%	125,000
	FR3	Deterioration in the financial position of Hitchin Market increases the cost to the Council of maintaining the market provision.	L	20,000	0%	0
	FR4	Increase in rent defaults on the Council's existing Investment Properties due to the economic downturn.	H	200,000	50%	100,000
Customers	FR5	Fines for breaches of the EU General Data Protection Regulation by the Council or by NHDC outsourced providers when handling and storing data originally collected by NHDC	L	500,000	0%	0
	FR6	Bad Debt Provision may need to increase in light of the roll-out of Universal Credit and in particular the managed migration of working age housing benefit clients to Universal Credit.	M	70,000	25%	17,500
	FR7	Ransomware attack results in the write-off of IT hardware and infrastructure.	L	200,000	0%	0
	FR8	Failure to meet projected Careline sales income as a result of the loss of a corporate client or fall in the number of private clients.	H	50,000	50%	25,000
Legal & Community	FR9	District by-election	M	8,000	25%	2,000
	FR10	Legal team resources - requirement due to recruitment/retention issues to use temp. staff or outsource work. Additional external expertise for assistance with the delivery of key Corporate projects or Governance issues	L	100,000	0%	0
	FR11	Legal expertise related to employment cases	M	50,000	25%	12,500
	FR12	The Council is required to meet the cost of any award from new or ongoing judicial reviews.	H	100,000	50%	50,000
	FR13	Possible procurement challenge. Legal costs and costs of re-tendering if necessary.	L	100,000	0%	0
	FR14	Costs incurred from an increased number of prosecutions pursued in court, for example due to persistent flytipping.	M	50,000	25%	12,500
	FR15	Domestic Homicide Review – requirement for additional resources to respond	H	15,000	50%	7,500

Service Directorate	Financial Risk Ref. No.	Risk	High/ Medium/ Low	Risk Value £	%	Total Risk Assessment £
Place	FR16	The council is forced to re-tender a major contract if a contractor is unable to deliver a contract for any reason .	L	300,000	0%	0
	FR17	Increase in the net cost of recycling services due to either or all of ; adverse changes in the market prices for commodities; a reduction in the volume of recyclates collected; a change in the material composition of the recyclates collected	H	500,000	50%	250,000
	FR18	Reduction in funding from third party agency agreements for contracted grounds and/or tree maintenance works.	L	50,000	0%	0
	FR19	Costs resulting from a localised flooding event that is associated with water courses within the responsibility of NHDC to maintain.	L	50,000	0%	0
	FR20	Cost of felling and destroying trees as a result of pests and tree disease.	L	75,000	0%	0
	FR21	Cost of maintaining service provision in the event of major contract failure.	L	1,000,000	0%	0
	FR22	Income from Trade Refuse is adversely affected by economic downturn.	M	300,000	25%	75,000
Regulatory	FR23	Lack of resilience in delivering key statutory services, such as Environmental Health, Planning and Parking, when staff absence occurs (other than normal leave) e.g. medium/long term sickness, staff resignations, redeployment to other duties etc, increases expenditure on agency staff and / or consultancy advice to maintain service provision.	H	100,000	50%	50,000
	FR24	Increase in net cost of measures to address homelessness/rough sleeping and meeting obligations/projects as a result of for example: absence of government funding / reduced government funding, national and local situations such as with the current pandemic and 'everyone in' approach from Central Government etc.	M	250,000	25%	62,500
	FR25	Dangerous structures - where the Council is unable to recover either or both of; the costs incurred in making the structures safe because, for example, the owner of the property is not known or the land/building is unregistered; the costs involved in seeking to recover the expenditure incurred.	L	50,000	0%	0
	FR26	Specialist advice required with regard to planning applications, e.g. town centre schemes and "hostile applications"	M	100,000	25%	25,000
	FR27	Costs associated with a challenge to a decision of the Council, for example: tribunals, contracts, grant schemes, an appeal against a planning decision, judicial review or threat in advance of a planning decision, Secretary of State call in or holding direction.	H	500,000	50%	250,000
	FR28	Enforcement – costs in relation to enforcement for example: investigations to enable consideration of enforcement action, specialist legal or other advice, direct action / appeal processes, recovery of illegal earnings.	M	100,000	25%	25,000
	FR29	New duties and obligations associated with government policy leads to requiring additional training or additional and/or specialist staff or consultancy support to deliver.	M	100,000	25%	25,000
	FR30	Local Plan: additional costs associated with progressing the Local Plan or associated processes, such as a review.	H	250,000	50%	125,000
	FR31	Local Plan: costs associated with a challenge to the Local Plan either from the Council or another stakeholder/authority	H	450,000	50%	225,000
	FR32	Theft of, or damage to, parking pay & display equipment	M	20,000	25%	5,000
	FR33	Income related to planning applications is lower than the budget expectation as a result of a delay to Local Plan progress or the economic impact of Brexit.	H	250,000	50%	125,000
	FR34	Hertfordshire Home Improvement Agency fail to recover sufficient fees, based upon application throughput, resulting in additional payment requested by HCC to cover costs.	H	15,000	50%	7,500
	FR35	Unfunded Environmental Health costs associated with the Covid-19 pandemic including staffing, protective or specialist equipment, target campaigns etc	H	200,000	50%	100,000

Service Directorate	Financial Risk Ref. No.	Risk	High/ Medium/ Low	Risk Value £	%	Total Risk Assessment £
Resources	FR36	Assumed vacancy saving within staffing payroll budgets does not materialise as a slim staffing structure, and / or an increase in the level of demand for services, reduces the capacity to hold posts vacant for any significant period of time.	L	325,000	0%	0
	FR37	Breach of partial-exemption calculation for VAT	L	300,000	0%	0
	FR38	Increases in construction inflation increase the cost of property repairs and maintenance required.	H	50,000	50%	25,000
	FR39	Localisation of Business Rates – The council is directly exposed to a range of risks including; business rates levy, safety net.	L	200,000	0%	0
	FR40	Member/Officer Indemnity Agreement is called upon	L	100,000	0%	0
	FR41	Further payments are required under MMI scheme of arrangement	L	20,000	0%	0
	FR42	Treasury Management - potential default by a counter party	L	3,000,000	0%	0
	FR43	Reduced staffing capacity means that the delivery of Council projects is delayed and / or additional staffing resource must be hired externally at a cost premium to the Council.	H	50,000	50%	25,000
	FR44	Alternative arrangements are required to secure the outcomes expected from the corporate compliance contract.	H	75,000	50%	37,500
	FR45	Relates to an environmental warranty that was provided to North Herts Homes on the transfer of the Housing stock.	L	209,000	0%	0
	FR46	Increase to the annual external audit fee negotiated between the Council's External Auditor and Public Sector Audit Appointments exceeds the amount of additional related grant funding received from government.	M	20,000	25%	5,000
	FR47	Cost of annual Housing Benefit Subsidy Certification is higher than budgeted due to additional audit fieldwork required.	H	10,000	50%	5,000

11,017,000

1,808,250

This page is intentionally left blank

REVENUE BUDGET SAVINGS AND INVESTMENTS

New Efficiency Proposals

Ref No	Service Directorate	Description of Proposal	Budget Impact	Net Efficiency				
				2022/23	2023/24	2024/25	2025/26	2026/27
				£'000	£'000	£'000	£'000	£'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	(23)	(23)	(23)	(23)	(23)
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 expenditure. The contract review process identified an annual saving, as detailed in the Part 2 report to Cabinet in June 2021, 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 biodiversity, 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	-	-	-	-	-
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	-	-	-	-	-
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)
E18	Managing Director	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.	Additional Income	(3)	(3)	(3)	(3)	(3)
E19	Commercial	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.	Additional Income	(8)	(16)	(16)	(16)	(16)

E20	Commercial	Income from a community lottery. This is based on the business case for setting up the community lottery, which will launch in 2022/23.	Additional Income	-	(4)	(7)	(10)	(13)
E21	Commercial	Revenue income return from proposed capital investment to build a commercial storage facility alongside museum storage at Bury Mead Road, Hitchin. Additional income value based on a 5% level of return.	Additional Income	-	-	(25)	(50)	(50)
E22	Place	Income from the sale of 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.	Additional Income	(11)	(22)	(22)	(22)	(22)
E23	Place	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.	Additional Income	(11)	(33)	(54)	(76)	(99)
E24	Place	Reduction in revenue expenditure by accounting for the purchase of refuse bins and containers as capital spend. This will be partly offset by an additional revenue cost of capital.	Expenditure Reduction	(80)	(80)	(80)	(80)	(80)
E25	Managing Director	Increase in forecast interest income from investment of surplus cash balances, based on the proposed Investment Strategy (Integrated Capital and Treasury) 2022-2032.	Expenditure Reduction	(17)	(34)	(108)	(116)	(110)
Total Net Budget Reduction from new efficiency proposals			Total Expenditure Reduction	(332)	(372)	(446)	(484)	(478)
			Total Additional Income	(259)	(335)	(384)	(434)	(460)
			Total Efficiencies	(591)	(707)	(830)	(918)	(938)

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 E8). 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 (PE1 below) 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 0.5 WTE) 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 (1 WTE) and assumes that a half of the cost will be funded by EHC. Increase of 0.5 WTE, so NHC funding is for 0.25 WTE.	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 Heath 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 Practise, 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 one 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.	Additional Expenditure	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.	Additional Expenditure	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	Additional Expenditure	30	40	-	-	-
R30	Resources	Revenue cost of internal borrowing required to finance the proposed capital programme. Value only reflects Minimum Revenue Provision of 2.5%, as additional impact of lost interest income (estimated to be 0.5%) is included in the interest income projection (see E25).	Additional Expenditure	-	-	-	-	52
Total Net Budget Increase from new pressures and investment proposals			Total Additional Expenditure	477	381	319	349	401
			Total Income Reduction	50	100	100	100	100
			Total Investments	527	481	419	449	501

Efficiencies earmarked in 2022/23 (and/or beyond) resulting from previous decisions

	Service Directorate	Description of Proposal	Budget Impact	Efficiency				
				2022/23	2023/24	2024/25	2025/26	2026/27
				£'000	£'000	£'000	£'000	£'000
PE1	Place	Provision of a Crematorium at Wilbury Hills. Delivery of the crematorium and any revenue efficiency is dependent on a successful planning application. The planning application was refused by Central Bedfordshire Council, but NHDC has submitted an appeal against this decision. Whilst the Council feels that there is a good chance of success in the appeal, the process has delayed the achievement of any savings. The timing and value of savings is based on the Council making a prompt decision to appoint a new partner to deliver the Crematorium. The estimated efficiency value is based on the proposed terms of the original lease, with NHDC receiving an annual base rent of £10k (indexed annually by RPI) plus a percentage (up to a maximum of 10%) of the turnover generated from the Crematorium. The eligible percentage of turnover would be linked to the number of cremations that take place over a 12 month period. If however the Council decided to build the Crematorium itself then the savings could be greater, but would probably take longer to achieve and would require funding to be allocated through the capital budget.	Additional Income	(50)	(100)	(100)	(100)	(100)
PE2	Legal & Community	Removal of budget provision for District Council elections in 2021/22 as no elections are scheduled to be held. Efficiency value includes both the £25k increase in estimated cost of elections reported at Q2 2019/20, which is attributed to rising venue hire prices and higher numbers of postal votes requested, and the £1k saving from integrating elections payroll onto the new Council payroll system. UPDATE CBP 2022/23: Reinstatement of budget provision in 2026/27	Expenditure reduction	117	117	117	-	117
PE3	Place	AFM income from Herts County Council. The efficiency proposal in setting the budget for 2020/21 was to adjust the budget estimates to better reflect the Council's current performance (annual income budget increased by £156k). The reduction in anticipated income beyond 20/21 is due to the HCC proposal to reduce the total amount allocated to collection authorities by 12.5% per annum (approximately £500k per year) for the next three years (impacting receipts from 2021/22). The actual impact will however depend on the Council's recycling performance relative to other Hertfordshire authorities, as well as the overall performance of Hertfordshire collection authorities in diverting waste from landfill and reducing associated costs incurred by HCC.	Additional Income	61	87	87	87	87
PE4	Commercial	Property management costs and commercial rents income. Efficiencies associated with the capital scheme proposal in respect of Thomas Bellamy House, Hitchin. The capital project will significantly raise the prospects of NHDC securing tenants for Thomas Bellamy House and generating a commercial rental income stream for the Council. Further, by securing tenants, NHDC will be in a position to pass on the costs of holding this property, such as energy and maintenance costs, to those tenants by way of leases or other occupational agreements. NHDC currently bears most/all of the holding costs as the building is largely vacant. UPDATE CBP 2022/23: Delay to the capital scheme due to additional works required means that achievement of planned efficiency is now expected one year later than originally anticipated.	Additional Income	-	(9)	(28)	(28)	(28)
PE5	Legal & Community	Independent Remuneration Panel (IRP) expenses. Proposed that the Members' Allowances Scheme is reviewed every four years, subject to the scheme making a provision for an annual adjustment of allowances by reference to an indexation. Each person on the Independent Remuneration Panel is paid an honorarium of £500 plus expenses incurred, e.g. mileage. If the scheme provides for an indexation there would be no need for the IRP to meet annually unless there was a change in circumstance, in which case the Council could request the IRP to convene. CBP 22/23 UPDATE: Budget saving removed in 26/27 as panel is scheduled to convene.	Expenditure Reduction	(2)	(2)	(2)	-	(2)
PE6	Resources	Continued reduction in audit days (Shared Internal Audit Service- SIAS). Previous savings to reduce from 350 days down to 300 days. This proposal is for a further reduction down to 270 days (15 day reduction in 2022/23 and a further 15 days in 2023/24). It is still believed that this will provide sufficient coverage for the Council and to provide the required assurance from the Head of SIAS.	Expenditure Reduction	(5)	(9)	(9)	(9)	(9)
PE7	Customers	Revenue savings associated with the proposed capital investment to facilitate the provision of laptops for all officers for use at home and in the office. Savings anticipated would include a reduction in telephone call charges, as the laptops would facilitate soft-telephony. The reduced office footprint required may also allow income generation from the renting of floor space at DCO. 'Green' benefits may also materialise in the form of reduced travel and energy consumption. Work is ongoing to quantify the financial impact.	Expenditure Reduction	tbc	tbc	tbc	tbc	tbc
PE8	Managing Director	Reduce frequency of Outlook from 3 editions per year to 2 editions per year.	Expenditure Reduction	(8)	(8)	(8)	(8)	(8)

Total Net Budget Reduction from earmarked efficiencies	Total Expenditure reduction	102	98	98	(17)	98
	Total Additional Income	11	(22)	(41)	(41)	(41)
	Total Efficiencies	113	76	57	(58)	57

Investments earmarked in 2022/23 (and/or beyond) resulting from previous decisions

	Service Directorate	Description of Proposal	Budget Impact	Investment				
				2022/23	2023/24	2024/25	2025/26	2026/27
				£'000	£'000	£'000	£'000	£'000
PI1	Regulatory	Review of Social Housing stock- On a four yearly basis, procure consultants to analyse the condition of housing stock in North Herts and/or support activity on measures aimed at resultant findings/current priorities (e.g. helping residents introduce energy efficiency measures).	Additional Expenditure	-	-	20	-	-
PI2	Regulatory	Local housing market analysis - Appoint consultant biannually to provide information and analysis on the local housing market in order to inform the development of housing policies and strategies. UPDATE CBP 2022/23: Proposed to remove biannual £7.5k budget earmarked in 2023/24 & 2025/26 and instead replace with permanent £3k top-up to existing consultants budget to create an annual budget of £5k for local housing analysis from 2022/23. Net zero impact on General Fund over the five year period 2022 - 2027.	Additional Expenditure	(5)	(5)	(5)	(5)	(5)
PI3	Regulatory	The undertaking of town centre strategy reviews, which form part of the documents supporting the Local Plan. It is proposed that the investment will be required in each of the next four years to cover all four towns.	Additional Expenditure	-	-	-	(40)	(40)
PI4	Resources	Hitchin Fountain. Lady Dixon has agreed to pay for a new floating fountain to go in front of the church in Hitchin. It is believed that this will provide a more reliable water flow than the old pump. The supplier is prepared to provide free maintenance for the first 2 years if the Council agrees to put up an in keeping plaque near to the fountain. The quote for this maintenance after the first 2 years is just under £3k per year.	Additional Expenditure	1	1	1	1	1
PI5	Chief Executive	Triennial Pension Scheme Valuation. Increases in annual lump sum [fixed] contribution recommended by the actuary over the three year period from April 2020.	Additional Expenditure	29	29	29	29	29
PI6	Legal & Community	Provide inflationary increase (2%) for MOUs with CVC and Citizens Advice North Herts. Inflation increases beyond 2023/24 included within estimated inflation total.	Additional Expenditure	4	8	8	8	8
PI7	Regulatory	Delivery of a single issue Local Plan review to incorporate any emerging Council Priorities re. Climate Change Emergency into formal planning policy for the District. Dependent on the outcome of current Council Priorities work, the estimated two-year programme (2020/21 & 2021/22) would include commissioning of evidence and examination.	Additional Expenditure	(40)	(40)	(40)	(40)	(40)
PI8	Regulatory	Continuation of the Electric Vehicle strategy to incorporate any emerging Council Priorities re: the Climate Change Emergency / air quality. While details are not yet known, future implementation may require accompanying capital expenditure.	Additional Expenditure	-	(20)	(20)	(20)	(20)
PI9	Regulatory	To extend the joint Economic Development Officer post (shared with East Herts) for a further 2 years to the end of 2021/22.	Additional Expenditure	(26)	(26)	(26)	(26)	(26)
PI10	Managing Director	Investment interest income. Budget estimate adjusted in line with anticipated cash balances and interest returns, as detailed in the Council's Investment Strategy (Combined Capital and Treasury) for 2021-31. CBP 2022/23 Update: Interest income projections will be updated for new Investment Strategy once finalised.	Income Reduction	1	6	7	11	11

Total Net Budget Increase from earmarked investments	Total Additional Expenditure	(37)	(53)	(33)	(93)	(93)
	Total Income Reduction	1	6	7	11	11
	Total Investments	(36)	(47)	(26)	(82)	(82)

Savings incorporated since 2021/22 Budget approved by Council in February 2021

Report	Service Directorate	Description of Saving	Budget Impact	Saving				
				2022/23	2023/24	2024/25	2025/26	2026/27
				£'000	£'000	£'000	£'000	£'000
Third Quarter Revenue Monitoring 2020/21	Place	Net income from Garden Waste service. Increase in income expectation reflects the sustained level of demand for the service, with a similar number of households signing up to the new subscription period that commenced in October 2020.	Additional Income	(81)	(81)	(81)	(81)	(81)
Revenue Budget Outturn 2020/21	Regulatory	Hertfordshire County Council contribution to highways verge maintenance. Increase in income follows the new service contract agreed with Hertfordshire Highways.	Additional Income	(15)	(15)	(15)	(15)	(15)
Revenue Budget Outturn 2020/21	Place	Refuse service income. Bins which are no longer reusable, and would previously have been disposed of, are now instead being sold to a plastics recycling company. Whilst the plastics market is buoyant an annual income can be expected (included within other minor variances total in table 3).	Additional Income	(8)	(8)	(8)	(8)	(8)
First Quarter Revenue Monitoring 2021/22	Place	Reorganisation of the Leisure and Active Communities Team, with the deletion of the Active Communities Manager post. The Covid-19 pandemic limited the ability of the Active Communities service to both deliver activities, due to lockdown restrictions, and to secure external funding to finance projects and initiatives. Responsibility for delivering ongoing tasks and activities has been absorbed within the Leisure Manager and Leisure Officer posts.	Expenditure Reduction	(32)	(32)	(32)	(32)	(32)
First Quarter Revenue Monitoring 2021/22	Resources	Shared Internal Audit Service. Agreed reduction of 50 days to the audit plan from 2021/22. The efficiency proposal approved by Council in February 2021 (as detailed in PE6 above) had assumed a reduction of 15 days in 2022/23 and a further reduction of 15 days from 2023/24. With no further reductions now anticipated, the ongoing impact has been adjusted accordingly.	Expenditure Reduction	(15)	(11)	(11)	(11)	(11)
Electoral Cycle	Legal & Community	At the Extraordinary meeting of Full Council on the 7th December 2021, the Council resolved to change the electoral cycle to all-out elections. At present, scheduled elections take place in three out of every four years. The first all-out election will take place in May 2024 and, with no elections anticipated in 2025/26 under either election cycle, the financial saving will materialise from 2026/27. The precise saving will depend upon whether the district elections can be combined with any another election, and whether the formulation of the Fees and Charges Order for any elections paid for by central Government were included, as that varies from election to election. The saving could potentially increase if parish council election dates are aligned with the District Council in future.	Expenditure Reduction	-	-	-	-	(121)
Second Quarter Revenue Monitoring 2021/22	Commercial	District Council Offices Second Floor Letting Income. 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.	Additional Income	(39)	(39)	(39)	(39)	(39)
Second Quarter Revenue Monitoring 2021/22	Customers	Hertfordshire County Council contribution to Empty Homes Review (included within 'other minor variances' total in table 3). The cost of the review will be fully funded by HCC from the next financial year.	Additional Income	(6)	(6)	(6)	(6)	(6)
Second Quarter Revenue Monitoring 2021/22	Place	Income from the sale of paper collected for recycling. A new contract, procured alongside the Hertfordshire Waste Consortium, commenced in June 2021. The sale price for paper achieved each month under the new contract is dependent on the market price which, while variable, has to date been significantly higher than the fixed price per tonne agreed under the previous contract.	Additional Income	(71)	(71)	(71)	(71)	(71)
Second Quarter Revenue Monitoring 2021/22	Place	Recycling credits income from Hertfordshire County Council for commingled recyclates collected. While the volume of commingled recycling collected in this financial year has been 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.	Additional Income	(108)	(108)	(108)	(108)	(108)
Second Quarter Revenue Monitoring 2021/22	Place	Public Conveniences Business rates expenditure. The Non-Domestic Rating (Public Toilets) Act received Royal Assent on 29 April 2021. This Act provides a 100% business rates relief for separately-assessed public toilets in England and Wales, including those being operated by Local Authorities. Budget adjustment included within 'other minor variances' total in table 3.	Expenditure Reduction	(11)	(11)	(11)	(11)	(11)
Second Quarter Revenue Monitoring 2021/22	Resources	Insurance Premiums. The Casualty category of insurance premiums, which includes Public Liability and Employers Liability, was retendered this year and resulted in a saving of around £20k. This is partially offset by an increase of around £7k on other premiums (included within 'other minor variances' total in table 3).	Expenditure Reduction	(13)	(13)	(13)	(13)	(13)
Revenue Budget Report 2022/23	Commercial	Commercial rent income. Income increase follows rent changes agreed for investment properties at York Way and Blackhorse Road Industrial Estate.	Additional Income	(10)	(10)	(10)	(10)	(10)

Total Savings incorporated since 2020/21 budget agreed in February 2020	Total Expenditure Reduction	(71)	(67)	(67)	(67)	(188)
	Total Additional Income	(338)	(338)	(338)	(338)	(338)
	Total Efficiencies	(409)	(405)	(405)	(405)	(526)

Budget Pressures and Investments incorporated since 2021/22 Budget approved by Council in February 2021

Report	Service Directorate	Description of Pressure	Budget Impact	Pressure				
				2022/23	2023/24	2024/25	2025/26	2026/27
				£'000	£'000	£'000	£'000	£'000
Third Quarter Revenue Monitoring 2020/21	-	Net total of minor permanent budget adjustments requested at Quarter Three 2020/21 ('other minor variances' total in table 3).	Additional Expenditure	2	2	2	2	2
Revenue Budget Outturn 2020/21	Managing Director	Fees payable to the External Auditor. Base budget increase relates to the service provided by the external auditor as reporting accountant for the housing benefit subsidy claim. Value is based on the experience of recent years.	Additional Expenditure	12	12	12	12	12
Revenue Budget Outturn 2020/21	Managing Director	Hertfordshire Property Partnership programme. Annual contribution to Hertfordshire County Council for the Hertfordshire Property Partnership programme management costs. The annual contribution has been made for the last three years and is expected to be ongoing (included within other minor variances total in table 3).	Additional Expenditure	10	10	10	10	10
Revenue Budget Outturn 2020/21	Customers	Careline Corporate Dispersed Alarms Income. Adjustment to the ongoing income expectation in line with activity in recent years (included within other minor variances total in table 3).	Income Reduction	10	10	10	10	10
First Quarter Revenue Monitoring 2021/22	Place	Domestic Waste & Recycling and Street Cleansing contract expenditure. The budget for 21/22 assumed a contract indexation of 0.4%, based on the respective indices at that time. Due to subsequent increases in the fuel price index and the Consumer Price Inflation index, the calculation of the actual indexation rate for 21/22, as defined in the terms of the contract, resulted in an increase to contract prices of 3.8%.	Additional Expenditure	176	176	176	176	176
First Quarter Revenue Monitoring 2021/22	Place	Commercial Waste and Recycling Services. Following the easing of COVID restrictions most customers have begun trading again, however some have ceased trading. Of those customers who have resubscribed to the service, there has been a rationalisation of the services used, such as reduced frequency of collections, reduction in the number of bins and / or bin sizes. The estimated income impact is partially offset by a projected reduction in tipping charges, from the lower levels of waste collected, and lower contract costs from the lower level of activity.	Income Reduction	32	32	32	32	32
First Quarter Revenue Monitoring 2021/22	Customers	Housing Benefit and Council Tax administration grants. The Council was notified in March 2021 both that the Council Tax Admin grant would increase by £15k to a total of £137k for 2021/22, while the Housing Benefit Admin grant would reduce by £24k to a total of £274k receivable in 2021/22. The overall £9k reduction in grant income was included within the other minor variances total in table 3 of the monitoring report for the First Quarter of 2021/22.	Income Reduction	9	9	9	9	9
First Quarter Revenue Monitoring 2021/22	-	Net total of minor permanent budget adjustments requested at Quarter One 2021/22 (included within 'other minor variances' total in table 3).	Additional Expenditure	6	6	6	6	6
Second Quarter Revenue Monitoring 2021/22	Place	Recycling credits income from Hertfordshire County Council for paper collected for recycling. The decline however in the volume of paper collected each month continues, with the base budget adjusted to reflect current levels of paper collected.	Income Reduction	18	18	18	18	18
Second Quarter Revenue Monitoring 2021/22	-	Net total of minor permanent budget adjustments requested at Quarter Two 2021/22 (included within 'other minor variances' total in table 3).	Additional Expenditure	2	2	2	2	2
Revenue Budget Report 2022/23	-	Net total of minor permanent budget adjustments requested at Month 8 2021/22 monitoring within the revenue budget report for 2022/23 (included within 'other minor variances' total in table 3).	Additional Expenditure	1	1	1	1	1

Total pressures and investments incorporated since 2020/21 budget agreed in February 2020	Total Additional Expenditure	209	209	209	209	209
	Total Income Reduction	69	69	69	69	69
	Total Pressures Arising	278	278	278	278	278

Previously agreed changes, including updates to amounts

Reference	Service Directorate	Description	Budget Impact	Pressure / Saving				
				2022/23	2023/24	2024/25	2025/26	2026/27
				£'000	£'000	£'000	£'000	£'000
-	Managing Director	Reduction in annual interest payments relating to outstanding loans with Public Works Loans Board. The annual interest payments reduce as the loan principal is repaid. UPDATE CBP 2022/23: Estimates updated and extended to 2026/27	Saving	(1)	(3)	(4)	(6)	(7)
Council 31st August 2017	Managing Director	Annual interest (fixed at 3.5%) receivable from NHDC loan to SLL for purchase of gym and fitness equipment at Hitchin and Royston Leisure Centres, approved by Council in August 2017, decreases as the loan principal is repaid. Loan principal is scheduled to be fully repaid by the end of March 2023.	Pressure	4	7	7	7	7
-	Managing Director	District Wide Survey (estimated cost £18k) takes place in alternate years. UPDATE CBP 2022/23: Budget removed in 2026/27 as no survey due to take place in that year.	Saving	(18)	-	(18)	-	(18)

Total Net Budget Impact	Total Pressures	4	7	7	7	7
	Total Savings	(19)	(3)	(22)	(6)	(25)
	Net Budget Impact	(15)	4	(15)	1	(18)

Expenditure Budget requested to be Carried Forward from 2021/22

Report	Service Directorate	Purpose of Carry Forward	Carry Forward				
			2022/23	2023/24	2024/25	2025/26	2026/27
			£'000	£'000	£'000	£'000	£'000
First Quarter Revenue Monitoring 2021/22	Customers	Artificial Intelligence (AI) Software Licenses. The approved revenue investment allocation of £35k for AI software was carried forward at the end of 2020/21. The first year's software licenses have now been procured at a cost of £24k and a carry forward of £11k is requested to contribute to the second year's license fee in 2022/23.	11	(11)	-	-	-
First Quarter Revenue Monitoring 2021/22	Regulatory	Transport User Forum. The Forums are currently held virtually due to the pandemic, which has reduced the costs of facilitating the User Forum, such as venue costs and consultant advice. There are no plans to change this in the current year, so it is anticipated that most of the budget will not be spent. A carry forward is requested to fund the costs of the User Forum in the next financial year.	40	(40)	-	-	-
Second Quarter Revenue Monitoring 2021/22	Legal & Community	Brexit Grant funded expenditure. 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	(32)	-	-	-
Second Quarter Revenue Monitoring 2021/22	Regulatory	Supplementary Planning Documents. 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 to fund the progress of this work in 2022/23	100	(100)	-	-	-
Second Quarter Revenue Monitoring 2021/22	Regulatory	Parking Lines & Signs maintenance. Not all 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	(28)	-	-	-
Revenue Budget Report 2022/23	Legal & Community	Area Committee Grants. The carry forward requested is at this stage an estimate of unspent and unallocated Area Committee budgets. This is largely due to the influx of additional funding that has been provided to the District Council from the County Council to support organisations that have been affected by Covid. Many of the applications that have been received have been for addressing the impacts of Covid on the organisations' ability to function and support those in the community. The application amounts have often exceeded the Area committee budgets and have been diverted to these larger funding pots so that the application requests can be fulfilled in their entirety.	19	(19)	-	-	-
Revenue Budget Report 2022/23	Regulatory	Supplementary Planning Documents (SPDs). It is anticipated that the evidence based work associated with the SPDs, and approved by Cabinet in March 2021, will be procured in the final quarter of 2021/22. The majority of spend will now be in 2022/23 and it is therefore requested to carry forward the remaining £67k allocated to this project.	67	(67)	-	-	-
Revenue Budget Report 2022/23	Regulatory	Town Centre Strategies. Council approved an investment bid of £40k for 2021/22 to finance progress with town centre strategy reviews, which form part of the documents supporting the Local Plan. Due to the delay in the issuing of the Inspectors final report post examination of the Local Plan, it is requested that this budget is carried forward to enable work to commence in the next financial year following adoption of the Local Plan.	40	(40)	-	-	-
Revenue Budget Report 2022/23	Regulatory	Transport User Forum. The forums have been held virtually due to the pandemic, which has reduced costs, and there are no plans to change this format for the remainder of this financial year. £40k was requested to be carried forward at Quarter One and it is requested that the remaining current year budget is carried forward to fund the costs of the User Forum in the next financial year.	7	(7)			
Total Budget Carried Forward			344	(344)	-	-	-

Budget Summary 2022 - 2027

All amounts £000	2022/23	2023/24	2024/25	2025/26	2026/27
Net expenditure brought forward	15,468	18,123	16,836	16,052	15,903
Planned delivery of savings previously identified	113	-38	-19	-115	115
Planned Investments previously approved	-36	-11	21	-56	0
Other previously identified adjustments in future years	-15	19	-19	16	-19
Savings and Cost Reductions reported in year	-409	4	0	0	-121
Investments and Pressures reported in year	278	0	0	0	0
Covid-19 Recovery Provision	1,740	-930	-810	0	0
New savings proposals	-591	-116	-123	-88	-20
New investment proposals	527	-46	-62	30	52
2021/22 Estimated Pay Award	-65	0	0	0	0
Additional 1.25% Employer NI Contribution	188	-88	0	0	0
Net pay increments	-7	50	50	50	50
Pay inflation	287	300	300	300	300
Forecast Contractual Inflation	462	400	400	325	325
Forecast Income Inflation	-160	-288	-221	-212	-216
2021/22 Budgets Carried Forward	344	-344	0	0	0
Further savings tbc	0	-200	-300	-400	-600
Total Net Expenditure	18,123	16,836	16,052	15,903	15,769
Council Tax Income	-12,248	-12,560	-12,875	-13,197	-13,527
Council Tax Collection Fund (Surplus) / Deficit	2	54	0	0	0
(Negative) Revenue Support Grant	0	602	1,232	1,257	1,282
Business Rates	-2,726	-2,831	-2,898	-2,956	-3,015
Business Rates - Under-indexing of multiplier compensation	-224	-229	-234	-239	-244
New Homes Bonus / new Housing Growth Incentive Scheme	-295	-150	-150	-150	-150
Lower Tier Services Grant	-122	0	0	0	0
2022/23 Services Grant / funding for Health and Social Care Levy	-188	-100	-100	-100	-100
Other	39	32	26	26	26
Total Funding	-15,762	-15,182	-14,999	-15,359	-15,729
Net funding position (use of reserves)	2,361	1,653	1,053	543	41
General Fund b/f	9,493	8,315	6,661	5,608	5,065
Special Reserve transfer	-639	0	0	0	0
MHCLG Grants Transfer	-543	0	0	0	0
General Fund c/f	8,315	6,661	5,608	5,065	5,024

This page is intentionally left blank